



MANAPPURAM FINANCE LIMITED

Make Life Easy

Ref: Sec/SE/152/2023-24
July 26,2023

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 Scrip Code: 531213	National Stock Exchange of India Limited 5th Floor, Exchange Plaza Bandra (East) Mumbai - 400 051 Scrip Code: MANAPPURAM
---	---

Dear Sir/Madam,

Sub: Annual Report & AGM Notice

Please be informed that the Thirty First Annual General Meeting of the shareholders of the Company for the F.Y. 2022-23 will be held on Thursday, August 17, 2023 at 11.am. IST at Latha Convention Centre (formerly known as Anugraha Auditorium) Valapad, Thrissur, Kerala-680567 to transact the business as detailed in the enclosed 31st AGM Notice.

31st AGM Notice, Attendance Slip and Proxy Form may be accessed through the Company website at

<https://www.manappuram.com/public/uploads/editor-images/files/31st%20AGM%20Notice%202022-23.pdf>

31st Annual Report along with Business Responsibility and Sustainability Report ("BRSR") can be accessed through the Company website at

<https://www.manappuram.com/public/uploads/editor-images/files/31st%20Annual%20Report%202022-23.pdf>

Kindly take the same on your record.

Thanking you.

Yours Faithfully,
For Manappuram Finance Limited

Manoj Kumar V.R
Company Secretary

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



MANAPPURAM FINANCE LIMITED
 Regd. Office: W - 4/638 A
 Manappuram House, Valapad P.O., Thrissur – 680 567, Kerala, India
 Ph: (0487) 3050413, 3050417, Fax No. (0487) 2399298
 CIN: L65910KL1992PLC006623
 Email: cosecretary@manappuram.com, Website: www.manappuram.com

Notice

Notice is hereby given that the **31st Annual General Meeting (AGM)** of the shareholders of **Manappuram Finance Limited** ("the Company") will be held on **August 17, 2023, Thursday at 11.00 A.M. (IST)** at Latha Convention Centre (formerly known as Anugraha Auditorium), Valapad, Thrissur, Kerala - 680 567, India to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

To receive, consider and adopt the audited Standalone as well as Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with Reports of the Board of Directors and Auditors thereon.

2. Appointment of Mr. S R Balasubramanian (DIN: 03200547) as Director, liable to retire by rotation

To appoint a director in place of Mr. S R Balasubramanian (DIN: 03200547), Non-Executive Non-Independent Director of the Company who retires by rotation, and being eligible, offers himself for a re-appointment.

SPECIAL BUSINESS:

3. 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

To consider, and if thought fit, to pass with or without modification (s), the following as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and Schedule V and other applicable provisions, if any of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any statutory amendments made thereto, the consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. V P Nandakumar (DIN:00044512) as Managing Director and Chief Executive Officer of the Company for a further period of 5 (Five) years with effect from April 01, 2024 to March 31, 2029."

"RESOLVED FURTHER THAT pursuant to the provisions of Section 196 (3) read with Part I of Schedule V to the

Companies Act, 2013 the approval of the members of the Company be and is hereby accorded to Mr. V P Nandakumar (DIN:00044512), to continue as Managing Director and Chief Executive Officer of the Company who may attain the age of 70 (Seventy) years during the tenure of his appointment."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee of Directors) be and is hereby authorized to vary and/ or revise the remuneration of Mr. V P Nandakumar (DIN: 00044512) as Managing Director and Chief Executive Officer within the overall limits under the Act subject to such other approval that may be necessary and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid Resolution.

"RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. Revision in remuneration payable to Mr. V P Nandakumar, Managing Director & Chief Executive Officer of the Company.

To consider, and if thought fit, to pass with or without modification (s), the following as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any of the Companies Act, 2013 ("Act") (including Schedule V of the Act) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any statutory amendments made thereto, the consent of Members of the Company be and is hereby accorded for revision in remuneration of Mr. V P Nandakumar (DIN: 00044512), Managing Director and Chief Executive Officer of the Company, by way of increment with effect from April 01, 2023 and until March 31, 2024 and for the fresh term commencing from April 01, 2024 until March 31, 2029"

“RESOLVED FURTHER THAT the remuneration payable to Mr. V P Nandakumar (DIN: 00044512), Managing Director and Chief Executive Officer of the Company, with effect from April 01, 2023 and until March 31, 2024 and for the fresh term commencing from April 01, 2024 until March 31, 2029 shall be as under:

Salary & Allowances: ₹ 8,00,00,000/- (Rupees Eight Crore Only) per annum as Salary and ₹ 1,50,00,000/- (Rupees One Crore Fifty Lakhs Only) per annum as allowances.

Commission/ variable pay: Not exceeding 1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013. The quantum of commission is to be determined by the Board of Directors subject to the norms framed by the Board from time to time.

Retirement Benefits/ Perquisites:

Contribution to Provident Fund:

12% of the monthly salary and allowances as above. Further, contribution to Pension Fund, Superannuation Fund, Gratuity Fund, Encashment of Leave at the end of the tenure of appointment as per the rules of the Company (These shall not be included in the computation of remuneration or ceiling on the perquisites).

Medical Reimbursement Expenses: For self and family including premium payable for medical insurance in accordance with the rules of the Company.

Personal Accident Insurance: As per the rules of the Company.

Leave Travel Concession: For self and family, thrice in a year as per the rules of the Company.

Fee for clubs: Subject to maximum of two clubs excluding admission and life membership fees.

Others:

1. Provision of chauffeur driven cars for official purposes and telephones including internet at residence.
2. Such other allowances, perquisites, benefits, and amenities as may be provided by the Company to the top management from time to time.
3. Accompanying spouse or any other person for business trips both domestic and abroad.

For the purpose of calculating the ceiling on remuneration, perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such Rule, the same shall be evaluated at actual cost.

The above said remuneration and perquisites shall be subject to the ceiling laid down in Sections 197, 198 and all other applicable provisions of the Act, as may be amended from time to time.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee of Directors) be and is hereby authorized to vary and/ or revise the remuneration of Mr. V P Nandakumar (DIN: 00044512) as Managing Director and Chief Executive Officer within the overall limits under the Act subject to such other approval that may be necessary and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid Resolution.”

5. Revision in remuneration payable to Dr. Sumitha Nandan (DIN: 03625120), Whole-time Director of the Company.

To consider, and if thought fit, to pass with or without modification (s), the following as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any statutory amendments made thereto, the consent of Members of the Company be and is hereby accorded for revision in remuneration of Dr. Sumitha Nandan (DIN: 03625120), Whole-time Director, by way of increment with effect from January 01, 2024, on the following terms and conditions:

Salary: ₹ 8,50,000/- (Rupees Eight Lakh Fifty Thousand Only) per month with effect from January 01, 2024 with a minimum annual increment of 10%.

Commission / Variable Pay: Not exceeding 1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013. The quantum of commission is to be determined by the Board of Directors subject to the norms framed by the Board from time to time.

Retirement Benefits / Perquisites:

Contribution to Provident Fund:

12% of the monthly salary and allowances as above. Further, contribution to Pension Fund, Superannuation Fund, Gratuity Fund, Encashment of Leave at the end of the tenure of appointment as per the rules of the Company (These shall not be included in the computation of remuneration or ceiling on the perquisites).”

Medical Reimbursement Expenses: For self and family including premium payable for medical insurance.

Personal Accident Insurance: As per the rules of the Company

Leave Travel Concession: For self and family once a year as per the rules of the Company.

Fee for Clubs: Subject to maximum of two clubs excluding admission and life membership fees.

Others: Such other allowances, perquisites, benefits, and amenities as may be provided by the company from time to time. For the purpose of calculating the ceiling on remuneration, perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such Rule, the same shall be evaluated at actual cost.

The above-mentioned remuneration and perquisites shall be subject to the ceiling laid down in Section 197 and 198, and all other applicable provisions of the Companies Act, 2013 as may be amended from time to time.

“RESOLVED FURTHER THAT except for the aforesaid revision in salary, all other terms, and conditions of appointment of Dr. Sumitha Nandan (DIN: 03625120) as Whole time Director of the Company, as approved by the resolution passed by the Members of the Company through postal ballot on February 03, 2023 shall remain unchanged.”

“RESOLVED FURTHER THAT Mr. V P Nandakumar, (DIN: 00044512), MD & CEO or Mr. Manoj Kumar V R Company Secretary or Ms. Bindu A L, Chief Financial Officer of the Company be and are hereby severally authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

6. Alteration of the Articles of Association of the Company

To consider and, if thought fit, to pass with or without modification (s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof for the time being in force), and subject to the necessary approval (s), permissions, consents and sanctions required, if any by the statutory authority and all other applicable laws and regulations if any, approval of the Members of the Company be and is hereby accorded for effecting the following alteration in the existing Articles of Association of the Company:-

- i. To add the following paragraph after the existing Article No. 75 of Articles of Association of the Company: -

“Further, in case of an issue of Non - Convertible Securities, the Company shall appoint the person nominated by the debenture trustee (s) in terms of clause (e) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as a director on its Board of Directors at the earliest and not later than one

month from the date of receipt of nomination from the debenture trustee (s).”

- ii. To delete Part II of the Articles of Association of the Company containing Articles No.129 to 174 specifically given as Annexure - I to this Notice calling 31st Annual General Meeting of the Company.

7. Material Related Party Transaction(s) between the Company and Asirvad Micro Finance Limited, a subsidiary

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Regulations 2(1)(zc), 23 (4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time, Section 2(76) and other applicable provisions of the Companies Act, 2013 (‘Act’) read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws/ statutory provisions, if any, the Company’s Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/ or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to include the Audit Committee or any other Committee constituted/ empowered/ to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to the Material Related Party Transaction(s)/Contract (s)/ Arrangement(s)/ Agreement (s) entered into/ proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, between the Company and Asirvad Micro Finance Limited (‘AMFL’), a subsidiary of the Company and accordingly a ‘Related Party’ of the Company, on such terms and conditions as may be mutually agreed between the Company and AMFL, for an aggregate value not exceeding ₹1000,00,00,000.00 (Rupees One Thousand Crore Only) during the period commencing from the date of this meeting and until the conclusion of next Annual General Meeting or for a period of 15 months commencing from the date of this meeting, whichever is earlier.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s)/ arrangement(s)/ agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to

take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Chief Financial Officer, Company Secretary or any other Officer/ Authorized Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.”

“RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respect.”

By order of the Board of Directors

Sd/-

Place: Valapad, Thrissur
Date: June 20, 2023

Manoj Kumar V R
Company Secretary

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY COMPLETED MUST BE SENT SO AS TO REACH THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.

1. Statement of material facts pursuant to Section 102(1) of the Companies Act, 2013 in respect of item nos. 3, 4, 5, 6 & 7 are annexed hereto and forms part of this notice.
2. Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividends from the financial year ended March 31, 2016, which remains unclaimed for a period of seven years will be transferred on the due dates as mentioned below to the Investor Education and Protection Fund of the Central Government. Dividends relating to subsequent financial years would also be transferred to said account on the expiry of seven years after transfer of the same to unpaid dividend account as detailed below:

Details of Unclaimed Dividend for the last Seven Year:

Financial Year	Date of Declaration of Dividend	Last date for claiming unpaid dividend
2017	Aug 09, 2016	Sep 16, 2023
2017	Nov 10, 2016	Dec 17, 2023
2017	Feb 08, 2017	Mar 15, 2024
2018	May 25, 2017	Jun 29, 2024
2018	Aug 10, 2017	Sep 14, 2024
2018	Nov 07, 2017	Dec 12, 2024
2018	Feb 08, 2018	Mar 15, 2025
2019	May 18, 2018	Jun 29, 2025
2019	Aug 09, 2018	Sep 13, 2025
2019	Nov 06, 2018	Dec 11, 2025
2019	Feb 06, 2019	Mar 13, 2026
2020	May 15, 2019	Jun 19, 2026
2020	Aug 13, 2019	Sep 17, 2026
2020	Nov 06, 2019	Dec 11, 2026
2020	Jan 28, 2020	Mar 03, 2027
2020	Feb 27, 2020	Apr 02, 2027
2021	Nov 06, 2020	Dec 11, 2027
2021	Jan 29, 2021	Mar 05, 2028
2022	May 26, 2021	Jun 30, 2028
2022	Aug 10, 2021	Sep 14, 2028
2022	Nov 13, 2021	Dec 18, 2028
2022	Feb14, 2022	Mar 21, 2029
2022	May 18, 2022	Jun 22, 2029
2023	Aug 04, 2022	Sep 08, 2029
2023	Nov 12, 2022	Dec 17, 2029
2023	Feb 03, 2023	Mar 10, 2030

As per Section 124 of the Companies Act, 2013 read with IEPF Rules, 2016, the Company has to transfer not only the unclaimed dividends but also the equity shares in respect of which dividends are not claimed for the seven consecutive years by any shareholder, to the IEPF Demat A/c as may be identified by the IEPF Authority. For more details, please see the link <https://www.manappuram.com/investors/transfer-of-shares-to-iepf.html>.

Shareholders who have not encashed the dividend warrants/ cheques so far for the above years are requested to make their claim to the Company/RTA immediately.

3. A person can act as proxy on behalf of members up to and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.

4. Members/ proxies should bring the duly filled attendance slip enclosed to this notice along with a valid photo identity proof such as the PAN Card, Passport, Aadhar Card or Driving License to attend the Meeting.
5. Corporate members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf in the meeting.
6. Members are requested to: (a) intimate changes, if any, in the registered addresses to the Company/ Registrar and Share Transfer Agent ('RTA') in case of shares held in physical form and to their respective Depository Participant (DP) for the shares held in dematerialized form, (b) quote ledger folio number in all their correspondence, and (c) the duly filled Attendance Slip with them at the Annual General Meeting ("AGM").
7. Members holding shares in dematerialized form are requested to write their client ID and DP ID Numbers in attendance slip and in all their correspondence with the Company. Those who hold shares in physical form are requested to write their folio number in the attendance slip.
8. Members holding shares in physical form are requested to approach a Depository Participant for dematerializing the shares so that the shareholding particulars can be electronically kept and the loss of certificate, etc. can be avoided. Furthermore, SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 notified on June 08, 2018, states that w.e.f. December 05, 2018, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.
9. Members may kindly update regularly the changes in bank account with the following information in your DP account for the shares held in dematerialized form and with RTA in case of shares held in physical form;
 - Bank account Number in full,
 - MICR Code,
 - IFS Code,
 - Full name of the Bank and address of the branch,
 - email address.

The correct and complete particulars will help us to serve you better by timely credit of your future dividends immediately on payment by means of electronic credit.
10. Members who would like to ask questions on Accounts are requested to send their questions to the Registered Office of the Company at least 10 days before the date of Annual General Meeting to enable the Company to prepare suitable replies to such questions.
11. Electronic copy of the Annual Report for the FY 2022-23 and Notice of the 31st AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participant (s) for communication purposes unless any member has requested for a hard copy of the same.
12. Members may also note that the notice of the 31st AGM and the Annual Report for the FY 2022-23 will be available on the Company's website, www.manappuram.com and websites of Stock Exchanges (NSE & BSE). Members who require physical copy of the same, may write to us at cosecretary@manappuram.com.
13. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to offer the facility of voting through electronic means, to all its Members to enable them to cast their votes electronically. Members who have not voted through electronic means or members who have no access to electronic voting can vote at the AGM, electronically. The cut-off date for recognizing voting rights of members to vote by electronic means (remote e-voting) as well as at the Annual General Meeting is Thursday August 10, 2023 in terms of Companies (Management and Administration) Amendment Rules, 2015 ('cut-off date').
14. The facility for voting electronically, will also be made available at the AGM and the members who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through electronic voting system using DP ID or PAN or Folio No. as user ID and onetime password which will be shared with Members upon their registration at the AGM. Members who already cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.
15. Any person who acquires shares of the Company and becomes its member after the dispatch of the notice for the annual general meeting and continues to hold the shares of the Company as on the cut-off date may obtain login id and password by sending a request at info@skdc-consultants.com or helpdesk.evoting@cdslindia.com
16. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.
17. The Company has appointed CS Suresh M V, FCS (M.No.9741), Senior Partner, SMS & Co, Company Secretaries LLP to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.

18. At the AGM, prior to/ at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order electronic voting system for all those members who are present but have not cast their votes electronically using the remote e-voting facility.
19. The Scrutinizer shall, after the conclusion of electronic voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than two days after the conclusion of the AGM to the Chairman/ Managing Director of the Company. The Chairman / Managing Director, or any other person authorised by the Chairman/ Managing Director, shall declare the result of the voting forthwith.
20. The result, along with the Scrutinizer's Report, will be placed on the Company's website, www.manappuram.com and on the website of Central Depository Services (India) Limited ('CDSL') immediately after the result is declared by the Chairman or any other person authorised by the Chairman, and the same shall be communicated to BSE & NSE.
21. A brief profile of the Director(s) who is/ are re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding in the Company and inter-se relationship between directors or key managerial personnel as required under Regulation 36 of the SEBI (LODR) Regulations, 2015 are furnished and forms part of the notice.
22. The Company has engaged the services of CDSL as an authorised agency to provide the remote e-voting and venue electronic voting facilities. The procedure and instructions for voting through electronic (remote e-voting) means are as follows:

CDSL e-Voting System – For Remote e-voting

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING:

- Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
- Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Monday, August 14, 2023, at 09.00 a.m. (IST) and ends on Wednesday, August 16, 2023, at 05.00 p.m. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, August 10, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & New System Myeasi Tab. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with Depository Participants (DP)	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.

- | | |
|-----|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
|-----|---|

Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
-----------------------	--

- If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for Manappuram Finance Limited.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cosecretary@manappuram.com, if they have voted

from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013

Item No.3:

The Nomination, Compensation and Corporate Governance Committee and the Board of Directors of the Company at its meeting held on May 31, 2022, and July 05, 2022, respectively approved the re-appointment of Mr.V P Nandakumar as Managing Director and Chief Executive Officer of the company with effect from July 28, 2022 up to March 31, 2024 subject to the approval of the Members of the company. Thereafter, the Members of the company at the 30th Annual General Meeting of the company held on August 25, 2022, by way of an ordinary resolution, approved the re-appointment of Mr. VP Nandakumar as Managing Director and Chief Executive Officer of the company with effect from July 28, 2022 up to March 31, 2024. The re-appointment of Mr. V.P. Nandakumar as Managing Director and Chief Executive Officer for a short period of less than two years was intended to align with the practice prevailing in the banking sector in the event of the age of the Managing Director was close to the Reserve Bank of India's prescription, even though the existing RBI regulations was applicable only for the banks, and the new "scale-based regulation" (the 'SBR') for NBFCs covering a series of regulatory changes being implemented from October 2022 in phases does not specify any such restrictions. Now the Board of Directors of the Company intends to revisit the matter in the light of the SBR. Accordingly, the Nomination, Compensation and Corporate Governance Committee and the Board of Directors of the Company at their respective meetings held on June 20, 2023 had a detailed discussion on the proposal and understood that company is in the process of exploring diversification and this strategy requires formidable presence of an experienced leader at the top and Mr. V P Nandakumar (DIN: 00044512) is fit enough to preside over this transition, both in regulatory aspects and in strategic point. Further, extended tenure will also be helpful to the Company in achieving a smooth transition to a new successor. Accordingly, considering the facts, the Board of Directors of the Company at its meeting held on June 20, 2023 approved the re-appointment of Mr. V P Nandakumar as Managing Director and Chief Executive Officer of the company for a period of five years commencing from April 01, 2024 to March 31, 2029 subject to the approval of the Members of the Company.

Mr. V P Nandakumar (DIN: 00044512) is now 69 years old, and he would be attaining the age of 70 years during the aforesaid tenure of five years. As per the provisions of section 196(3) read with Part I of Schedule V to the Companies Act, 2013, no company shall appoint or continue the employment of any person as managing director, whole-time director or manager who has attained the age of seventy years provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for the appointment of such person. Further, where no such special resolution is passed but votes cast in favour of the motion exceed the votes, if any, cast against the motion and the Central Government is satisfied, on an application

made by the Board of Directors of the Company, that such appointment is most beneficial to the company, the appointment of the person who has attained the age of seventy years may be made. Therefore, pursuant to the provisions of section 196 of the Companies Act, 2013, to retain the services of the director, consent of the Members of the Company is required by way of a Special Resolution. Accordingly, the Directors recommend the resolution given in the Notice as item no.3, for approval of the members of the Company as a Special Resolution.

No directors, Key Managerial Personnel of the Company or their relatives except V P Nandakumar (DIN: 00044512), and Dr. Sumitha Nandan (DIN: 03625120), are interested or concerned, financially or otherwise, in passing the proposed resolution set out in item no. 3.

Item No: 4:

The Nomination, Compensation and Corporate Governance Committee and the Board of Directors of the Company at its meeting held on May 31, 2022, and July 05, 2022, respectively approved the re-appointment of Mr.V P Nandakumar as Managing Director and Chief Executive Officer of the company with effect from July 28, 2022 up to March 31, 2024 subject to the approval of the Members of the company. The remuneration proposed by the Board was ₹ 7,50,00,000.00 (Rupees Seven Crore Fifty Lakh Only) per annum as salary and ₹ 1, 50,00,000.00 (Rupees One Crore Fifty Lakh Only) per annum as allowances with other employment benefits. Thereafter, the members of the Company at the 30th Annual General Meeting of the company held on August 25, 2022, by way of an ordinary resolution, approved the re-appointment of Mr. V. P. Nandakumar (DIN: 00044512), as Managing Director and Chief Executive Officer of the company with effect from July 28, 2022 up to March 31, 2024 along with terms and conditions of the appointment including the aforesaid remuneration. Through the resolution, the members had also entrusted the Board of Directors of the company to alter or vary the terms of his appointment including the terms relating to remuneration at its discretion, deem fit, for the unexpired tenure from time to time subject to the overall maximum managerial remuneration as prescribed under the applicable provisions of the Companies Act, 2013. Accordingly, upon the recommendations of the Nomination, Compensation and Corporate Governance Committee and the Audit Committee of the Company, the Board of Directors at their meeting held on May 12, 2023, approved the revision in remuneration of Mr. V. P. Nandakumar (DIN: 00044512), as Managing Director and Chief Executive Officer of the company by way of an increment subject to the approval of the Members of the company. The details of the proposed revision in the remuneration of Mr. V. P. Nandakumar (DIN: 00044512) by way of an increment with effect from April 01, 2023 are as under:

Salary & Allowances: ₹ 8,00,00,000/- (Rupees Eight Crore Only) per annum as Salary and ₹ 1,50,00,000/- (Rupees One Crore Fifty Lakh Only) per annum as allowances.

Commission/ Variable Pay: Not exceeding 1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013. The quantum of commission is to be determined by the Board of Directors subject to the norms framed by the Board from time to time.

Retirement Benefits / Perquisites:

Contribution to Provident Fund: 12% of the monthly salary and allowances as above.

Contribution to Pension Fund, Superannuation Fund, Gratuity Fund, Encashment of leave at the end of the tenure of appointment as per the rules of the Company (These shall not be included in the computation of remuneration or ceiling on the perquisites).

Medical Reimbursement Expenses: For self and family including premium payable for medical insurance in accordance with the rules of the Company.

Personal Accident Insurance: As per the rules of the Company.

Leave Travel Concession: For self and family, thrice in a year as per the rules of the Company.

Fee for clubs: Subject to maximum of two clubs excluding admission and life membership fees.

Others:

1. Provision of chauffeur driven cars for official purposes and telephones including internet at residence.
2. Such other allowances, perquisites, benefits, and amenities as may be provided by the Company to the top management from time to time.
3. Accompanying a spouse or any other person for business trips both domestic and abroad.

For the purpose of calculating the ceiling on remuneration, perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such Rule, the same shall be evaluated at actual cost.

The above said remuneration and perquisites shall be subject to the ceiling laid down in Sections 197, 198 and all other applicable provisions of the Act, as may be amended from time to time."

No directors, Key Managerial Personnel of the Company or their relatives except V P Nandakumar (DIN: 00044512), and Dr. Sumitha Nandan (DIN: 03625120), are interested or concerned, financially or otherwise, in passing the proposed resolution as set out in item no. 4.

The Board of Directors of your company recommends the resolution given in the Notice as item no.4, for approval of the Members of the Company as an Ordinary Resolution.

Item No.5:

The Board of Directors of the Company (the 'Board') in its meeting held on December 23, 2022, on the recommendation of the Nomination, Compensation and Corporate Governance

Committee ("the Committee"), in terms of Section 161 of the Companies Act, 2013 (the 'Act') and applicable Rules, read with the Articles of Association of the Company, appointed Dr. Sumitha Nandan (DIN: 03625120) as an Additional Director (Executive) of the Company effective January 01, 2023. Further, based on the recommendation of the Committee, in the aforesaid meeting the Board also decided to recommend for the appointment of Dr. Sumitha Nandan as a Whole-time Director of the Company for a period of five years effective January 01, 2023. Accordingly, the Board of Directors of the Company sought approval of its Members by way of postal ballot and the Members accorded their consent vide postal ballot dated February 03, 2023 for the appointment of Dr. Sumitha Nandan (DIN: 03625120) as a Whole-time Director of the Company for a period of five years effective January 01, 2023, liable to retire by rotation, on such remuneration and terms. The remuneration and perquisites were subject to the ceiling laid down under Section 197 & 198, and other applicable provisions of the Companies Act, 2013 amended from time to time. Further, the Members also entrusted the Board to alter or vary the above terms of the appointment including the terms relating to remuneration, at its discretion, deem fit for the unexpired tenure from time to time provided that the remuneration is within the limit as envisaged under Sections 197 & 198, and other applicable provisions, if any, of the Companies Act, 2013. Accordingly, considering the valuable contribution of Dr. Sumitha Nandan for the growth of the Company coupled with higher responsibilities cast on her, the Board, on recommendation of the Committee, at their meeting held on May 12, 2023, approved the proposal to increase the remuneration payable to Dr. Sumitha Nandan in accordance with the provisions of Sections 196, 197, other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule V of the Act (including any statutory modification(s) or re-enactments (s) thereof), subject to the approval of the Members, as set out in the resolution being item no. 5 of the accompanying notice w.e.f January 01, 2024 for the remaining period of her tenure. As per the provisions of Sections 196 (4) and 197 (4) of the Companies Act, 2013, and the Rules made thereunder, remuneration payable to a Whole Time Director is subject to an ordinary resolution passed by the Company at the General Meeting.

The details of the proposed increment in the remuneration of Dr. Sumitha Nandan (DIN: 03625120) with effect from January 01, 2024 are as under:

Salary: ₹ 8,50,000/- (Rupees Eight Lakh Fifty Thousand Only) per month with effect from January 01, 2024 with a minimum annual increment of 10%.

Commission / Variable Pay: Not exceeding 1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013. The quantum of commission is to be determined by the Board of Directors subject to the norms framed by the Board from time to time.

Retirement Benefits / Perquisites: Contribution to Provident Fund 12% of the monthly salary. Further, Contribution to Pension Fund, Superannuation Fund, Gratuity Fund, Encashment of leave at the end of the tenure of appointment as per the rules of the

Company (These shall not be included in the computation of remuneration or ceiling on the perquisites).

Medical Reimbursement Expenses: For self and family including premium payable for medical insurance.

Personal Accident Insurance: As per the rules of the Company

Leave Travel Concession: For self and family once a year as per the rules of the Company.

Fee for Clubs: Subject to maximum of two clubs excluding admission and life membership fees.

Others: Such other allowances, perquisites, benefits, and amenities as may be provided by the company from time to time. For the purpose of calculating the ceiling on remuneration, perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such Rule, the same shall be evaluated at actual cost.

The above-mentioned remuneration and perquisites shall be subject to the ceiling laid down in Section 197 and 198, and all other applicable provisions of the Companies Act, 2013 as may be amended from time to time.

No directors, Key Managerial Personnel of the Company or their relatives except V P Nandakumar (DIN: 00044512), and Dr. Sumitha Nandan (DIN: 03625120), are interested or concerned, financially or otherwise, in passing the proposed resolution set out in item no.5.

The Board of Directors of your company recommends the resolution given in the Notice as item no.5, for approval of the Members of the Company as an Ordinary Resolution.

Item No.6:

The Securities and Exchange Board of India ("SEBI") has amended the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("NCS Regulations") by way of the SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023 ("NCS Amendment Regulations"). The amendments are effective from February 02, 2023. Pursuant to the NCS Amendment Regulations, SEBI has mandated the amendment to the Articles of Association ("AoA") of the issuer entity for appointment of a nominee director and required such appointment to be made within 1 (one) month of nomination by the debenture trustee. Further, existing Issuers whose debt securities are already listed as on February 02, 2023 are required to amend their AoA on or before September 30, 2023 to incorporate the above-mentioned requirement with respect to nominee directors. Accordingly, the Board of Directors of your Company in their meeting held on May 12, 2023 approved alteration of the AoA subject to the approval of its members by way of adding the following paragraph after the existing Article No. 75 of Articles of Association of the Company:

"Further, in case of an issue of Non - Convertible Securities, the Company shall appoint the person nominated by the debenture trustee (s) in terms of clause (e) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as a director on its Board of

Directors at the earliest and not later than one month from the date of receipt of nomination from the debenture trustee (s)."

Further, Part II (i.e., from Articles No.129 to 174) of the Articles of Association of the Company contain the terms and conditions of the definitive agreement entered by the company with some of the investors. As the said investors move out of the company, Articles No.129 to 174 became inconsistent. Accordingly, the Board of Directors of your Company in their meeting held on May 12, 2023 approved the alteration of the AoA subject to the approval of its members by way of deleting Part II (i.e., from Articles No.129 to 174) of the AoA of the Company containing the terms and conditions of the definitive agreement entered by the company with investors. Subsequently, the word "PART I" appearing before preliminary of the Articles of Association in Page No.1 stands deleted.

The Articles of Association as on date along with the proposed amendments are available for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 09.00 a.m. and 01.00 p.m. up to the date of the Meeting and at the Meeting and on the website of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested in this Resolution except to the extent of the rights or powers provided if any under the revised Articles of Association to them or their relatives. The Board of Directors of your company recommends the resolution given in the Notice as item no.6, for approval of the Members of the Company as a Special Resolution.

Item No.7:

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), inter alia, states that effective from April 01, 2022, all Material Related Party Transactions (RPT) shall require prior approval of the shareholders by means of an Ordinary Resolution, even if such transaction(s) are in the ordinary course of business and at an arm's length pricing basis. A transaction with a Related Party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeding ₹ 1000,00,00,000.00 (Rupees One Thousand Crore Only) or 10% of the annual consolidated turnover of a listed entity as per the last audited financial statements of the listed entity, whichever is lower. Regulation 2(1) (zc) of the Listing Regulations defines related party transaction to mean a transaction involving transfer of resources, services, or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity, regardless of whether a price is charged or not.

In view of the afore-mentioned regulations, Item No. 7 is placed for approval by the Members. The Management has provided the Audit Committee with relevant details of the proposed RPTs, including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted its approval for entering the below mentioned RPT. The Audit Committee has noted that the said transaction(s) is at an arm's length pricing basis and will be in the ordinary course of business.

Information provided to the Shareholders for consideration of related party transaction

Sl. No.	Particulars	Information
1	Name of the Product/ Service	Setting a limit of ₹ 1000,00,00,000.00 (Rupees One Thousand Crore Only) for all transactions to be entered into with Asirvad Microfinance Limited for a period commencing from the date of the 31 st annual general meeting of the Company and up to the date of next AGM or 15 months whichever is earlier.
2	Name of the Related Party	1. Asirvad Microfinance Limited
3	Relationship of related party with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)	Subsidiary Company.
4	Type/ nature of the proposed transaction	Setting a limit of ₹ 1000,00,00,000.00 (Rupees One Thousand Crore Only) for all transactions to be entered into with Asirvad Microfinance Limited for a period commencing from the date of the 31 st annual general meeting of the Company and up to the date of next AGM or 15 months whichever is earlier.
5	Material terms and particulars of the proposed transaction	The coupon/ return will be above the cost of borrowing for MAFIL + 1% and based on independent valuation wherever required
6	Tenure/ Term of the proposed transaction (tenure shall be specified)	For a period commencing from the date of the 31 st annual general meeting of the Company and up to the date of next AGM or 15 months whichever is earlier.
7	Value of the proposed transaction	₹ 1000,00,00,000.00 (Rupees One Thousand Crores Only)
8	The percentage of the Company's turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	<ol style="list-style-type: none"> The consolidated turnover of Manappuram Finance Limited for the financial year ended on 31.03.2022 is ₹ 6,126.314 Crores. Hence, the percentage of value of the proposed transaction serial numbered as one (1) above on the consolidated turnover is $1,000 / 61,26.314 * 100 = 16.32\%$ The standalone turnover of Manappuram Finance Limited for the financial year ended on 31.03.2022 is ₹ 4586.997 Crores. Hence, the percentage of value of the proposed transaction serial numbered as two (2) above on the standalone turnover is $1,000 / 4,586.997 * 100 = 21.80\%$
9A	If the transaction relates to any loans, inter-corporate deposits, advances, or investments made or given by the Company then source of funds in connection with the proposed transaction	N-A
9B	Where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances, or investments: · Nature of indebtedness · Cost of funds · tenure	N-A
9C	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security;	N-A
9D	Purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	N-A

Sl. No.	Particulars	Information
10	Justification as to why the RPT is in the interest of the Company	Subsidiary Company.
11	A copy of the valuation or other external party report, if any such report has been relied upon	NIL
12	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis (If available)	Turnover of Asirvad Microfinance Limited for the FY 2021-22 was ₹ 1,355.69 Crores. Hence the percentage will be as follows: = $1,000/1,355.69 \times 100 = 73.76\%$
13	Brief details of the Arm's length test conducted	The coupon/ return will be above the cost of borrowing for MAFIL + 1% and based on independent valuation wherever required.
14	Ordinary course or not	Yes
15	Necessity of entering into the transaction	As a part of contingency funding plan to subsidiary company namely Asirvad Microfinance Limited
16	Does the transaction require prior approval of MAFIL's Audit Committee	Yes
17	Does the transaction require prior approval of MAFIL Shareholders	Yes
18	Any other information that may be relevant	Nil
19	Test for subsequent materiality of the transaction taken together with other transactions carried out in the Financial Year with the subject related party. The value of all transactions entered in the current financial year versus 10% of annual consolidated turnover.	This transaction is for a period commencing from the date of this AGM and upto to the date of next AGM or 15 months whichever is earlier. Hence, it is required to take approval of shareholders of Manappuram Finance Limited.

Based on the recommendation of the Audit Committee, the Board of Directors of the Company recommends the Ordinary Resolution as set forth at Item No. 7 of the Notice for approval by the Members by way of an ordinary resolution.

No directors, Key Managerial Personnel of the Company or their relatives except V P Nandakumar (DIN: 00044512), and Dr. Sumitha Nandan (DIN: 03625120), are interested or concerned, financially or otherwise, in passing the proposed resolution set out in item no. 7

The Members may note that in terms of the provisions of the Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth at Item No. 7 of the Notice, whether the entity is a Related Party to the particular transaction or not.

By order of the Board of Directors

Place: Valapad, Thrissur
Date: June 20, 2023

Sd/-
Manoj Kumar V R
Company Secretary

Additional information on directors recommended for reappointment as required under Regulation 36 of the LODR Regulations and applicable secretarial standards



S R Balasubramanian
Non-Executive Non - Independent Director

S R Balasubramanian holds a Bachelor degree in Electronics Engineering from Madras University and Post Graduate Diploma in Computer Science from IIT Bombay. He has over 43 years of experience in the field of Information Technology at various capacities. Out of which 35 years are in the IT space of BFSI. He was the former VP of Citibank and has worked in India, Singapore and Kenya. He played a key role as Technology Head for implementing Cash Management Technology in Citibank during the early 90s. He was with HDFC Bank for over 7 years as Senior VP and moved to IT Advisory role for few Banks in India and was Business Advisor to a software company and served there for 4 years. He was the former Board member of Quantum Asset Management Company Private Limited and presently holds membership in the Information Security Committee of Quantum AMC.

DIN: 03200547

Age & Date of Birth: 73 years, October 03, 1949

Nationality: Indian

Nature of expertise in specific functional areas: S R Balasubramanian has over 43 years of experience in the field of Information Technology at various capacities. Out of which 35 years are in the IT space of BFSI.

Disclosure of inter-se relationships between directors and KMP: Nil

Listed entities (other than Manappuram Finance Limited) in which S R Balasubramanian holds directorship and committee membership: Nil

Listed entities from which S R Balasubramanian has resigned in the past three years: Nil

Directorship in other Companies: Nil

Membership/ Chairmanship of Audit Committee and Stakeholders Relationship Committee of the Board of Directors of other Companies of which he/ she is a Director: Nil

Membership/ Chairmanship of Committees of other Boards not mentioned above: S R Balasubramanian holds memberships in Corporate Social Responsibility Committee, IT Strategy Committee, and Stakeholders Relationship and Securities Transfer Committee of the Board of Directors of Manappuram Finance Limited.

Shareholding in the Company as on the date of his appointment: Nil

Remuneration proposed to be paid: Apart from sitting fees, based on the resolution approved in item no. 8 of the 27th Annual General Meeting Notice read with explanatory statement thereto – https://www.manappuram.com/public/uploads/editor-images/files/Manappuram%20Finance_AGM%20Notice%202019.pdf

Key terms and conditions of appointment: As per the resolution approved in Item no.5 of the 29th Annual General Meeting Notice read with explanatory statement thereto – <https://www.manappuram.com/public/uploads/editor-images/files/Mannapuram%20Notice.pdf>

Date of first appointment to the Board, last drawn remuneration and number of meetings of the Board attended: S R Balasubramanian was first appointed to the Board with effect from June 28, 2021 as an additional director, and thereafter he was re-appointed by Members at the 29th Annual General Meeting as a Non-Executive Non-Independent Director of the Company. The details pertaining to his remuneration, and number of meetings attended are provided in the Corporate governance report section of the Annual Report 2022-23.



V P Nandakumar
Managing Director & Chief Executive Officer

V P Nandakumar 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.

DIN: 00044512

Age & Date of Birth: 69 years, May 18, 1954

Nationality: Indian

Nature of expertise in specific functional areas: More than 31 years of experience in promoting and managing NBFC and 10 years of experience in banking industry.

Disclosure of inter-se relationships between directors and KMP: V P Nandakumar is the father of Dr. Sumitha Nandan, Executive Director of Manappuram Finance Limited.

Listed entities (other than Manappuram Finance Limited) in which V P Nandakumar holds directorship and committee membership: Nil

Listed entities from which V P Nandakumar has resigned in the past three years: Nil

Directorship in other Companies: VP Nandakumar holds directorships in Manappuram Health Care Limited, Manappuram Construction and Consultants Limited, Manappuram Home Finance Limited, Asirvad Micro Finance Limited, Manappuram Chits (Karnataka) Private Limited, Manappuram Chit Funds Company Private Limited, Manappuram Insurance Brokers Limited, Manappuram Comptech and Consultants Limited, Adlux Medicity And Convention Centre Private Limited, Manappuram Chits (India) Limited, Manappuram Agro Farms Limited, Manappuram Jewellers Limited, SNST Advisories Private Limited, DTA Advisory Private Limited, DTB Advisory Private Limited, DT3 Advisory Private Limited and Finance Industry Development Council.

Membership/ Chairmanship of Audit Committee and Stakeholders Relationship Committee of the Board of Directors of other Companies of which he is a Director are given below:

Directorships	Committee memberships
Manappuram Finance Limited	1. Stakeholders Relationship and Securities Transfer Committee*
Manappuram Health Care Limited	2. Audit Committee*
Manappuram Comptech and Consultants Limited	3. Audit Committee*

* Member

Membership/ Chairmanship of Committees of other Boards not mentioned above:

Directorships	Committee memberships
Manappuram Finance Limited	1. Asset- Liability Management Committee* 2. Financial Resource & Management Committee* 3. Debenture Committee* 4. Risk Management Committee 5. Corporate Social Responsibility Committee
Asirvad Microfinance Limited	1. Management Committee* 2. Borrowing and securities Committee
Manappuram Jewellers Limited	1. Corporate Social Responsibility Committee 2. Nomination & Remuneration Committee

Directorships	Committee memberships
Manappuram Health Care Limited	1. Nomination & Remuneration Committee
Manappuram Comptech and Consultants Limited	1. Nomination & Remuneration Committee
Manappuram Insurance Brokers Limited	1. Nomination & Remuneration Committee
Manappuram Home Finance Limited	1. Asset Liability Management Committee*
	2. Investment Committee*
	3. Financial Resource & Management Committee*
	4. Debenture Committee*
	5. Nomination Compensation and Corporate Governance Committee
	6. Corporate Social Responsibility Committee

* Chairperson

Shareholding in the Company as on the date of his appointment: 24,54,54,221 Equity Shares

Remuneration proposed to be paid: As per the resolution proposed in Item no. 3 of this Notice, read with the explanatory statement thereto.

Key terms and conditions of appointment: As per the resolution proposed in Item no. 3 of this Notice, read with the explanatory statement thereto.

Date of first appointment to the Board, last drawn remuneration and number of meetings of the Board attended: V P Nandakumar is one amongst the promoter directors of the company since its incorporation on July 15, 1992. The details pertaining to his remuneration, and number of meetings attended are provided in the Corporate governance report section of the Annual Report 2022-23.



Dr. Sumitha Nandan
Executive Director

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 Trikakkara Co-operative Hospital Cochin and KIMS Hospital Cochin. She worked as an Assistant Professor in Amritha Institute of Medical Science and she also consultant Gynecologist and Cosmetologist in Cimar Hospital, Cochin.

DIN: 03625120

Age & Date of Birth: 43 years, May 30, 1980

Nationality: Indian

Nature of expertise in specific functional areas: Dr. Sumitha Nandan has acted in various executive positions at Manappuram Finance Limited including as Chief Executive Officer of Online Gold Loan (OGL). During those tenures she has shown possessing good business acumen and managerial skills. Apart from the said positions, she had also held Whole- time Directorship in Manappuram Health Care Limited, directorship in Manappuram Home Finance Limited, Manappuram Agro Farms Limited, Systemic Ayurvedic Research Private Limited, and Macare Dental Care Private Limited where she has proved as good leader and steward. Given her experience in health care with intense consumer focus as well as regulatory oversight and her experience with the Company engaged in Financial services, she is mindful of the consumer expectations which is one of the important areas of regulatory focus and concern.

Disclosure of inter-se relationships between directors and KMP: Dr. Sumitha Nandan is the daughter of Mr. V P Nandakumar, the Managing Director & Chief Executive Officer of Manappuram Finance Limited.

Listed entities (other than Manappuram Finance Limited) in which Dr. Sumitha Nandan holds directorship and committee membership: Nil

Listed entities from which Dr. Sumitha Nandan has resigned in the past three years: Nil

Directorship in other Companies: Nil

Membership/ Chairmanship of Audit Committee and Stakeholders Relationship Committee of the Board of Directors of other Companies of which he/ she is a Director: Nil

Membership/ Chairmanship of Committees of other Boards not mentioned above: Dr. Sumitha Nandan is a member of the Audit Committee, Financial Resource & Management Committee, and IT Strategy Committee of Manappuram Finance Limited.

Shareholding in the Company as on the date of her appointment: Nil

Remuneration proposed to be paid: As per the resolution proposed in Item no. 5 of this Notice, read with the explanatory statement thereto.

Key terms and conditions of appointment: As per the resolution proposed in Item no. 5 of this Notice, read with the explanatory statement thereto.

Date of first appointment to the Board, last drawn remuneration and number of Board meetings attended: Dr. Sumitha Nandan was first appointed to the Board with effect from January 01, 2023 as an additional director by the Board of Directors of the Company and thereafter Vide Postal ballot results dated 03.02.2023, Shareholders approved the appointment of Dr. Sumitha Nandan as a Whole-time Director of the Company for a period of five years effective January 01, 2023, liable to retire by rotation, on such remuneration and terms. The details pertaining to her remuneration, and number of meetings attended are provided in the Corporate governance report section of the Annual Report 2022-23.

By order of the Board of Directors

Place: Valapad, Thrissur
Date: June 20, 2023

Sd/-
Manoj Kumar V R
Company Secretary

ANNEXURE - I
PART II
DEFINITIONS

129. In the event of any conflict between the provisions of Part I and Part II of the Articles, the provisions of Part II shall apply. Unless the context otherwise requires, or unless otherwise defined or provided for herein, words or expressions contained in Part II shall have the meanings as provided below. Other terms may be defined elsewhere in the text of Part II of these Articles and, unless otherwise indicated, shall have such meaning throughout Part II of these Articles.

"AAIA" shall mean AA Development Capital India Fund I LLC, a company established in the Republic of Mauritius as a public limited company under the Mauritius Companies Act, 2001 and having its registered office at 10, Frere Felix De Valois Street, Port Louis, Mauritius, and shall include its successors and permitted assigns;

"AAIA Additional Shares Offer Terms" shall have the meaning as set out in Article 164;

"AAIA Director" shall have the meaning as set out in Article 139(iv);

"AAIA Offer Shares" shall have the meaning as set out in Article 164;

"AAIA Subscription Shares" shall mean an aggregate of 2,240,000 (Two Million Two Hundred Forty Thousand only) CCPS issued by way of preferential allotment to AAIA;

"Acceptance Notice" shall have the meaning as set out in Article 161(i); "Act" shall mean the Companies Act, 1956;

"Additional Shares" shall have the meaning as set out in Article 164;

"Additional Shares Offer Period" shall have the meaning as set out in Article 165;

"Affiliate" shall mean with respect to any Person, (i) any Person, which, directly or indirectly, Controls, is Controlled by or is under common Control with, such Person, and (ii) where such Person is an individual, shall include Relatives of such Person;

"Alternate Director" shall have the meaning as set out in Article 147;

"Annual General Meeting" or "AGM" shall mean the annual general meeting of the Company convened and held in accordance with the Act;

"Articles of Association" or "Articles" shall mean the Articles of Association of the Company as amended from time to time;

"BRIC II Mauritius Trading" shall mean BRIC II Mauritius Trading, a company incorporated and validly existing under the laws of Mauritius with its principal place of business at c/o Citco (Mauritius) Limited, 4th Floor, Tower A, 1 Cybercity, Ebene, Mauritius, and registered as sub-account with the

Securities and Exchange Board of India bearing registration number 20110205 (and unless repugnant to the context or meaning thereof, shall be deemed to mean and include its successors, legal representatives and permitted assigns);

"Baring India Private Equity Fund II Limited" shall mean Baring India Private Equity Fund II Limited, a company incorporated and validly existing under the laws of Mauritius with its principal place of business at C/o Multiconsult Limited, Rogers House, 5, President John Kennedy Street, Port Louis, Mauritius, and registered as a sub-account with the Securities and Exchange Board of India bearing registration number 20110969 (and unless repugnant to the context or meaning thereof, shall be deemed to mean and include its successors, legal representatives and permitted assigns);

"Baring India Private Equity Fund III Listed Investments Limited" shall mean Baring India Private Equity Fund III Listed Investments Limited, a company incorporated and validly existing under the laws of Mauritius with its principal place of business at C/o Multiconsult Limited, Rogers House, 5, President John Kennedy Street, Port Louis, Mauritius, and registered as an FII with the Securities and Exchange Board of India bearing registration number IN-MU-FD-2055-08 (and unless repugnant to the context or meaning thereof, shall be deemed to mean and include its successors, legal representatives and permitted assigns);

"Baring Investors" shall mean Baring India Private Equity Fund II Limited, Baring India Private Equity Fund III Listed Investments Limited and BRIC II Mauritius Trading, collectively.

"Beaver Investment Holdings" shall mean Beaver Holdings Limited, a company incorporated and validly existing under the laws of Mauritius with its principal place of business at IFS Court, TwentyEight, Cybercity, Ebene, Mauritius, and registered as a sub-account with the Securities and Exchange Board of India bearing registration number 20090030 (and unless repugnant to the context or meaning thereof, shall be deemed to mean and include its successors, legal representatives and permitted assigns);

"Board of Directors" or "Board" shall mean the board of directors of the Company in office at applicable times and as nominated and appointed in accordance with the terms of these Articles;

"Business Day" shall mean a day on which the scheduled commercial banks are open for business in Mumbai and Kochi, India;

"CCPS" shall mean the 0.05% compulsorily convertible preference shares of ₹ 100 (Rupees One Hundred only) each in the Share Capital issued to the Investors issued to the Investors as fully paid up preference shares, and having the rights and privileges attached to them as agreed

in writing between the Company, the promoters and each Investor and these Articles of Association;

"Closing Date" shall November 5, 2008;

"Contract" shall mean, with respect to a Person, any agreement, contract, subcontract, lease, understanding, instrument, note, warranty, insurance policy, benefit plan or legally binding commitment or undertaking of any nature, whether written or oral, entered into by such Person;

"Control" (including with correlative meaning, the terms **"Controlled by"** and **"under common Control with"**) shall mean the power and ability to direct the management and policies of the controlled enterprise through ownership of voting shares of the controlled enterprise or the power to appoint a majority of the members on the board of directors of such controlled enterprise or by Contract or otherwise. Without prejudice to the generality of the above, in the context of the Subsequent Investors, the direct or indirect ownership of or the power to direct the vote of 50% or more of the voting share capital of a Person shall also be deemed to constitute Control of that Person;

"Deed of Adherence" shall mean the deed of adherence in the form agreed to between the Company, the Promoters and each of AAIA, Hudson and GHIOF separately;

"Defaulting Party" shall mean a person who commits an Event of Default;

"Direct Competitor" shall mean any Person who is directly engaged as its principal activity in the business of providing gold loans (such that these gold loans and income arising therefrom is not less than 50% of its total assets and total income respectively) and has a minimum asset size of INR 2,500,00,00,000 (Indian Rupees Two Thousand Five Hundred Crores only);

"Director" shall mean a director of the Company;

"ESOP(s)" shall mean any employee stock option plans or employee stock purchase plans existing or which may be approved or adopted in future by the Company;

"Employee(s)" shall mean Persons in the employment of the Company and/or its Affiliates, as the case may be;

"Encumbrance" shall mean any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, claim, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement (for the purpose of, or which has the effect of, granting security), or any agreement, whether conditional or otherwise, to create any of the same;

"Equity Shares" shall mean the equity shares of the Company;

"Event of Default" shall mean an event of default as agreed between the Company, the Promoter Group and each of AAIA, Hudson and GHIOF;

"Execution Date" shall mean March 14, 2012.

"Extra Ordinary General Meeting" or **"EGM"** shall mean the extra ordinary meeting of the Company convened and held in accordance with the Act;

"Financial Year" shall mean the period commencing from April 1 each year and ending on March 31 the next year, or such other period as may be determined by the Board of Directors of the Company to be the financial year for the Company;

"Fully Diluted Basis" shall mean on the basis of the deemed conversion of all outstanding convertible Preference Shares of the Company including the CCPS in accordance with these Articles of Association, the exercise of all convertible notes, options, warrants, and any other convertible instruments;

"Further Securities" shall have the meaning as set out in Article 172(iv);

"General Meetings" shall mean either an EGM or an AGM of the Shareholders of the Company;

"GHIOF" shall mean GHIOF Mauritius, a company established in the Republic of Mauritius as a private limited company under the Mauritius Companies Act, 2001 and having its registered office at C/o DTOS Limited, 4th Floor, IBL House, Caudan, Port Louis, Mauritius, and shall include its successors and permitted assigns;

"GHIOF Director" shall have the meaning set out in Article 139(iv);

"GHIOF Subscription Shares" shall mean an aggregate of 420,000 (Four Hundred Twenty Thousand only) CCPS issued by way of preferential allotment to GHIOF;

"Governmental Authority" shall mean the Government of India or of any state or Union Territory in India, or any central, state or local governmental, semi-governmental, judicial, quasi-judicial, regulatory or administrative authority, branch, agency, any statutory body or commission or any court, tribunal, arbitral or judicial body, or any department thereof, or any Person (whether autonomous or not) who is charged with the administration of Law;

"Hudson" shall mean Hudson Equity Holdings Limited, a private limited company established in the Republic of Mauritius, registered under the Mauritius Companies Act, 2001, and having its registered office at 7th Floor, Happy World House, Sir William Newton St, Port Louis, Mauritius, and shall include its successors and permitted assigns;

"Hudson Additional Shares Offer Terms" shall have the meaning as set out in Article 164; "Hudson Director" shall have the meaning set out in Article 139(iv);

"Hudson Offer Shares" shall have the meaning as set out in Article 164;

"Hudson Subscription Shares" shall mean an aggregate of 1,146,250 (One Million One Hundred Forty Six Thousand Two Hundred Fifty only) CCPS issued by way of preferential allotment to Hudson;

"INR" or "Rupees" or "₹" shall mean Indian rupees, being the lawful currency of India;

"Investors" shall mean collectively AAIA, Hudson and GHIOF and the respective Investor Affiliates that may acquire Shares from time to time and who may execute a Deed of Adherence, and "Investor" shall mean any of them individually;

"Investor Acceptance Notice" shall have the meaning as set out in Article 164 (i);

"Investor Affiliate(s)" in relation to AAIA shall include, (a) any Affiliates of AAIA; (b) funds and/or foreign institutional investor entities advised by AAIA or its Affiliates; © entities which are wholly owned, controlled or managed, either directly or indirectly, by the funds advised by AAIA, or any of its Affiliates, excluding companies that are in direct competition with the Company in India; and (d) any fund or entity in which AAIA is a general or limited partner or any Affiliate or associate of such fund or other entity;

"Investor Affiliate(s)" in relation to Hudson shall include, (a) any Affiliates of Hudson; (b) funds and/or foreign institutional investor entities advised by Hudson or its Affiliates; © entities which are wholly owned, controlled or managed, either directly or indirectly, by the funds advised by Hudson, or any of its Affiliates, excluding companies that are in direct competition with the Company in India; and (d) any fund or entity in which Hudson is a general or limited partner or any Affiliate or associate of such fund or other entity;

"Investor Affiliate(s)" in relation to GHIOF shall include, (a) any Affiliates of GHIOF; (b) funds and/or foreign institutional investor entities advised by GHIOF or its Affiliates; © entities which are wholly owned, controlled or managed, either directly or indirectly, by the funds advised by GHIOF, or any of its Affiliates, excluding companies that are in direct competition with the Company in India; and (d) any fund or entity in which GHIOF is a general or limited partner or any Affiliate or associate of such fund or other entity;

"Investor Director" shall mean collectively the AAIA Director, the Hudson Director and the GHIOF Director;

"Investor Observer" shall mean collectively the observer appointed by each of Hudson on the Board of Directors of the Company

"Investor Offered Shares" shall have the meaning as set out in Article 164(i); "Investor Rejection Notice" shall have the meaning as set out in Article 164(v); "Investor Trigger Notice" shall have the meaning as set out in Article 164(i);

"Key Management Personnel" shall mean and include persons that head the finance, compliance, risk and human resources departments of the Company at the relevant time (by whatever name called) or above, the heads of department of any new line of business that the Company may commence and the managing director of the Company;

"Law" shall mean any statute, law, regulation, ordinance, rule, judgment, notification, rule of common law, order,

decree, bye-law, government approval, directive, guideline, requirement or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, by any Governmental Authority or Stock Exchange having jurisdiction over the matter in question;

"Lien" shall mean any mortgage, pledge, security interest, charge, lien, option, pre-emptive right, adverse claim, title retention agreement or other encumbrance of any kind, or a Contract to give or refrain from giving any of the foregoing, including any restriction imposed under applicable Law or Contract on the Transferability of the Shares;

"MAFIT" shall mean Manappuram Finance (Tamil Nadu) Limited, a Manappuram Group Company having its registered office at 1st Floor, Vijay Centre, 65 Oppanakkara Street, Coimbatore 641 012, Tamil Nadu, India;

"MIBPL" shall mean Manappuram Insurance Brokers Private Limited, a Manappuram Group company, having its registered office at "Manappuram House", Valapad P.O., Thrissur 680 567, Kerala, India;

"Manappuram Group" shall mean and include the Company and its Affiliates, including the entities listed below and any other entity as may become a Subsidiary or Affiliate of the Company after November

1. Manappuram General Finance and Leasing Limited
2. Manappuram Insurance Brokers Private Limited
3. Manappuram Benefit Fund Limited
4. Manappuram Finance (Tamil Nadu) Limited
5. Manappuram Chits (India) Limited
6. Manappuram Comptech and Consultants Private Limited
7. Manappuram Health Care Limited
8. Manappuram Asset Finance Limited

"Memorandum of Association" or "Memorandum" shall mean the Memorandum of Association of the Company as amended from time to time;

"Nambe Investment Holdings" shall mean Nambe Investment Holdings, a company incorporated and validly existing under the laws of Mauritius with its principal place of business at is 608, St.James Court, St.Denis Street, Port Louis, Mauritius, and registered as a sub-account with the Securities and Exchange Board of India bearing registration number 20081302 (and unless repugnant to the context or meaning thereof, shall be deemed to mean and include its successors, legal representatives and permitted assigns);

"Offered Shares" shall have the meaning as set out in Article 161(i); **"Original Director"** shall have the meaning as set out in Article 147;

"Person" shall mean any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, government or any agency or political

subdivision thereof or any other entity that may be treated as a person under applicable Law;

"Persons Acting in Concert" or "PACs" shall mean Vazhappully Padmanabhan Nandakumar, Sushama Nandakumar, Sheely Ekalavian, Geetha Ravy, Jyothy Prasannan, Geetha Vazhappully Padmanabhan, Dr. Prasannan P.D, Nandakumar V.P., Jyothi, Jyothi Prasannan, Blangat Narayanan Ravindra Babu acting in concert with the Promoters and also includes Persons who may commence acting in concert with the Promoters after November 5, 2008 within the meaning of "persons acting in concert" as defined in the Takeover Code, provided that any such Person who ceases to be acting in concert with the Promoters at any date subsequent to November 5, 2008 shall not cease to be a PAC and shall continue to be so until such PAC ceases to be a shareholder in the Company in accordance with these Articles;

"Preference Shares" shall mean the preference shares in the Company, and shall include the CCPS;

"Prohibited Promoter Transfer" shall have the meaning as set out in Article 162(vii);

"Promoters" shall mean Vazhappully Padmanabhan Nandakumar, Sushama Nandakumar, Sheely Ekalavian, Geetha Ravy, Jyothy Prasannan, Geetha Vazhappully Padmanabhan, Dr. Prasannan P.D, Nandakumar V.P., Nandakumar V.P., Jyothi, Jyothi Prasannan, Blangat Narayanan Ravindra Babu, Ekalavyan P.K., Rajalakshmi, Ravi K.G., Sugathan P.K. and Prasanna B.N., the Persons Acting in Concert, the Relatives and Affiliates of each such Person and also includes such other Persons Acting in Concert who may execute a Deed of Adherence. Notwithstanding the preceding sentence, in the context of Subsequent Investors under these Articles, the term **"Promoters"** shall mean Mr. V.P. Nandakumar and Ms. Sushama Nandakumar collectively, and the term **"Promoter"** shall mean either one of them.

"Promoters' Affiliate" shall mean any Affiliate of any of the Promoters, or any Person in which at least 10% (ten percent) of the shareholding, voting rights, economic interest or the Control, in each case directly or indirectly, is held by any of the Promoters individually or collectively, and shall include the Promoters Group Companies;

"Promoters Group Companies" shall mean MIBPL, Manappuram Benefit Fund Limited, Manappuram Finance (Tamil Nadu) Limited, Manappuram Comptech and Consultants Private Limited, Manappuram Chits India Limited, Manappuram Health Care Limited and Manappuram Asset Finance Limited;

"Promoters Offer Notice" shall have the meaning as set out in Article 164(i);

"Promoters Offer Price" shall have the meaning as set out in Article 164(i);

"Promoters Right of First Offer" shall have the meaning as set out in Article 164(i);

"Promoter Sale Shares" shall have the meaning as set out in Article 160(ii); **"Promoter Transfer Notice"** shall have the meaning as set out in Article 162(i);

"Promoter Transfer Shares" shall have the meaning as set out in Article 162(i);

"Promoter Transferor" shall have the meaning as set out in Article 160(ii);

"Rejection Notice" shall have the meaning as set out in Article 161(iv);

"Related Party Transactions" shall mean any Contract, arrangement or transaction between or amongst the Company and any of the following: (i) its Subsidiaries and/or its Affiliates, (ii) any other entity forming part of Manappuram Group or any of the respective Affiliates of such entities, (iii) any Promoters' Affiliates, (iv) any of the Promoters, (v) any Director, (vi) any Employee (other than in respect of employment contracts with the employees and arrangements and transactions contemplated thereby), (vii) any other shareholder of the Company or its Subsidiaries or Affiliates who is an Affiliate of the Promoters, or where (a) such shares are held as nominees of any of the Promoters, or the beneficial ownership of such Shares is a Promoter, or (b) a Promoter can direct the voting or exercise of other rights in respect of such Shares;

"Related Party" shall have the meaning ascribed to such term in Accounting Standard -18 issued by the Institute of Chartered Accountants of India;

"Relatives" shall have the meaning as set out in the Act, and shall also include (i) any sibling of such Relative and such sibling's children; and (ii) such Persons as included under Accounting Standard 18 issued by the Institute of Chartered Accountants of India;

"Right of First Sale" shall have the meaning as set out in Article 160(iii); **"Sale Shares Notice"** shall have the meaning as set out in Article 160(ii); **"Secondary Offering"** shall have the meaning as set out in Article 170;

"Sequoia Investors" shall mean Nambe Investment Holdings and Beaver Investment Holdings.

"Shares" shall mean Equity Shares and Preference Shares;

"Share Capital" shall mean the total issued and paid up share capital of the Company on a Fully Diluted Basis; **"Share Sale Notice"** shall have the meaning as set out in Article 170;

"Shareholders" shall mean and refer collectively to the Promoters and the Investor and **"Shareholder"** shall refer to any one of them, as the context may require;

"Stock Exchange(s)" shall mean any recognized stock exchange in India or overseas;

"Subsequent Investors" shall mean the Baring Investors and the Sequoia Investors along with their respective Subsequent Investors Affiliates.

“Subsequent Investors Affiliate(s)” in relation to Baring Investors shall include, (a) any Affiliates of any of the Baring Investors; (b) funds and/or foreign institutional investor entities advised by any of the Baring Investors or their Affiliates; © entities which are advisors of any of the Baring Investors, excluding companies that are Direct Competitors of the Company in India; and (d) any fund or entity in which any of the Baring Investors is a general or limited partner or any Affiliate or associate of such fund or other entity. Without prejudice to the generality of the foregoing, it is clarified that Baring India Private Equity Fund II Limited, Baring India Private Equity Fund III Listed Investments Limited and BRIC II Mauritius Trading shall be considered as Subsequent Investor Affiliates in relation to Baring Investors.

“Subsequent Investors Affiliate(s)” in relation to Sequoia Investors shall include, (a) any Affiliates of any of the Sequoia Investors; (b) funds and/or foreign institutional investor entities advised by any of the Sequoia Investors or their Affiliates; © entities which are advisors of any of the Sequoia Investors, excluding companies that are Direct Competitors of the Company in India; and (d) any fund or entity in which any of the Sequoia Investors is a general or limited partner or any Affiliate or associate of such fund or other entity. Without prejudice to the generality of the foregoing, it is clarified that Nambe Investment Holdings and Beaver Investment Holdings shall be considered as Subsequent Investors Affiliates in relation to Sequoia Investors.

“Subsidiaries” shall mean the direct and indirect subsidiaries of the Company, and shall include companies that may become direct or indirect subsidiaries of the Company after November 5, 2008;

“Tag Along Notice” shall have the meaning as set out in Article 162(ii);

“Tag Along Period” shall have the meaning as set out in Article 162(ii);

“Tag Along Rights” shall have the meaning as set out in Article 162(ii);

“Tag Along Shares” shall have the meaning as set out in Article 162(ii);

“Takeover Code” shall mean the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;

“Third Party Transferee” shall have the meaning as set out in Article 16(ii);

“Transfer” (including with correlative meaning, the terms **“Transferred By”** and **“Transferability”**) shall mean to transfer, sell, assign, mortgage, pledge, charge, hypothecate, create a security interest in or Lien on, place in trust (voting or otherwise), exchange, gift or transfer by operation of Law or in any other way subject to any encumbrance or dispose of, whether or not voluntarily, whether directly or indirectly (pursuant to the transfer of an economic or other interest, the creation of a derivative security or otherwise); and

“Trigger Notice” shall have the meaning as set out in Article 161(i).

TERMS OF THE CCPS

130. Articles 130 to Article 174 shall be subject at all times to the relevant provisions of the Indian Companies Act, 1956 and rules there under, the Securities and Exchange Board of India (Disclosure And Investor Protection) Guidelines, 2000 and other applicable Laws and regulations.

131. Nature of Instrument

The CCPS shall be compulsorily convertible preference shares in the Share Capital of the Company.

132. Face Value

The CCPS shall have a face value of ₹ 100 (Rupees One Hundred only) each.

133. Dividend

- (i) The CCPS shall be entitled to receive a dividend per CCPS in preference to any dividend on the Equity Shares or any other class of Shares of the Company, present or future;
- (ii) The rate of dividend payable on each CCPS shall be 0.05% on the face value of the CCPS;
- (iii) The dividend payable on the CCPS shall be cumulative and any dividend which has accumulated but not paid shall be paid on or before conversion of the CCPS into equity shares.

134. Conversion for AAIA

- (i) The AAIA Subscription Shares will convert into 1,344,337 (One Million Three Hundred Forty Four Thousand Three Hundred Thirty Seven) Equity Shares on September 30, 2009 or at the option of AAIA, at any time before September 30, 2009, without any further payment being required to be made by AAIA for such conversion.
- (ii) The Hudson Subscription Shares will convert into 687,923 (Six Hundred and Eighty Seven Thousand Nine Hundred Twenty Three only) Equity Shares on September 30, 2009 or at the option of Hudson, at any time before September 30, 2009, without any further payment being required to be made by Hudson for such conversion.
- (iii) The GHIOF Subscription Shares will convert into 252,063 (Two Hundred Fifty Two Thousand Sixty Three only) Equity Shares on September 30, 2009 or at the option of GHIOF, at any time before September 30, 2009, without any further payment being required to be made by GHIOF for such conversion.
- (iv) Subject to Article 135, the issue price per Equity Share shall be ₹ 166.62 (Rupees One Hundred Sixty Six and Paise Sixty Two only).

Provided that the issue price per share shall be subject to applicable Law, including the pricing requirements under the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.

135. Antidilution Rights

135.1 Adjustments for Diluting Issues: Subject to applicable Law, till the CCPS held by the Investors are converted into equity shares in full, the Investors shall be entitled to antidilution rights as set forth below:

- (i) For the purposes of this Article 135, **"Additional Equity Shares"** means all Equity Shares issued (or, pursuant to Article 135.2, deemed to be issued) by the Company, other than issuances or deemed issuances of:
 - (a) Equity Shares and convertible securities issued pursuant to the ESOP of the Company; and
 - (b) Equity Shares issued or issuable upon conversion of the CCPS;

135.2 Deemed Issue of Additional Equity Shares

In the event the Company at any time shall issue any convertible securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any convertible securities, then the maximum number of equity shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number) issuable upon the conversion or exchange of such convertible securities or, in the case of options for convertible securities, the exercise of such options and the conversion or exchange of the underlying securities, shall be deemed to have been issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that in any such case in which shares are deemed to be issued:

- (i) no further adjustment shall be made upon the subsequent issue of convertible securities or equity shares in connection with the exercise of such options or conversion or exchange of such convertible securities;
- (ii) if the terms of such options or convertible securities provide, with the passage of time or otherwise, for any change in the consideration payable to the Company or in the number of equity shares issuable upon the exercise, conversion or exchange thereof (other than a change pursuant to the anti-dilution provisions of such options or convertible securities such as this Article 135 or pursuant to recapitalization provisions of such options or Convertible Securities), the adjustment and any subsequent adjustments based thereon shall be recomputed to reflect such change as if such change had been in effect as of the original issue thereof (or upon the occurrence of the record date with respect thereto);
- (iii) upon the expiration of any such options or any rights of conversion or exchange under such convertible securities which shall not have been exercised, the adjustment computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto) and any subsequent adjustments based thereon shall, upon such expiration, be recomputed as if:

- (a) in the case of convertible securities or options for equity shares, the only Additional Equity Shares issued were the equity shares, if any, actually issued upon the exercise of such options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Company for the issue of such exercised options plus the consideration actually received by the Company upon such exercise or for the issue of all such convertible securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Company upon such conversion or exchange, and
- (b) in the case of options for convertible securities, only the convertible securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such options, and the consideration received by the Company for the Additional Equity Shares deemed to have been then issued was the consideration actually received by the Company for the issue of such exercised options, plus the consideration deemed to have been received by the Company (determined pursuant to this Clause 4 upon the issue of the convertible securities with respect to which such options were actually exercised); and
- (c) if such record date shall have been fixed and such options or convertible securities are not issued on the date fixed therefor, the adjustment previously made which became effective on such record date shall be cancelled as of the close of business on such record date, and thereafter shall be adjusted pursuant to this Article 135 as of the actual date of their issuance.

135.3 Adjustment Upon Issuance of Additional Equity Shares

If the Company shall issue, on and after the date hereof, any Additional Equity Shares without consideration or for a consideration per share less than the issue price per share in Article 134(iv), shall forthwith (except as otherwise provided in this sub Article 135.3 be adjusted to a price which shall be the lowest price per share for any of the Additional Equity Shares, subject to applicable Law.

- (i) Determination of Consideration. For purposes of this Article 135.4, the consideration received by the Company for the issue (or deemed issue) of any Additional Equity Shares shall be computed as follows:
 - (ii) Cash and Property. Such consideration shall:
 - (a) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Company before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by the Company for any underwriting or otherwise in connection with such issuance;

- (b) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board; and
- (c) in the event Additional Equity Shares are issued together with other shares or securities or other Assets of the Company for consideration which covers both, be the proportion of such consideration so received, computed as provided in Article 135, as reasonably determined in good faith by the Board.
- (d) Convertible Securities. The consideration per share received by the Company for Additional Equity Shares deemed to have been issued shall be determined by dividing

(A)A the total amount, if any, received or receivable by the Company as consideration for the issue of such options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise of such options or the conversion or exchange of such convertible securities, or in the case of options for convertible securities, the exercise of such options for convertible securities and the conversion or exchange of such convertible securities by

(A)B the maximum number of equity shares (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such options or the conversion or exchange of such convertible securities.

135.4 Adjustments for Reclassification, Exchange and Substitution

- (i) If the equity shares shall be changed into the same or a different number of shares of any other class or classes of shares, whether by capital reorganization, reclassification or otherwise, or if there is a bonus issue, split, or consolidation of shares, then, in any such event, the Investors shall be entitled to such number and class of shares that would place the Investor in the same position relative to all other shareholders as the Investors were immediately before such reorganization or reclassification.
- (ii) The Company shall not, through any amendment of its Articles or Memorandum or any reorganization, transfer of Assets, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company but will at all times in good faith assist in the carrying out of all the provisions of this Article 135, and in the taking of all

such action as may be necessary or appropriate in order to protect the rights of the Investors against impairment.

- (iii) Upon the occurrence of each adjustment or readjustment pursuant to this Article 135.4, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to the Investors a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based along with stock certificates evidencing such adjustment. The Company shall, upon the written request at any time of the Investors, furnish or cause to be furnished to such Investors a like certificate setting forth such adjustments and readjustments and the number of equity shares and the amount, if any, of other property which at the time would be received upon the adjustment.
- (iv) The Company and all shareholders shall take all reasonable actions to at all times reserve and keep available out of its authorized but unissued equity shares solely for the purpose of effecting an adjustment pursuant to this Article 135.4, such number of its equity shares as shall from time to time be sufficient to effect an adjustment; and if at any time the number of authorized but unissued Equity Shares shall not be sufficient to effect an adjustment, the Company and all shareholders shall take such corporate action as may be necessary to increase its authorized but unissued equity shares to such number of equity shares as shall be sufficient for such purpose.

136. Preference on the occurrence of a Liquidation Event prior to conversion of CCPS

- (i) Subject to applicable Law, upon the occurrence of a Liquidation Event, the Company shall distribute the proceeds of such Liquidation Event to its Shareholders, provided that the Investors shall be entitled to receive, together with and at the same time as the other holders of the CCPS, a preferential payment in accordance with this Article 136 from the Assets of the Company or cash or other property, for the CCPS held by it.
- (ii) In the event of a Liquidation Event occurring at any time after the Closing Date, to the extent of funds legally available therefore and subject to applicable Law, the Investors shall receive an amount in accordance with this Section, which is the **higher** of:
 - (a) The amount which would be distributed to the Investors, as if the CCPS held by the Investors have been converted into Equity Shares in accordance with these Articles, if all amounts available to the Company were distributed among all the Shareholders of the Company (including, the Investor) in proportion to their shareholding in the Company on a fully diluted basis.

Or

- (b) The Investor Subscription Consideration paid by each of the Investors, together with any accrued but unpaid dividend.
- (iii) The Promoter Group hereby covenants that each of them shall hold all amounts received by them (pursuant to a Liquidation Event) in their capacity as Shareholders, in trust for and on behalf of each of the Investors and shall immediately, but in any case not later than 15 (fifteen) days from the receipt of such amount, transfer all proceeds received by them (such that each of the Investors receives the amount equivalent to the amount provided in Article 136(ii) from the Company in the event of a Liquidation Event to each of the Investors so as to give effect to the provisions of this Clause.

137. Voting Rights

Subject to provisions of these Articles, the holders of the CCPS shall be entitled to such voting rights as holders of preference shares under the Companies Act.

138. Other Rights

THE HOLDERS OF THE CCPS AND THE SUBSEQUENT INVESTORS SHALL HAVE OTHER RIGHTS THAT ARE SET OUT IN THESE ARTICLES AND UNDER LAW.

MANAGEMENT

139. Board Composition of the Company

- (i) The property, business and affairs of the Company shall be managed under the direction of the Board. The Board may exercise all such powers of the Company and do all such lawful acts and things as are permitted under applicable Law and the Memorandum of Association and Articles of Association.
- (ii) Till such time that either of the Subsequent Investors, collectively with their respective Subsequent Investors Affiliates, hold at least 1% (One percent) Shares, the following matters shall specifically require the prior approval of the Board:
 - a. transactions, agreements or arrangements between the Company and any of its Related Parties (which for the sake of clarity shall include the Promoters and their respective Affiliates and directors), singly or cumulatively in a financial year exceeding a value of ₹ 1,00,00,000/- (Rupees One Crore only);
 - b. change in statutory auditor or internal auditors of the Company;
 - c. change in compliance officer or a designated officer of the Company, designated as the "officer who is in default" for the purpose of the applicable Laws;
 - d. termination, or modification of the terms, of existing employment / services of the key personnel of the Company, including Mr. I Unnikrishnan and Mr. B. N. Raveendra Babu;
- (iii) With effect from the Closing Date, the Board of Directors of the Company will consist of not more than 12 (twelve) Directors or such other number as may be mutually agreed to in writing between the Parties, including the Investor Director.
- (iv) From and with effect from the Closing Date, as long as each of AAIA and Hudson hold at least 1% (one per cent) (six percent) of the Share Capital, each of AAIA and Hudson shall have the right to appoint 1 (one) non executive Director (the "AAIA Director" and "Hudson Director" respectively) on the Board of the Company.
- (v) From and with effect from the Closing Date, as long as GHIOF holds any Shares, GHIOF shall have the right to appoint 1 (one) non executive Director ("GHIOF Director") on the Board of the Company.
- (vi) Each of the Subsequent Investors shall, till such time as they collectively with their respective Subsequent Investors Affiliates, hold at least 1 % (One percent) of the Share Capital, have the right to nominate their one representative on the Board ("Subsequent Investors Nominee Director"). Upon exercise of their respective right to nominate the Subsequent Investors Nominee Director on the Board, the Company shall cause the appointment of the respective Subsequent Investors Nominee Director on the Board. The Subsequent Investors Nominee Director shall not be a person who is also a director or observer on the board of directors of Muthoot Finance Limited or any other Direct Competitor.
- (vii) The Investor Director, Subsequent Investors Nominee Directors shall be non-executive Directors, and shall not be responsible for the day to day affairs of the Company, or in control of the management. In the event of the resignation, retirement or vacation of office of any of the Investor Director or the Subsequent Investors Nominee Directors, each of the Investors and the Subsequent Investors Nominee Directors (as the case may be) shall be entitled to appoint another Director in such place.
- (viii) The Investor Director shall in no event be categorized as an 'officer in default' under any Law, and subject to applicable Law, shall not be liable for acts of the Company committed without his knowledge, or in respect of which he exercised due diligence. The Subsequent Investors Nominee Directors shall not be liable for any failure by the Company to comply with applicable Laws, and shall not be named as an "officer in default" (under any Law), or an "occupier" (of the Company's premises) or "a person in charge of and responsible to the Company for the conduct of business of the Company" under applicable Law.
- (ix) The Company shall, at all times (a) nominate a director(s) or any Person (other than the Subsequent Investors Nominee Directors) as a person in charge who shall be responsible for ensuring compliance with Law; and

- (b) appoint a compliance officer(s) or a designated officer(s) of the Company who shall be the "officer in default" or "occupier" or "person in charge" for the purposes of applicable Laws.
- (x) In the event that any notice or proceedings have been filed against the Subsequent Investors Nominee Directors in their capacity as a director or officer of the Company, the Company shall, and the Promoters shall procure that the Company shall, take all necessary steps to, (a) ensure that the name of the Subsequent Investors Nominee Directors, are excluded; and the charges / proceedings against such Subsequent Investors Nominee Directors are withdrawn; (b) defend the Subsequent Investors Nominee Directors, against such proceedings; and © pay all reasonable costs, damages, fines that may be incurred/levied against the Subsequent Investors Nominee Directors.
- (xi) The Chairman of the Board shall not have a casting vote.
- (xii) The Company shall indemnify its Directors to the maximum extent permitted by applicable Law and shall obtain Directors and Officers liability insurance to the satisfaction of each of the Investors and the Subsequent

Investors.

- (xiii) In the event the Company incorporates any Subsidiary in the future, each of the Investors would have the right to appoint a Director on each such subsidiary and the provisions of Part II of the Articles in relation to management of the Company, would apply to the board of directors of each such Subsidiary.

140. Committees

- (i) Subject to applicable Law and as long as each of AAIA and Hudson holds at least 1% (one percent) of the Share Capital, each of AAIA and Hudson has the right to appoint a member on all the committees established by the Board of Directors of the Company.
- (ii) As long as each of the Subsequent Investors along with their respective Subsequent Investors Affiliates hold at least 1% (One percent) Shares, each of the Subsequent Investors Nominee Directors shall be appointed as a member of the audit committee, the corporate governance committee, the Interim Management Supervisory and Review Committee, and the remuneration committee of the Board (collectively referred to as the "**Committees**").
- (iii) Each of the Committees shall act under the supervision of, and in accordance with the powers and authority delegated to it by the Board, and in accordance with applicable Law.
- (iv) As long as each of the Subsequent Investors along with their respective Subsequent Investors Affiliate hold at least 1% (One percent) Shares, the Company shall, constitute and maintain such committees at all times, by whatever name called.

141. All provisions of Part II of the Articles in relation to Board of Directors shall apply mutatis mutandis to committees of the Board of Directors.

142. ESOP

- (i) The Promoters and the Company hereby undertake that the ESOP shall be amended appropriately, so as to enlarge its size and enhance its scope in order to use the same as an incentive to reward and retain key personnel within the Company subject however to compliance with applicable Law.
- (ii) The details of the proposed changes to the ESOP shall be determined by the Board of Directors after Closing.

143. Exercise of Rights

The Promoters and the Investors undertake to take such actions as may be necessary (including exercising their votes at General Meetings, meeting of the Board of Directors or any committees thereof), to give effect to the provisions of, and to comply with their obligations under these Articles.

144. Removal/Resignation of Directors

The Promoters, the Investors and the Subsequent Investors may require the removal of any Director nominated by them to the Company and nominate another individual as a Director in his/her place, and the other Shareholders shall exercise their rights to ensure the appointment of the individual nominated as aforesaid, provided, that the Investors, the Subsequent Investors and the Promoters have each nominated Directors qualified under the requirements of applicable Law, and each such Director has submitted to the Board any certificate or consent required under the Act to be submitted by him/her in connection with his/her appointment as a member of the relevant Board of Directors. In the event of the resignation, retirement or vacation of office of any Director, the Shareholder who has appointed such Director shall be entitled to appoint another Director in such place and the other Shareholders shall exercise their rights to ensure the appointment of the individual nominated as aforesaid.

145. Meetings of the Board

- (i) The Board of Directors of the Company shall meet at least once every 3 (three) months, with each such meeting to be held in Valapad, Kerala (unless otherwise agreed to by the Company, Promoters and each Investor).
- (ii) Any meeting of the Board of Directors shall be called, held and convened only upon giving a prior written notice of not less than 14 (fourteen) Business Days to all the Directors. Each notice of a meeting of the Board of Directors shall contain, inter alia, an agenda specifying, in reasonable detail, the matters to be discussed at the relevant meeting and shall be accompanied by all necessary written information.

GHIOF or the GHIOF Director shall intimate the Company at least 2 (two) days prior to the scheduled date of the

Board meeting whether or not the GHIOF Director shall be attending the meeting of the Board.

- (iii) Subject to the provisions of these Article including Article 149, a decision shall be said to have been made and/or a resolution shall be said to have been passed at a meeting of the Board of Directors only if at a validly constituted meeting, such decisions are approved by and/or the resolution is approved by a majority of the Directors, which unless otherwise mandated by Law in India, shall mean approval by a majority of the Directors present and voting at such Board meeting.
- (iv) Subject to applicable Law, the Directors or members of any committee of the Board of Directors may participate in meetings of the Board of Directors or committee of the Board of Directors through video-conference or telephonic conference.

146. Quorum of the Board

- (i) The quorum for a meeting of the Board of Directors of the Company shall be as required under the Act, subject to the presence of each of the AAIA Director and the Hudson Director being required to constitute such quorum at a meeting where any business relating to the matters referred to in Article 149 is proposed to be transacted, it being agreed and understood that AAIA and Hudson do not acquire Control of the Company and there is no change in Control of the Company.

Provided that if such a quorum is not present within 1 (one) hour from the time appointed for the meeting, the meeting shall adjourn to the same place and time 10 (ten) days later, at which meeting the Directors present shall, subject to their constituting a valid quorum under the Act, constitute a valid quorum even though the Investor Director is not present, provided that notice of such adjourned meeting shall have been delivered to all Directors at least 5 (five) days prior to the date of such adjourned meeting.

- (ii) If either of the AAIA Director or Hudson Director notifies the Company that he/she shall be unable to attend such adjourned meeting, then any matter referred to in Article 149 shall not be taken up at such adjourned meeting, without obtaining the prior written consent of each of the AAIA Director or the Hudson Director but shall instead be passed as a resolution by circulation in accordance with Article 148. Provided that if any matter referred to in Article 149 cannot be passed as a resolution by circulation, and either of AAIA or Hudson has not consented to such resolution, then such matter shall not be taken up at the adjourned meeting.

Provided further that AAIA or Hudson may, in writing, waive the requirements of quorum specified in this Article for any meeting.

147. Alternate Director

Each of the Investors shall be entitled to nominate an alternate Director (an **"Alternate Director"**) in place of their respective Investor Director originally nominated by it (an **"Original Director"**) from time to time and the Board shall appoint such Alternate Director. Upon the appointment of the Alternate Director, the Company shall ensure compliance with the provisions of the Act, including by filing necessary forms with the jurisdictional Registrar of Companies. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in his or her absence.

148. Resolution by Circulation

A written resolution circulated to all the Directors or members of committees of the Board of Directors, whether in India or overseas and signed by a majority of them as approved, shall (subject to compliance with the relevant requirements of the Act) be as valid and effective as a resolution duly passed at a meeting of the Board of Directors or committee of the Board of Directors, called and held in accordance with these Articles (provided that it has been circulated in draft form, together with the relevant papers, if any, to all the Directors); provided however that if the resolution proposed to be passed by circulation pertains to a matter referred to in Article 149, such circular resolution shall be valid and effective only if it has received the written consent of each of the AAIA Director and Hudson Director.

149. Affirmative Rights in the Company

- (i) Notwithstanding anything to the contrary contained in these Articles, so long as each of AAIA and Hudson holds at least 1% (one percent) of the total Share Capital, decisions on the following matters shall not be taken and/or implemented, and no action in connection with those matters shall be taken by the Company, whether at meetings of its shareholders and/or its Board of Directors and/or committees of its Boards of Directors or otherwise, in each case without the affirmative votes or prior written consent of, each of AAIA and Hudson or each of the AAIA Director and the Hudson Director nominated by AAIA and Hudson respectively, as the case may be:
 - (a) Acquisition of shares, assets, business, business organization or division of any other Person, creation of legal entities, joint ventures or partnerships, mergers, de-mergers, spin-offs and consolidations, creation of any new Subsidiaries (other than acquisition of shares in the normal course of business and acquisition of assets in the normal course of business up to an amount of ₹ 30,000,000 (Rupees Thirty Million only), except the proposed merger of MAFIT with and into the Company.
 - (b) Any changes in class rights for Shares (directly or indirectly).

- (c) Entry into or amendments to any exclusive marketing agreements or arrangements (other than short marketing agreements or arrangements having a validity period not exceeding 1 year).
- (d) Commencement of any new line of business, which is unrelated to the business carried on by the Company as an NBFC including the business of lending against gold pledged, hire purchase, personal loans, and money transfer services to consumers.
- (e) Any change in the capital structure of the Company including issued, subscribed or paid up equity or preference share capital of the Company, or re-organization of the Share Capital, including new issuance of shares or other securities or any other convertible instrument of the Company or redemption, retirement or repurchase of any shares or other securities, issuance of convertible debentures or warrants, or grant of any options over its shares by the Company, and the granting of any rights to the holder of such shares or other securities, convertible debentures or warrants, or options, at terms more favourable than those given to AAIA or Hudson, or which in any way affect the rights and remedies of AAIA or Hudson. Provided that an Investor will not be entitled to exercise this veto right in the event (a) the Company proposes to issue any equity, preference, equity-related or convertible securities to any Person(s) other than AAIA or Hudson at a pre-money valuation of the Company which is higher than the post money valuation on the basis of which AAIA or Hudson had subscribed for the AAIA Subscription Shares and Hudson Subscription Shares respectively, at no better terms than the terms on which AAIA or Hudson were issued the AAIA Subscription Shares and Hudson Subscription Shares respectively, and which do not affect the rights of AAIA or Hudson (b) the Company issues non convertible debentures up to the limits set out in the annual budget/business plan.
- (f) Creation of Subsidiaries.
- (g) Sale, transfer or other disposition of the Company, any of its Subsidiaries, its joint ventures and its subsidiaries.
- (h) De-listing of Shares of the Company or any of its Subsidiaries on any stock-exchanges.
- (i) Taking of steps towards or appointment of any advisers, including but not limited to, investment bankers, merchant bankers, underwriters to the issue, in connection with a potential sale or floatation of Shares of the Company or any of its Subsidiaries including through a Public Offering.
- (j) Declaration or payment of dividends or other distributions on any class of Shares of the Company.
- (k) Approval and adoption of the annual budget/ business plan of the Company or any of its Subsidiaries.
- (l) Any amendment or modification or the taking of any action that would be inconsistent with the budget/ business plan as approved by the Board and then in effect by more than 5% (five percent). Provided that such permissible limit of 5% (five percent) would however not apply if, in the opinion of any of AAIA or Hudson, the proposed action is not likely to have an adverse impact on the profitability and need to raise additional debt or equity capital.
- (m) The appointment or removal and determination of the terms of employment including compensation of Key Management Personnel and any significant changes in the terms of their employment agreements.
- (n) Creation or adoption of any new or additional ESOP, or any change or modification or amendment to any ESOPs of the Company or its Subsidiaries.
- (o) The prosecution or settlement of legal actions or claims by or against the Company and/or its Subsidiaries where the aggregate amount of all claims so prosecuted or settled would exceed ₹ 10,000,000 (Rupees Ten Million only) within any Financial Year.
- (p) Dissolution, winding-up or liquidation of the Company or any of its Subsidiaries, whether or not voluntary, or any restructuring or reorganization that has a similar effect;
- (q) Entering into or any amendments to the terms of any Related Party Transactions other than as disclosed to AAIA and Hudson.
- (r) Any amendment, supplement, modification or restatement of the Memorandum or Articles of Association of the Company or any of its Subsidiaries.
- (s) Any changes to accounting or tax policies, procedures or practices or reappointment or change of internal or statutory auditors of the Company or any of its Subsidiaries.
- (t) Change of registered office of the Company or any of its Subsidiaries;
- (u) Taking any decision or action, entering into or amending any Contract with any Person in relation to MIBPL;
- (v) Delegation of authority or any of the powers relating to any matter contained in this Article 149 by the Board of the Company and/or its Subsidiaries to any individual or committee and any commitment or agreement to do any of the foregoing.
- (w) Any proposal by the Company to take any decisions or action on matters listed in this Article 149 with respect to its Subsidiaries.
- (x) Any decision to convene a General Meeting to consider any of the foregoing matters.

It is clarified that all financial limits in this Article 149 are indicated on an aggregate basis.

- (ii) In the event that the Company proposes to convene a General Meeting to consider any of the matters listed in Article 149, and if the AAIA Director or the Hudson Director vote against the inclusion of such resolution in the General Meeting, then such matter or resolution shall not be considered in the General Meeting, and if considered or put to vote, such matter forming part of the resolution shall be null and void, and deemed to have not been passed and shall not be given effect to. The Company and the Promoters shall do all acts necessary or required under Law to give effect to this Article 149.

150. Statutory Auditor

Any change in the auditor appointed by the Company shall be made only with the prior written consent of each of AAIA and Hudson.

INFORMATION AND ACCESS RIGHTS

151. The Company shall furnish to the Investors, all such information as is provided to all other Directors and to any other shareholders of the Company.
152. Subject to applicable Law, including but not limited to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Company shall, upon reasonable notice, provide full access to each of the Investors and their authorized representatives (including lawyers, accountants, auditors and other professional advisors) to visit and inspect all properties, assets, corporate, financial and other records, reports, books, Contracts and commitments of the Company, its Affiliates and joint ventures, and to discuss and consult its business, actions plans, budgets and finances with the Directors and executive officers of the Company, its Affiliates and joint ventures.

GENERAL MEETINGS

153. An AGM shall be held each calendar year within 6 (six) months following the end of the previous Financial Year.
154. Prior written notice of a minimum of 21 (twenty one) Business Days for a General Meeting shall be given to all shareholders of the Company; provided however that any General Meeting may be held upon shorter notice in accordance with the provisions of the Act. All notices shall be accompanied by an agenda setting out the particular business proposed to be transacted at such meeting.
155. The Board of Directors shall provide the Company's previous Financial Year's audited financial statements to all Shareholders at least 1 (one) month before the AGM is held to approve and adopt the audited financial statements. All other General Meetings, other than the AGM, shall be EGMs.
156. The quorum for General Meetings shall be a minimum of 5 (five) members being present, subject to at least 1 (one) authorized representative representing the Promoters and

each of AAIA and Hudson being present at such meeting; provided, however, that no decision or determination will be made and no action will be taken by or with respect to the Company in respect of any of the reserved matters referred to in Article 149 unless approved in accordance with Article 149.

157. Related Party Transactions

All related party transactions of the company or its affiliates or subsidiaries shall be duly approved by the board and shareholders of the company or the subsidiaries, as the case may be and shall be made on an arm's length, market terms basis.

158. Right to Invest

- (i) The Investors and/or any of its Affiliates shall be entitled to invest in any entity engaged in the same or allied field as that of the Company, its Subsidiaries/ Affiliates, and the Promoters confirm that that they will have no objection to any of the Investors and/or any of the Investor Affiliate making such investments. The Company shall provide each of the Investors with a No Objection Certificate to this effect at or before the Closing Date in the form as required by the Investors.
- (ii) If any of the Investors invest in Muthoot Finance Private Limited, Muthoot Fincorp Limited and Muthoot Capital Services Limited, such Investors shall not nominate a common director on the board of directors of such investee company and any such company of the Muthoot group.

159. Transfer of Shares by the Promoters

- (i) Subject to Article (ii), none of the Promoters shall Transfer any or all of its Shares in the Company and/ or its Subsidiaries/ Affiliates, and the Company shall not Transfer any of its Shares in any of its Subsidiaries/ Affiliates, except with the prior written consent of each of AAIA and Hudson.
- (ii) Notwithstanding anything contained in Article (i), but subject to this Article, the Promoters shall, upon expiry of 12 (twelve) months from March 14, 2012, have the right to sell up to 3% (three percent) (collectively) of the total shareholding of the Promoters in the Company in a Financial Year, without the prior written consent of each of AAIA and Hudson, provided that the shareholding of the Promoters post such Transfer shall not be less than 26% (twenty six percent) of the total Share Capital, provided however that subject to Article 161(iii), a Transfer of Shares by the Promoters under this Article (ii) shall be subject to the Right of First Offer of AAIA and Hudson under Article 161. It is hereby clarified that the Tag Along Rights of each of AAIA and Hudson shall not apply to a Transfer of up to 3% (three percent) (collectively) of the shareholding of the Promoters in the Company in a Financial Year by the Promoters in compliance with this Article (ii).
- (iii) Transfer of Shares by the Promoters within 12 months of the Execution Date

- (a) Save and except as provided in this Article 159(iii), the Promoters shall not Transfer any or all of their Shares in the Company within the first 12 months from the Execution Date, except with the prior written consent of the Subsequent Investors.
- (b) The aggregate Shares transferred or proposed to be transferred by the Promoters during the financial year ending March 31, 2012, after reckoning the sale of Shares on the Execution Date or within 15 days of the Execution Date, shall not exceed 4.75% of the Share Capital. Any such transfer of Shares held by the Promoters in the Company in excess of 4.75% of the Share Capital shall be subject to prior approval of the Subsequent Investors.
- (iv) Transfer of Shares by the Promoters after 12 months of the Execution Date
- (a) After 12 months from the Execution Date, the Promoters can Transfer any or all of their Shares in the Company, without the prior written consent of the Subsequent Investors, subject to the restrictions as set out in Articles 159(iii), 159(iv) and 159(v) and provided that the collective shareholding of the Promoters after such Transfer shall not be less than 26% of the total Share Capital.
- (b) After 12 months from the Execution Date, the Promoters shall have the right to sell up to 3% (collectively) of the total shareholding of the Promoters on an aggregate basis in a Financial Year ("**Yearly Divestment Limit**"), without the prior written consent of the Subsequent Investors, provided that the shareholding of the Promoters post such Transfer shall not be less than 26% of the Share Capital, provided however that a Transfer of Shares by the Promoters under this Article 159(iv)(b) shall be subject to the Right of First Offer of the Subsequent Investors under Article 161A.
- (v) The restrictions set out in Article 159(iii) and Article 159(iv) shall not apply in respect of any Transfer of Shares by the Promoters to its Affiliates. Any Affiliate of the Promoters to which Shares have been Transferred, shall execute a deed of adherence in an agreed form; provided that if the Affiliate of any of the Promoters ceases to be an Affiliate of such Promoter, the Promoters shall ensure that the Shares held by such Person are transferred to the Promoters, who shall be bound by the terms of these Articles.
160. Right of First Sale of AAIA and Hudson
- (i) After 3 (three) years from the Closing Date, the Promoters shall have the right to sell more than 3% (three percent) of the shareholding of the Promoters in the Company in a Financial Year, subject to the Right of First Sale as described in Article 196(ii).
- (ii) In the event any Promoter (the "**Promoter Transferor**") proposes to Transfer any of its Shares in the Company in excess of the limit of 3% (three percent) of the Shares held by the Promoters ("**Promoter Sale Shares**") to any Person (the "Third Party Transferee") on terms that satisfy the conditions set out in Article(i), the Promoter Transferor shall, within 3 (three) Business Days of receipt of such offer, provide each of AAIA and Hudson a written notice ("Sale Shares Notice") of its intention to sell the Promoter Sale Shares, setting out the identity of the Third Party Transferee, the price and payment terms of such offer received from the Third Party Transferee.
- (iii) Upon receipt of the Sale Shares Notice, each of AAIA and Hudson shall have the right to sell to the Third Party Transferee up to such number of Shares held by each of them which equals the number of Promoter Sale Shares (the "**Sale Shares**") at the price and payment terms offered by the Third Party Transferee to the Promoter Transferor (the "**Right of First Sale**"), by providing, within 15 (fifteen) Business Days of the receipt of the Sale Shares Notice by each of AAIA and Hudson, a written notice to the Promoter Transferor of its intention to sell the First Sale Shares to the Third Party Transferee (the "**Sale Shares Notice**").
- (iv) Upon receipt of the Sale Shares Notice, the Promoter Transferor shall ensure that within 7 (seven) Business Days of receipt of the Sale Shares Notice, the Third Party Transferee informs each of AAIA and Hudson and the Promoter Transferor in writing ("**Sale Shares Acceptance Notice**") of its intention to purchase all the Sale Shares at the price and payment terms stated in the Sale Shares Notice. In such an event, the Third Party Transferee shall purchase the Sale Shares within 30 (thirty) Business Days from the issue of the Sale Shares Acceptance Notice, after obtaining any consents/ approvals or making any regulatory filings as may be required under applicable Laws, which shall be the responsibility of the Promoters. The Promoter Transferor shall be entitled to sell any of the Promoter Sale Shares to the Third Party only after the Third Party Transferee has purchased all the Sale Shares in accordance with these Articles.
- (v) In the event that the Third Party Transferee does not agree to purchase the Sale Shares at the price and payment terms stated in the Sale Shares Notice, the Promoter Transferor shall not be entitled to sell the Promoter Sale Shares to the Third Party Transferee, unless otherwise agreed to in writing by each of AAIA and Hudson.
- (vi) In the event either of AAIA or Hudson does not exercise the Right of First Sale under this Article 160 or having received the Sale Shares Acceptance Notice, fails to consummate the Transfer of the Sale Shares within the period of 30 (thirty) Business Days as stated in Article (iv) other than for reasons not attributable to each of AAIA and Hudson, the Promoter Transferor shall be entitled to Transfer the Promoter Sale Shares to the Third Party Transferee at the price and on the payment terms mentioned in the Sale Shares Notice.

- (vii) The exercise of the Right of First Sale under Article 160 shall be without prejudice to the Right of First Offer of AAIA and Hudson under Article 161. Any failure to exercise the Right of First Sale under this Article 160 with respect to the Transfer of Shares by the Promoters in one instance shall be without prejudice to the right of each of AAIA and Hudson to exercise the Right of First Sale with respect to any subsequent offers for purchase of Shares of the Promoters as contained in Article (i).
- (viii) In case any of the other shareholders of the Company having a similar right of first sale under the Articles, decide to exercise such right of first sale, then the Promoter shall forthwith inform AAIA and Hudson of such decision taken by the relevant shareholder, along with the details thereof.
- (ix) Any transferee of the Shares of the Promoters under this Article 159 (other than AAIA and Hudson and subject to compliance with Article 159(ii), Persons to whom the Promoters sell up to 3% (three percent) of the total shareholding of the Promoters in the Company in a Financial Year) shall execute a Deed of Adherence agreeing to be subject to all the obligations of the Promoters, provided that each of AAIA and Hudson may, on a request made in this regard by the Promoters, waive the requirement of the transferee of the Shares of the Promoters under this Article 159 executing a Deed of Adherence.

160A. Right of First Sale of the Subsequent Investors

- 160A.1 Save and except as provided in Articles 159(iii) and 159(iv), in the event any of the Promoters (the **"Transferring Promoter"**) propose to Transfer any of its Shares in the Company in excess of 3% (collectively) of the total shareholding of the Promoters on an aggregate basis in a Financial Year (**"Yearly Divestment Limit"**) (**"Promoter Transfer Shares"**) to any Person (the **"Third Person Transferee"**) on terms that satisfy the conditions set out in Articles 159(iii) and Article 159(iv), the Transferring Promoter shall, within 3 Business Days of receipt of such offer, provide each of the Subsequent Investors a written notice (**"Transfer Shares Notice"**) of its intention to sell the Promoter Transfer Shares, setting out the identity of the Third Person Transferee, the price and the payment terms of such offer received from the Third Person Transferee.
- 160A.2 Upon receipt of the Transfer Shares Notice, each of the Subsequent Investors shall have the right (along with the other exiting Investors in accordance with their respective shareholding in the Company at the relevant time) to sell to the Third Person Transferee up to such number of Shares held by them which equals the number of Promoter Transfer Shares (the **"Subsequent Investor Sale Shares"**) at the price and payment terms offered by the Third Person Transferee to the Transferring Promoter (the **"Subsequent Investors' Right of First Sale"**), by providing, within 15 Business Days of the receipt of the

Transfer Shares Notice by the respective Subsequent Investors, a written notice to the Transferring Promoter of its intention to sell the Subsequent Investor Sale Shares to the Third Person Transferee (the **"Subsequent Investor Sale Shares Notice"**).

160A.3 Upon receipt of the Subsequent Investor Sale Shares Notice, the Transferring Promoter shall ensure that within 7 Business Days of receipt of the Subsequent Investor Sale Shares Notice, the Third Person Transferee informs each of the Subsequent Investors and the Transferring Promoter in writing (**"Transfer Shares Acceptance Notice"**) of its intention to purchase all the Subsequent Investor Sale Shares at the price and payment terms stated in the Transfer Shares Notice. In such an event, the Third Person Transferee shall purchase the Subsequent Investor Sale Shares within 30 Business Days from the issue of the Transfer Shares Acceptance Notice, after obtaining any consents/ approvals or making any regulatory filings as may be required under applicable Laws, which shall be the responsibility of the Promoters. The Transferring Promoter shall be entitled to sell any of the Promoter Transfer Shares to the Third Person Transferee only after the Third Person Transferee has purchased all the Subsequent Investor Sale Shares in accordance with these Articles.

160A.4 In the event that the Third Party Transferee does not agree to purchase the Subsequent Investor Sale Shares at the price and payment terms stated in the Transfer Shares Notice, the Transferring Promoter shall not be entitled to sell the Promoter Transfer Shares to the Third Person Transferee, unless otherwise agreed to in writing by the relevant Subsequent Investors.

160A.5 In the event the Subsequent Investors do not exercise their Subsequent Investors Right of First Sale under this Article 160A or having received the Transfer Shares Acceptance Notice, fails to consummate the Transfer of the Subsequent Investor Sale Shares within the period of 30 Business Days as stated in Article 160A.3 above, for reasons attributable to such Subsequent Investors, as the case may be, the Transferring Promoter shall be entitled to Transfer the Promoter Transfer Shares to the Third Person Transferee at the price and on the payment terms mentioned in the Transfer Shares Notice.

160A.6 The exercise of the Subsequent Investors' Right of First Sale under Article 160A.3 shall be without prejudice to the Subsequent Investors' Right of First Offer of the Subsequent Investors under Article 161A. Any failure to exercise the Subsequent Investors' Right of First Sale under this Article 160A with respect to the Transfer of Shares by the Promoters in one instance shall be without prejudice to the right of such Subsequent Investors, to exercise their Subsequent Investors' Right of First Sale with respect to any subsequent offers for purchase of Shares of the Promoters as contained in Article 160A.1.

160A.7 Notwithstanding anything contained in these Articles, the Subsequent Investors' Right of First Sale of the Subsequent Investors shall at all times be pari passu inter se each other as well with the Investors and not in any manner secondary to the right of first sale of the Investors, as provided under Article 160. In case any of the Investors or the Subsequent Investors decides to exercise their right of first sale under Articles 160 or 160A (as the case may be), then the Promoters shall forthwith inform the other Subsequent Investors of such decision taken by the relevant Investor or the Subsequent Investor, along with the details thereof.

160A.8 Each Subsequent Investor shall cease to have its respective Subsequent Investors' Right of First Sale under this Article 160A as soon as such Subsequent Investor collectively with its Subsequent Investor Affiliates ceases to hold at least 1.5% of the Share Capital.

161. Right of First Offer of AAIA and Hudson

- (i) If any Promoter Transferor proposes to Transfer any or all of its Shares (the **"Offered Shares"**) to any Person, each of AAIA and Hudson shall have the right of first offer to purchase such proportion of the Offered Shares (the **"Right of First Offer"**) as its shareholding in the Company bears to the shareholding of other Persons who have a similar right to purchase the Offered Shares. The Promoter Transferor shall provide each of AAIA and Hudson, a written notice of its intention to sell the Offered Shares (the **"Trigger Notice"**). The Trigger Notice shall set out the number of the Offered Shares, identity of the transferee, the price at which the Promoter Transferor is willing to Transfer such Offered Shares (**"ROFO Price"**) on a cash, non contingent basis. Each of AAIA and Hudson shall have the option to, within 15 (fifteen) Business Days of receipt of the respective Trigger Notice from the Promoter Transferor, inform the Promoter Transferor in writing (the **"Offer Notice"**) of its intention to purchase the Offered Shares and state the price for such purchase (the **"Offer Price"**) along with the payment terms. Upon receipt of the respective Offer Notice by the Promoter Transferor, if the Offer Price by each of AAIA and Hudson is equal to or greater than their respective ROFO Price and payment terms stated in the respective Offer Notice are acceptable to the Promoter Transferor, it shall, by written notice (the **"Acceptance Notice"**), intimate its acceptance of the Offer Price and payment terms to each of AAIA and Hudson within a period of 5 (five) Business Days from the date of receipt of each of the Offer Notice.
- (ii) Upon the Promoter Transferor sending an Acceptance Notice, the Promoter Transferor and each of AAIA and Hudson shall consummate the Transfer of the Offered Shares within a period of 30 (thirty) Business Days from the date of receipt of the Acceptance Notice. Each of AAIA and Hudson shall also pay a deposit of 5% (five percent) of the respective Offer Price to the Promoter Transferor upon receipt of the respective Acceptance Notice after obtaining any consents/ approvals or making any regulatory filings

as may be required under applicable Laws which shall be the responsibility of the Promoters.

- (iii) In the event that the Promoter Transferor does not receive the Acceptance Notice within 15 (fifteen) Business Days from receipt of the Trigger Notice or after having exercised the Right of First Offer within 15 (fifteen) Business Days from receipt of the Trigger Notice, each of AAIA and Hudson fails to purchase the Offered Shares offered by the Promoter Transferor within a period of 30 (thirty) Business Days from the date of their respective Acceptance Notice other than for reasons not attributable to it, the Right of First Offer of each of AAIA and Hudson shall be deemed to have lapsed and the Promoter Transferor shall be entitled to sell the Offered Shares offered to each of AAIA and Hudson to any Third Party Transferee at a price higher than the respective ROFO Price, within 90 (ninety) days from the expiry of the 15 (fifteen) day or 30 (thirty) day period referred to in this Article (iii), as the case may be.
- (iv) In the event that the Right of First Offer under this Article is exercised and each of AAIA and Hudson under Article 161 issues their respective Offer Notice in accordance with Article (i) to the Promoter Transferor, the Promoter Transferor shall have the right to reject the offer made by each of AAIA and Hudson in their respective Offer Notice only in the event that their respective Offer Price is less than their respective ROFO Price, and the Promoter Transferor shall intimate each of AAIA and Hudson, within 7 (seven) Business Days from receipt of the respective Offer Notice, by written notice (the **"Rejection Notice"**), that the terms of each of the Offer Notice are not acceptable to it. The Promoter Transferor shall be entitled to sell the Offered Shares in respect of which the Right of First Offer has not been exercised to any Third Party Transferee at any price higher than the ROFO Price and on payment terms which are no more favourable to the Third Party Transferee than the payment terms specified in the Offer Notice, and the Promoter Transferor and the Third Party Transferee shall consummate the Transfer of the Offered Shares within a period of 90 (ninety) days from the date of the Rejection Notice.
- (v) In the event that the Transfer of Offered Shares by the Promoter Transferor to a Third Party Transferee is not consummated within a period of 90 (ninety) days from the date of the Rejection Notice as provided in Article (iv), any subsequent proposal to Transfer any Shares including the Offered Shares shall again be subject to the Right of First Offer under this Article 161.
- (vi) Each of AAIA and Hudson shall cease to have the Right of First Offer under this Article 161 as soon as it ceases to hold 1.5 (one point five per cent) of the Share Capital.
- (vii) The Right of First Offer under this Article 161 shall not apply in respect of any Transfer of Shares by the Promoter Transferor to its Affiliate. Any Affiliate of the Promoters to which Shares have been Transferred in accordance with

these Articles shall execute a Deed of Adherence, provided that if the Affiliate of any of the Promoters ceases to be an Affiliate of such Promoter, the Promoters shall ensure that the Shares held by such Person are transferred to the Promoters, who shall be bound by the terms of these Articles.

- (viii) The Right of First Offer under this Article 161 shall apply to all such Shares (such shares the **"Additional Offered Shares"**) in respect of which other Persons who have a right of first offer have not exercised such right. Each of AAIA and Hudson shall have the right of first offer to purchase such proportion of the Additional Offered Shares as its shareholding in the Company bears to the shareholding of other Persons who have a similar right to purchase the Additional Offered Shares, and the provisions of this Article 161 shall apply mutatis mutandis to the Additional Offered Shares.
- (ix) In case any of the other shareholders of the Company having a similar right of first offer under this Article, decide to exercise such right of first offer, then the Promoter shall forthwith inform the AAIA and Hudson of such decision taken by the relevant shareholder, along with the details thereof.

161A. Right of First Offer of the Subsequent Investors

161A.1 Save and except as provided in Articles 159(iii) and 159(iv), if any Transferring Promoter proposes to Transfer any or all of its Shares (the **"Promoter Offered Shares"**) to any Person, the Subsequent Investors shall have the right of first offer to purchase by itself or through its Subsequent Investor Affiliates or through a person designated by the Subsequent Investors, provided that such transferee Subsequent Investors Affiliate or the person designated by the Subsequent Investors shall be subject to all the terms and conditions of these Articles by executing a deed of adherence in the agreed format, such proportion of the Promoter Offered Shares (the **"Subsequent Investors' Right of First Offer"**) as its shareholding in the Company bears to the shareholding of the Investors, who have a similar right under these Articles to purchase the Promoter Offered Shares. The Transferring Promoter shall provide the Subsequent Investors, a written notice of its intention to sell the Offered Shares (the **"Subsequent Investor Trigger Notice"**). The Subsequent Investor Trigger Notice shall set out the number of the Promoter Offered Shares, identity of the transferee, the price at which the Transferring Promoter is willing to Transfer such Promoter Offered Shares (**"Subsequent Investor ROFO Price"**) on a cash, non contingent basis. Each of the Subsequent Investors shall have the option to, within 15 Business Days of receipt of the Subsequent Investor Trigger Notice from the Transferring Promoter, inform the Transferring Promoter in writing (the **"Subsequent Investor Offer Notice"**) of its intention to purchase the Promoter Offered Shares and state the price for such purchase (the **"Subsequent Investor Offer Price"**) along with the payment terms. Upon receipt of the Subsequent

Investor Offer Notice by the Transferring Promoter, if the Subsequent Investor Offer Price by such Subsequent Investors, is equal to or greater than the Subsequent Investor ROFO Price, and payment terms stated in the Subsequent Investor Offer Notice are acceptable to the Transferring Promoter, it shall, by written notice (the **"Promoter Acceptance Notice"**), intimate its acceptance of the Subsequent Investor Offer Price and payment terms to such Subsequent Investor within a period of 5 Business Days from the date of receipt of each of the Subsequent Investor Offer Notice.

161A.2 Upon the Transferring Promoter sending a Promoter Acceptance Notice, the Transferring Promoter and the Subsequent Investors or the respective Subsequent Investor Affiliates or their designees, as the case may be, shall consummate the Transfer of the Promoter Offered Shares within a period of 30 Business Days from the date of receipt of the Promoter Acceptance Notice. In such a case, the Subsequent Investors shall also pay a deposit of 5% (five percent) of the Subsequent Investor Offer Price to the Transferring Promoter upon receipt of the Promoter Acceptance Notice after obtaining any consents/ approvals or making any regulatory filings as may be required under applicable Law, which shall be the responsibility of Promoters.

161A.3 In the event that the Transferring Promoter does not receive the Subsequent Investor Offer Notice within 15 Business Days from receipt of the Subsequent Investor Trigger Notice or after having exercised the Subsequent Investor Right of First Offer within 15 Business Days from receipt of the Subsequent Investor Trigger Notice, the Subsequent Investors fail to purchase the Promoter Offered Shares offered by the Transferring Promoter within a period of 30 Business Days from the date of the Acceptance Notice for reasons attributable to such Subsequent Investor, the Right of First Offer of such Subsequent Investor shall be deemed to have lapsed and the Transferring Promoter shall be entitled to sell the Offered Shares offered to the such Subsequent Investor to any Third Party Transferee at a price higher than the ROFO Price, within 90 days from the expiry of the 15 day or 30 day period referred to in this Article 161A.3.

161A.4 In the event that the Right of First Offer under this Article 161A is exercised and the Subsequent Investors issue the Offer Notice in accordance with Article 161A.1 to the Transferring Promoter, the Transferring Promoter shall have the right to reject the offer made by the Subsequent Investors in the Subsequent Investor Offer Notice only in the event that the Subsequent Investor Offer Price is less than the Subsequent Investor ROFO Price, and the Transferring Promoter shall intimate such Subsequent Investor, within 7 Business Days from receipt of the Subsequent Investor Offer Notice, by written notice (the **"Promoter Rejection Notice"**), that the terms of the Subsequent Investor Offer Notice are not acceptable

to it. The Transferring Promoter shall be entitled to sell the Promoter Offered Shares in respect of which the Subsequent Investors' Right of First Offer has not been exercised, to any Third Person Transferee at any price higher than the Subsequent Investor ROFO Price and on payment terms which are no more favourable to the Third Person Transferee than the payment terms specified in the Subsequent Investor Offer Notice, and the Transferring Promoter and the Third Person Transferee shall consummate the Transfer of the Promoter Offered Shares within a period of 90 days from the date of the Promoter Rejection Notice.

161A.5 In the event that the Transfer of Promoter Offered Shares by the Transferring Promoter to a Third Person Transferee is not consummated within a period of 90 days from the date of the Promoter Rejection Notice as provided in Article 161A.4, any subsequent proposal to Transfer any Shares including the Promoter Offered Shares shall again be subject to the Subsequent Investors' Right of First Offer under this Article 161A.

161A.6 Each Subsequent Investor shall cease to have its respective Subsequent Investors' Right of First Offer under this Article 161A as soon as such Subsequent Investor collectively with its Subsequent Investor Affiliates ceases to hold at least 1.5% of the Share Capital.

161A.7 The Subsequent Investors' Right of First Offer under this Article 161A shall apply to all such Shares (such shares the "**Further Offered Shares**") in respect of which other Persons who have a right of first offer have not exercised such right. The Subsequent Investors shall have the Subsequent Investors' Right of First Offer to purchase such proportion of the Further Offered Shares as its shareholding in the Company bears to the shareholding of other Persons who have a similar right to purchase the Further Offered Shares under these Articles, and the provisions of this Article 161A shall apply mutatis mutandis to the Further Offered Shares.

161A.8 Notwithstanding anything contained in these Articles, the Parties agree that the Subsequent Investors' Right of First Offer of the Subsequent Investors shall at all times be pari passu inter se each other as well with the Investors and not in any manner secondary to the right of first offer of the other existing Investors in the Company, as provided under Article 161 of these Articles. In case any of the Investors or the Subsequent Investor decides to exercise their right of first offer under Articles 161 or 161A (as the case may be), then the Promoters shall forthwith inform the other Subsequent Investors of such decision taken by the relevant Investor or the Subsequent Investor, along with the details thereof.

162. Tag Along Rights of AAIA and Hudson

(i) In the event that a Promoter Transferor proposes to Transfer any of its Shares in excess of the limit of 3% (three percent) of the Shares held by the Promoters to any Third Party

Transferee (which transfer shall be subject to Article 159(ii) in respect of which the Right of First Sale or the Right of First Offer has not been exercised, then the Promoter Transferor shall give a notice in writing (the "**Promoter Transfer Notice**") to each of AAIA and Hudson specifying the number of Shares proposed to be Transferred (the "**Promoter Transfer Shares**"), the price at which the Promoter Transferor intends to Transfer such Promoter Transfer Shares, the identity of the Third Party Transferee and any other material or relevant terms and conditions of the proposed Transfer.

(ii) Upon each of AAIA and Hudson, receiving the Promoter Transfer Notice, each of AAIA and Hudson may, within 15 (fifteen) Business Days of receipt of the Promoter Transfer Notice (the "**Tag Along Period**"), send a written notice to the Promoter Transferor (the "**Tag Along Notice**") requiring the Promoter Transferor to ensure that the Third Party Transferee also purchases such number of Shares then held by each of AAIA and Hudson in the Company which shall not exceed the pro rata number of Shares of each of AAIA and Hudson in the issued Share Capital at the relevant time (the "**Tag Along Shares**") at the same price and on the same terms as mentioned in the Promoter Transfer Notice (the "**Tag Along Right**"). The Tag Along Right under this Article 162 shall be available in respect of the proportionate shareholding of each of AAIA and Hudson at the relevant time.

(iii) In the event that each of AAIA and Hudson delivers a Tag Along Notice to the Promoter Transferor, the Promoter Transferor shall ensure that along with the Promoter Transfer Shares mentioned in the Promoter Transfer Notice, the Third Party Transferee also acquires the respective Tag Along Shares of each of AAIA and Hudson as specified in the respective Tag Along Notice for the same consideration and upon the same terms and conditions as mentioned in the respective Promoter Transfer Notice, provided that each of AAIA and Hudson shall, at its option, be entitled to, and the Promoter Transferor shall procure that each of AAIA and Hudson will, receive the cash equivalent of any non-cash component of the consideration to be paid by the Third Party Transferee. The value of such non cash component of the consideration shall be determined by an independent valuation to be caused by each of AAIA and Hudson by an internationally renowned accounting firm if each of AAIA and Hudson and Promoter Transferor fail to mutually agree on such value.

(iv) In the event that the Third Party Transferee is unwilling or unable to acquire all of the Promoter Transfer Shares mentioned in the Promoter Transferor Notice and all the Tag Along Shares upon such terms, then the Promoter Transferor may elect either to cancel the proposed Transfer to the Third Party Transferee or, to allocate the maximum number of Shares of the Company which the Third Party Transferee is willing to purchase among the Promoter Transfer Shares and the Tag Along Shares pro-rata as calculated above and to complete such Transfer in accordance with the revised

terms. In the event the Promoter Transferor elects to cancel the proposed Transfer to the Third Party Transferee, each of AAIA and Hudson may, at its option, also cancel the proposed Transfer of its respective Tag Along Shares.

- (v) Notwithstanding anything to the contrary in this Article 162, the Promoter Transferor shall not be entitled to Transfer any Shares to any Third Party Transferee unless the Third Party Transferee simultaneously purchases and pays for all the Tag Along Shares or a proportionate number of the Tag Along Shares determined in accordance with Article (iv).
- (vi) If either of AAIA or Hudson do not deliver their respective Tag Along Notice to the Promoter Transferor prior to the expiry of their respective Tag Along Period, the Promoter Transferor shall be entitled to Transfer the respective Promoter Transfer Shares to the Third Party Transferee.
- (vii) In the event of the Promoter Transferor Transferring any Shares held by it in violation of the provisions of this Article 162 (the **"Prohibited Promoter Transfer"**), then each of AAIA and Hudson upon exercise of its respective Tag Along Right, shall have the right to sell to the Promoter Transferor and the Promoter Transferor shall purchase from each of AAIA and Hudson, their respective Tag Along Shares at a price higher by at least 33% (thirty three percent) to the price at which the Promoter Transferor Transferred the Promoter Transfer Shares to the Third Party Transferee, without prejudice to any other rights and remedies that the Promoter Transferor may have in order to restrict the Prohibited Promoter Transfer or take any other action or exercise any other rights that it may be entitled to under Law. The Promoter Transferor shall also reimburse each of AAIA and Hudson for any and all fees and expenses, including legal fees and expenses, incurred pursuant to the exercise of each of AAIA and Hudson's rights under this Article 162. The Promoter Transferor shall purchase the Tag Along Shares within 90 (ninety) days from the date of notice provided by each of AAIA and Hudson, exercising its right under this Article (vii).
- (viii) In case any of the other shareholders of the Company having a similar tag along right under the Articles, decide to exercise such tag along right, then the Promoter shall forthwith inform AAIA and Hudson of such decision taken by the relevant shareholder, along with the details thereof.

162A. Tag Along Rights of the Subsequent Investors

162A.1 Save and except as provided in Articles 159(iii) and 159(iv), in the event that a Transferring Promoter proposes to Transfer any of its Shares in excess of the Yearly Divestment Limit to any Third Person Transferee in respect of which the Subsequent Investors' Right of First Sale or the Subsequent Investors' Right of First Offer has not been exercised, then the Transferring Promoter shall give a notice in writing (the **"Selling Promoter Transfer Notice"**) to the Subsequent Investors, specifying the number of Shares proposed to be Transferred (the

"Selling Promoter Transfer Shares"), the price at which the Transferring Promoter intends to Transfer such Selling Promoter Transfer Shares, the identity of the Third Person Transferee and any other material or relevant terms and conditions of the proposed Transfer.

162A.2 Upon the Subsequent Investors receiving the Selling Promoter Transfer Notice, the Subsequent Investors, within 15 Business Days of receipt of the Selling Promoter Transfer Notice (the **"Subsequent Investor Tag Along Period"**), send a written notice to the Transferring Promoter (the **"Subsequent Investor Tag Along Notice"**) requiring the Transferring Promoter to ensure that the Third Person Transferee also purchases such number of Shares then held by the Subsequent Investors in the Share Capital at the relevant time, which shall not exceed the pro rata number of Shares of each of the Investors and the Subsequent Investors in the Share Capital at that time (the **"Subsequent Investor Tag Along Shares"**) at the same price and on the same terms as mentioned in the Selling Promoter Transfer Notice (the **"Subsequent Investors' Tag Along Right"**). The Subsequent Investors' Tag Along Right under this Article 162A shall be available in respect of the proportionate shareholding of the Subsequent Investors at the relevant time.

162A.3 In the event that the Subsequent Investors deliver their respective Subsequent Investor Tag Along Notice to the Transferring Promoter, the Transferring Promoter shall ensure that along with the Selling Promoter Transfer Shares mentioned in the Selling Promoter Transfer Notice, the Third Person Transferee also acquires the Subsequent Investor Tag Along Shares of the Subsequent Investors, as specified in the Subsequent Investor Tag Along Notice for the same consideration and upon the same terms and conditions as mentioned in the Selling Promoter Transfer Notice, provided that the Subsequent Investors shall, at their option, be entitled to, and the Transferring Promoter shall procure that the Subsequent Investors shall, receive the cash equivalent of any non-cash component of the consideration to be paid by the Third Person Transferee. The value of such non cash component of the consideration shall be determined by an independent valuation to be caused by the Subsequent Investors by an internationally renowned accounting firm if the Subsequent Investors and the Transferring Promoter fail to mutually agree on such value.

162A.4 In the event that the Third Person Transferee is unwilling or unable to acquire all of the Selling Promoter Transfer Shares mentioned in the Promoter Transfer Notice and all the Subsequent Investor Tag Along Shares upon such terms, then the Transferring Promoter may elect either to cancel the proposed Transfer to the Third Person Transferee or, to allocate the maximum number of Shares of the Company which the Third Person Transferee is willing to purchase among the Selling Promoter Transfer

Shares and the Subsequent Investor Tag Along Shares pro-rata as calculated above and to complete such Transfer in accordance with the revised terms. In the event the Transferring Promoter elects to cancel the proposed Transfer to the Third Person Transferee, each of the Subsequent Investors may, at their respective option, also cancel the proposed Transfer of its respective Subsequent Investor Tag Along Shares.

162A.5 Notwithstanding anything to the contrary in this Article 162A, the Transferring Promoter shall not be entitled to Transfer any Shares to any Third Person Transferee unless the Third Person Transferee simultaneously purchases and pays for all the Subsequent Investor Tag Along Shares or a proportionate number of the Subsequent Investor Tag Along Shares determined in accordance with Article 162A.4.

162A.6 If the Subsequent Investors do not deliver the Subsequent Investor Tag Along Notice to the Transferring Promoter prior to the expiry of the Subsequent Investor Tag Along Period, the Transferring Promoter shall be entitled to Transfer the respective Selling Promoter Transfer Shares to the Third Person Transferee.

162A.7 In the event of the Transferring Promoter Transferring any Shares in violation of the provisions of this Article 162A (the "**Prohibited Selling Promoter Transfer**"), then the Subsequent Investors, upon exercise of their Subsequent Investors' Tag Along Right, shall have the right to sell to the Transferring Promoter and the Transferring Promoter shall purchase from the Subsequent Investors, subject to Law, the Subsequent Investor Tag Along Shares at a price higher by at least 33% to the price at which the Transferring Promoter Transferred the Selling Promoter Transfer Shares to the Third Person Transferee, without prejudice to any other rights and remedies that the Transferring Promoter may have in order to restrict the Prohibited Selling Promoter Transfer or take any other action or exercise any other rights that it may be entitled to under Law. The Transferring Promoter shall also reimburse the Subsequent Investors for any and all fees and expenses, including legal fees and expenses, incurred pursuant to the exercise of the Subsequent Investors' rights under this Article 162A. The Transferring Promoter shall purchase the Subsequent Investor Tag Along Shares within 90 days from the date of notice provided by the Subsequent Investors exercising its right under this Article 162A.7.

162A.8 Notwithstanding anything contained in these Articles, the Subsequent Investors' Tag Along Right of the Subsequent Investors shall at all times be pari pasu inter se each other and also with the Investors and not in any manner secondary to the tag along right of the other Investors, as provided under Article 162, as amended from time to time. In case any of the Investors or the Subsequent Investor decides to exercise their tag along right under Articles 162 or 162A (as the case may be), then the Promoters

shall forthwith inform the other Subsequent Investors of such decision taken by the relevant Investor or the Subsequent Investor, along with the details thereof.

162A.9 Each Subsequent Investor shall cease to have its respective Tag Along Right under this Article 162 A as soon as such Subsequent Investor collectively with its Subsequent Investor Affiliates ceases to hold at least 1.5% of the Share Capital.

163. Transfer of Shares by the Investors

- (i) The Investors shall be entitled to Transfer all or part of its Shares, along with the right attached to such Shares, at any time to a Third Party Transferee, without the prior consent of the Promoters or any other shareholder of the Company.
- (ii) Notwithstanding the provisions of Article 164, the Investors shall be entitled to Transfer all or any part of its Shares in the Company, along with the right attached to such Shares, at any time to their respective Investor Affiliate without the prior consent of the Promoters or any other shareholder of the Company.

163A. Collective Action

(i) Collective Action by Baring Investors

Notwithstanding anything in these Articles, each of the Baring Investors hereby irrevocably authorize Baring India Private Equity Fund III Listed Investments Limited to take any and all decisions on their behalf with regard to any matter relating to or contemplated by these Articles, including the exercise of any right or remedy or performance of any obligations or grant of any waiver or consent hereunder. Exercise of any right or performance of any obligations or grant of any waiver or consent by Baring India Private Equity Fund III Listed Investments Limited as aforesaid shall be construed to be a joint exercise, performance or grant by all the Baring Investors, and any such consent, waiver or exercise of rights or obligations by Baring India Private Equity Fund III Listed Investments Limited can be relied upon by the Company and the Promoters. The Baring Investors shall collectively exercise all rights and perform all obligations under these Articles. It is clarified that any limits applicable to the Baring Investors under these Articles shall apply to them as if Baring Investors were one single entity, and not separately.

(ii) Collective Action by Sequoia Investors

Notwithstanding anything in these Articles, each of the Sequoia Investors hereby irrevocably authorize Beaver Holdings Limited to take any and all decisions on their behalf with regard to any matter relating to or contemplated by these Articles, including the exercise of any right or remedy or performance of any obligations or grant of any waiver or consent hereunder. Exercise of any right or performance of any obligations or grant of any waiver or consent by Beaver Holdings Limited as aforesaid shall be construed to be a joint exercise, performance or grant by all the Sequoia Investors, and any such consent, waiver or exercise of rights

or obligations by Beaver Holdings Limited can be relied upon by the Company and the Promoters. The Sequoia Investors shall collectively exercise all rights and perform all obligations under these Articles. It is clarified that any limits applicable to the Sequoia Investors under these Articles shall apply to them as if Sequoia Investors were one single entity, and not separately.

- (iii) It is clarified that wherever any limits are made applicable on Subsequent Investors under these Articles, such limits shall apply separately to the Sequoia Investors and the Baring Investors, and not collectively.

ADDITIONAL CAPITAL

164. In the event the Company decides to issue any additional Shares (in excess of the Share Capital as on the Effective Date) or other securities (the **"Additional Shares"**), to any Third Party, then within 2 (two) Business Days of such matter being approved by the Board, the Company shall first offer to issue such number of the Additional Shares to AAIA such that the shareholding of AAIA after issue of the Additional Shares does not fall below 6% (six percent) of the Share Capital (the **"AAIA Offer Shares"**) upon the terms and conditions set out in the offer notice with respect to such further issue (the terms of such offer to AAIA shall be referred to as the **"AAIA Additional Shares Offer Terms"**).

In the event the Company decides to issue any additional Shares (in excess of the Share Capital as on the Effective Date) or other securities (the **"Additional Shares"**), to any Third Party, then within 2 (two) Business Days of such matter being approved by the Board, the Company shall first offer to issue such proportion of the Additional Shares equivalent to Hudson's then shareholding in the Share Capital to Hudson (the **"Hudson Offer Shares"**) upon the terms and conditions set out in the offer notice with respect to such further issue (the terms of such offer to Hudson shall be referred to as the **"Hudson Additional Shares Offer Terms"**).

In the event the Company decides to issue any additional Shares (in excess of the Share Capital as on the Effective Date) or other securities (the **"Additional Shares"**), to any Third Party, then within 2 (two) Business Days of such matter being approved by the Board, the Company shall first offer to issue such proportion of the Additional Shares equivalent to Sequoia's then shareholding in the Share Capital to Sequoia (the **"Sequoia Offer Shares"**) upon the terms and conditions set out in the offer notice with respect to such further issue (the terms of such offer to Sequoia shall be referred to as the **"Sequoia Additional Shares Offer Terms"**).

165. Upon such offer being made, each of AAIA and Hudson shall have the first right to agree to subscribe for all or part of the AAIA Offer Shares, Hudson Offer Shares respectively, in accordance with the AAIA Additional Shares Offer Terms,

Hudson Additional Shares Offer Terms Additional Shares Offer Terms respectively, within a period of 21 (twenty one) Business Days (the **"Additional Shares Offer Period"**). If each of AAIA and Hudson agrees to subscribe for the AAIA Offer Shares, Hudson Offer Shares Offer Shares respectively, in whole or in part within the Additional Shares Offer Period the Company shall, after receipt of such intimation to subscribe for the AAIA Offer Shares, Hudson Offer Shares Offer Shares, in whole or in part, by each of AAIA and Hudson respectively, convene a General Meeting to approve the preferential allotment of the AAIA Offer Shares, Hudson Offer Shares Offer Shares and thereafter complete the issue and allotment of the AAIA Offer Shares, Hudson Offer Shares, within the time period prescribed under Law. In the event that either of AAIA or Hudson does not respond to the notice from the Company within the prescribed time period or declines to subscribe for the AAIA Offer Shares, Hudson Offer Shares respectively, then the Company shall be entitled to issue the remainder of the Additional Shares to any Person and the shareholding of each of AAIA and Hudson, shall be treated as diluted to such extent from the date of issuance of the Additional Shares.

166. In the event that any future round of financing of the Company involves a secondary purchase of Shares from the Promoters, each of AAIA and Hudson shall have their respective Right of First Offer and respective Tag Along Rights set out in Article 161 and Article 162 respectively in respect of the shares of the Promoters that are proposed to be Transferred in such round of financing. To enable each of AAIA and Hudson to effectively exercise its right under this Article, the Company and/or the Promoters shall notify each of AAIA and Hudson in writing of such an opportunity. Such written notice shall be provided to each of AAIA and Hudson within 2 (two) Business Days of the Company, or any of the Promoters executing a term sheet, letter of intent, memorandum of understanding, or entering into any arrangement, whether written or otherwise, and whether binding or non-binding. The written notice shall set out in reasonable detail all facts necessary for each of AAIA and Hudson to effectively exercise their right under Article 164 to Article 169.

167. If any future or present investor (other than Hudson under paragraphs 2 and 3 of Article 164 respectively) is granted more favourable rights than the rights granted to each of AAIA and Hudson under any agreement, each of AAIA and Hudson shall be entitled to be issued a single share in such round of additional funding upon which each of AAIA and Hudson shall be entitled to all such additional favourable rights granted in such placement and shall also be entitled to such additional favourable rights in respect of its then existing Shares in the Company. Each of AAIA and Hudson shall cease to have the right to be issued a single share in future rounds of funding as set out in this Article as soon as it ceases to hold 1% (one per cent) of the Share Capital.

168. In addition, each of AAIA and Hudson shall have the rights agreed to in writing under Article 135, relating to the further issue of Shares.

169. Nothing in Article 164 to Article 169 shall apply to any Shares that may be issued pursuant to any ESOP or a rights issue by the Company or bonus issue of Shares to all the shareholders of the Company on a pro-rata basis.

EXIT BY AAIA AND HUDSON

170. At any time after March 31, 2010, each of AAIA and Hudson shall have the right, subject to providing a notice of 30 (thirty) days (the "**Share Sale Notice**"), to cause the Company and the Promoters to procure the sale of part or all of the Shares held by each of AAIA and Hudson in one or more private placements of Shares, or by way of a secondary offering of Shares held by each of AAIA and Hudson to the public (subject to applicable Law) (the "**Secondary Offering**"), or a combination thereof and may require the Company and the Promoters to, within a period of 30 (thirty) days from the date of such request, initiate the process to facilitate such sale of part or all of each of AAIA, Hudson's Shares, with the primary purpose of enabling each of AAIA and Hudson to sell its Shares through such private placement or Secondary Offering on any Stock Exchange, subject to compliance with applicable Law.

171. In the event that each of AAIA and Hudson serves the Share Sale Notice, the Promoters shall exercise their voting rights (at the Board and shareholder levels), and cause the Board of Directors of the Company to take all steps necessary for the Company to undertake such private placement or Secondary Offering, to enable each of AAIA and Hudson to Transfer its Shares (or any part thereof) through such offering or sale, including but not limited to, preparing and signing the relevant offer documents, conducting road shows, entering into such documents, providing all necessary information and documents necessary for preparing the offer document, obtaining such regulatory or other approvals and doing such further reasonable acts or deeds as may be necessary to effect such a sale by each of AAIA and Hudson. The Company shall comply with all the procedures and execute documents in each case as are customary in transactions of such nature, or do all acts necessary to facilitate the private placement or Secondary Offering as aforesaid. The Promoters and the Company shall assist each of AAIA and Hudson to the fullest extent possible to enable the sale of the Shares (or any part thereof) held by each of AAIA and Hudson through the private placement or Secondary Offering as aforesaid.

172. Rights of AAIA and Hudson in relation to Secondary Sales/Private Placement of Shares of the Company

(i) Each of AAIA and Hudson shall be entitled to make one or more requests for sale of its Shares as detailed in Article 170, either in whole or in part, and the Company and the Promoters shall comply with the requirements of this

Article 172 in respect of each such request. Each of AAIA and Hudson shall be entitled to determine the price and number of Shares held by it to be offered in the Secondary Offering and each of AAIA and Hudson will have the right to sell up to 100% (one hundred percent) of its Shares as a part of the Secondary Offering. Each of AAIA and Hudson will consider the recommendations, if any, of the appointed investment banking firm in this regard in accordance with Article (ii) and Article (iii).

(ii) The Stock Exchange(s) on which the Shares offered by each of AAIA and Hudson shall be listed and the appointment of an investment bank as book runner for the offering shall be mutually agreed to between each of AAIA and Hudson, the Promoters and the Company. Such offering shall be managed and underwritten by a reputable investment banking firm of recognized high standing in the market in which the Shares of each of AAIA and Hudson are to be offered, who is acceptable to each of AAIA and Hudson.

(iii) In the event that the Company, the Promoters and each of AAIA and Hudson do not reach an agreement with regard to the choice of Stock Exchange(s) on which the Shares are to be listed and/or the choice of investment banker to be appointed as book runner for the offering, each of AAIA and Hudson shall have the option, at its sole discretion, to (A) require the listing of the Shares on any Stock Exchanges as it determines fit, and (B) appoint any one or more investment banks as book runner(s) for the offering.

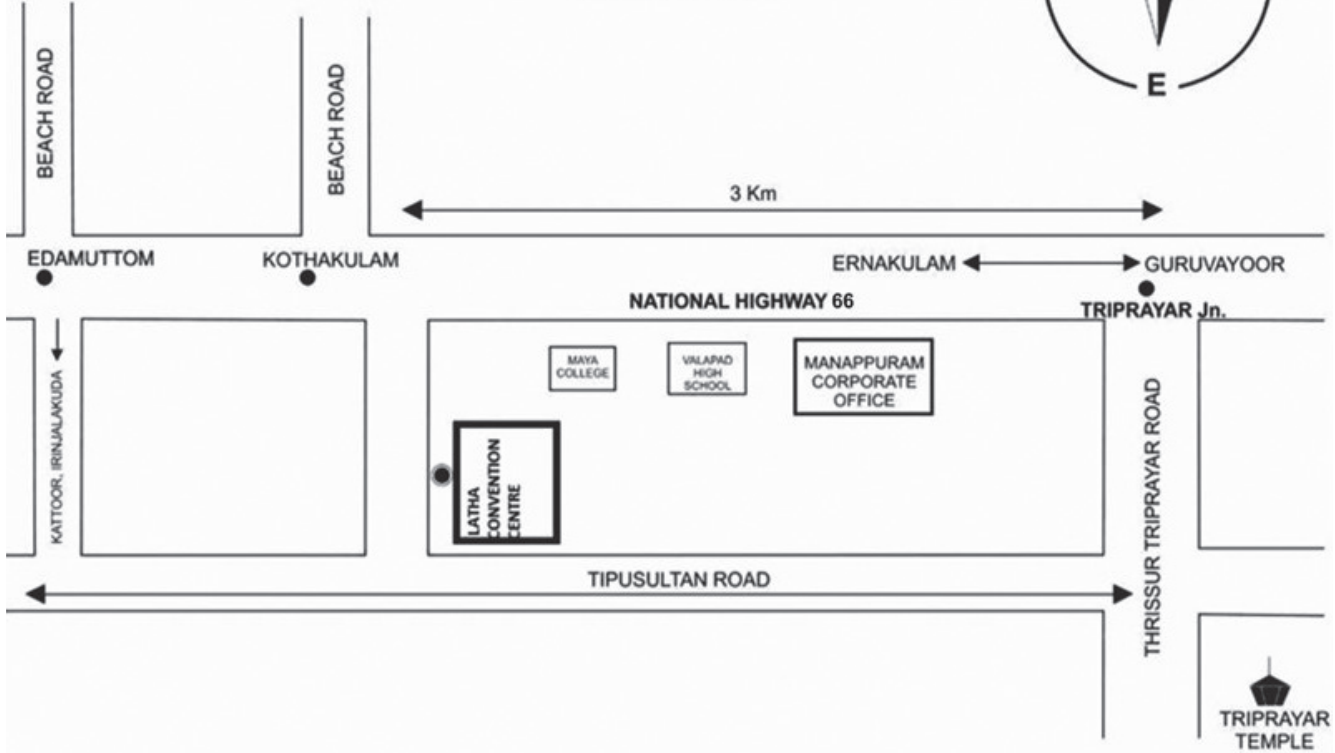
(iv) In the event that the Company issues American Depository Receipts, Global Depository Receipts or such other similar instruments (the "Further Securities") that are listed or are to be listed on any Stock Exchange, then subject to applicable Law, upon written request by each of AAIA and Hudson the Company shall re-classify, as may be required, and list the Shares (or other securities arising from such reclassification) held by each of AAIA and Hudson on the same date (or at a future date, if requested in writing by each of AAIA and Hudson) and on the same Stock Exchange(s) on which listing of the Further Securities occurs. The Company's obligations to list the Shares held by each of AAIA and Hudson shall exist irrespective of whether each of AAIA and Hudson sell their Shares pursuant to such listing or not.

173. The right of each of AAIA and Hudson under this Article 170 to Article 174 cause the Company and the Promoters to procure the sale of part or all of the Shares held by each of AAIA and Hudson in one or more Secondary Offering of the Shares, and any Transfer of Shares held by each of AAIA and Hudson in any Secondary Offering of the Shares shall not be subject to the Promoters Right of First Offer set out in Article 164.

174. Upon the occurrence of an Event of Default, each Investor, the Company and the Promoters, except the Defaulting Party, shall have the option to continue to exercise its rights under Part II of the Articles, but without being liable to comply with any of its obligations hereunder.

ROUTE MAP TO THE VENUE OF THE AGM

Latha Convention Centre, Valapad, Thrissur,
Kerala- 680 567



MANAPPURAM FINANCE LIMITED

Regd. Office: W - 4/638 A
Manappuram House, Valapad P.O., Thrissur - 680 567, Kerala, India
Ph: (0487) 3050413, 3050417, CIN: L65910KL1992PLC006623
Email: cosecretary@manappuram.com, Website: www.manappuram.com

ATTENDANCE SLIP

31st ANNUAL GENERAL MEETING - THURSDAY, AUGUST 17, 2023

DP ID		CLIENT ID	
FOLIO NO.		No. of shares	

I certify that I am a member/ proxy/ authorized representative for the member of the Company. I hereby record my presence at the 31st Annual General Meeting of the Company at Latha Convention Centre (formerly known as Anugraha Auditorium), Valapad, Thrissur - 680 567, Kerala held on Thursday, August 17, 2023 at 11.00 A.M. (IST)

Signature of the Shareholder/Proxy

Name of the Shareholder/Proxy

Note: Please fill up this Attendance Slip and hand it over at the entrance of the Meeting Hall.

ELECTRONIC VOTING PARTICULARS

EVSN	User ID	Sequence No.

Note: Please read instructions given at Note No.22 of the Notice of the 31st Annual General Meeting carefully before voting electronically .

MANAPPURAM FINANCE LIMITED

Regd. Office: W - 4/ 638A, Manappuram House, Valapad P.O., Thrissur - 680 567, Kerala, India
Ph: (0487) 3050413, 3050417, CIN: L65910KL1992PLC006623
Email: cosecretary@manappuram.com, Website: www.manappuram.com

PROXY FORM

31ST ANNUAL GENERAL MEETING - THURSDAY, AUGUST 17, 2023
(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014)

Name of the Member(s) :					
Registered Address :					
Email ID :					
DP ID:		CLIENT ID:		FOLIO NO.	

I / We, being the member(s) of shares of Manappuram Finance Limited, hereby appoint:

(1) Name :

Address :

E-mail ID :

Signature : or failing him/her;

(2) Name :

Address :

E-mail ID :

Signature : or failing him/her;

(3) Name :

Address :

E-mail ID :

Signature : or failing him/her;

And whose signatures are appended below as my / our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 31st Annual General Meeting of the Company, to be held on Thursday, August 17, 2023 at 11.00 A.M. at Latha Convention Centre (formerly known as Anugraha Auditorium), Valapad, Thrissur - 680 567, Kerala, India and at any adjournment thereof in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

I wish my above proxy to vote in the manner as indicated in the box below

Sl No	Resolutions	*Vote	
		For	Against
	Ordinary Business		
1.	To receive, consider and adopt the audited Standalone as well as Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with Reports of the Board of Directors and Auditors thereon.		
2.	To appoint a director in place of Mr. S R Balasubramanian (DIN: 03200547), Non-Executive Non-Independent Director of the Company who retires by rotation, and being eligible, offers himself for a re-appointment.		
	Special Business		
3.	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 1 st April 2024.		
4.	Revision in remuneration payable to Mr. V P Nandakumar, Managing Director & Chief Executive Officer of the Company.		
5.	Revision in remuneration payable to Dr. Sumitha Nandan (DIN: 03625120), Whole-time Director of the Company.		
6.	Alteration of the Articles of Association of the Company.		
7.	Material Related Party Transaction(s) between the Company and Asirvad Micro Finance Limited, a subsidiary.		

Signed this day of 2023

Signature of Shareholder:

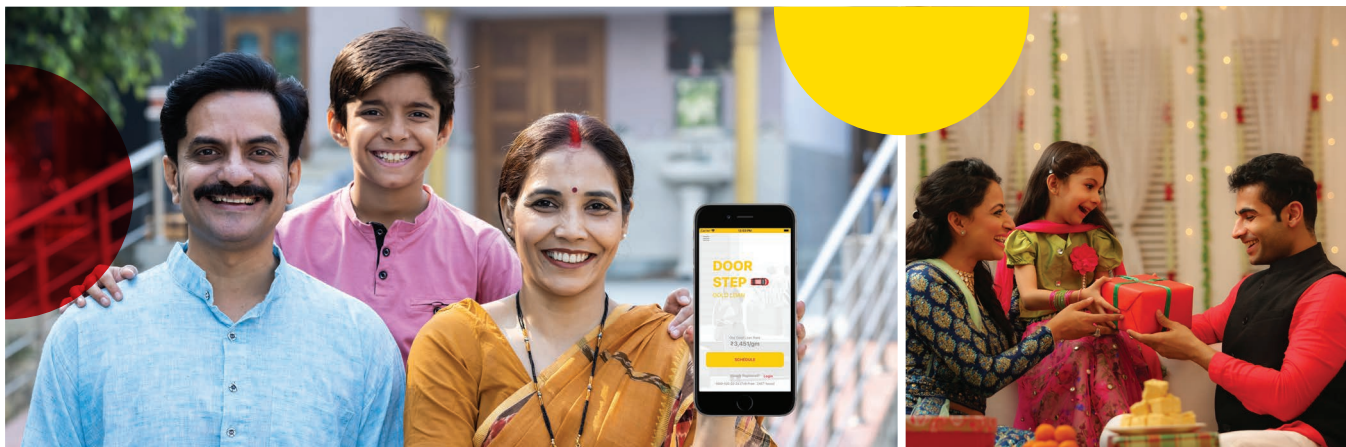
Signature of Proxy Holder(s):

Affix Revenue Stamp

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.*
- For the Resolutions, and Notes, please refer to the Notice of 31st AGM.*
- *Please put a tick mark (✓) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution.*
- A Proxy need not be a member of the Company.*
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.*
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.*
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.*

THIS PAGE INTENTIONALLY LEFT BLANK



**Meeting
Aspirations,
Delivering
Value.**



Contents

02

Corporate Overview

Theme Introduction	02
A Trusted and Diversified Player with a Strong Business Foundation	04
Managing Director's Message to Shareholders	08
Board of Directors	10
Expanding and Deepening Our National Footprint	12
Our Comprehensive Suite of Product Offerings	14
Stable and Sturdy Growth	22
Unleashing the Unparalleled Value	24
Solidifying our Brand Equity	26
Empowering Employees for Enhanced Organizational Effectiveness	27
Creating a Net Positive Society	30
Turning our ESG theory into action	33
Awards & Accolades	35

36

Statutory Reports

Management Discussion and Analysis	36
Business Responsibility and Sustainability Report	51
Board's Report	84
Corporate Governance Report	153

183

Financial Statements

Standalone Financial Statements	183
Consolidated Financial Statements	312



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



Managing Director's Message to Shareholders



Our Comprehensive Suite of Product Offerings



Solidifying our Brand Equity

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 to those who did not have the capacity to approach banks. Thus, began the story of Manappuram Finance Limited (MAFIL).

From then until now, the Company has won the trust of many customers and has played a pivotal role in taking organized lending to underprivileged people.

Driven by Shri Padmanabhan's values of trust and integrity, Manappuram Finance Limited is transitioning to a full-fledged 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 for all our endeavors.

Meeting Aspirations, Delivering Value.

At Manappuram Finance Limited, we are inspired by the thought of touching the lives of those at the bottom of the pyramid, serving their aspirations. Our diversified and granular portfolio of offerings and new asset classes help us de-risk our concentration from Gold Loans, having added the key business segments of Housing Finance, Micro Finance, Vehicle Finance and other ancillary businesses, with secured and unsecured credit, tailored solutions and innovative products and services.



Today, with years of legacy, dynamic stewardship and a full range of credit requirements, we play a momentous role in facilitating the common man access simple financial products and formal channels of finance. In addition to serving the aspirations of 2.4+ million customers and empowering them, we move a step forward to deliver additional value to them by serving them across their entire lifecycle. We fulfill their dreams of owning a home and a vehicle, leveraging their gold assets to fulfill funding and business needs, and improving the quality of their lives.



We continue to set new benchmarks with efficient and streamlined procedures and industry-leading asset quality, which make us a preferred financial services partner, while our technological capabilities grant us the required advantage. Thus, with the power of a robust digital infrastructure, which complements our on-ground infrastructure, we help customers gain faster access to funds. As we continue to maintain our market position, we are broadening our canvas and seeking new vistas of value creation with deep domain knowledge, industry-wide experience, and a solid pan-India presence.

Our resilient and robust business model makes us a multi-faceted top-notch NBFC, helping us stay ahead of the curve and tapping into enormous growth opportunity. Going forward, we continue to leverage the trust in our brand to deliver added stakeholder value and making definitive progress on our broader strategy.

A Trusted and Diversified Player with a Strong Business Foundation

A Trusted Brand with a Nationwide Reach

At Manappuram Finance Limited, we are one of most trusted and India's leading non-banking financial companies (NBFCs) and the second-largest Gold Loan NBFC.

Our Legacy

We are part of a diversified group which traces its roots back to 1980s, with a long operating history and a large customer base. We also take great pride in our legacy, our management's dynamic stewardship and our intrinsic value system.

Serving Customers' Aspirations

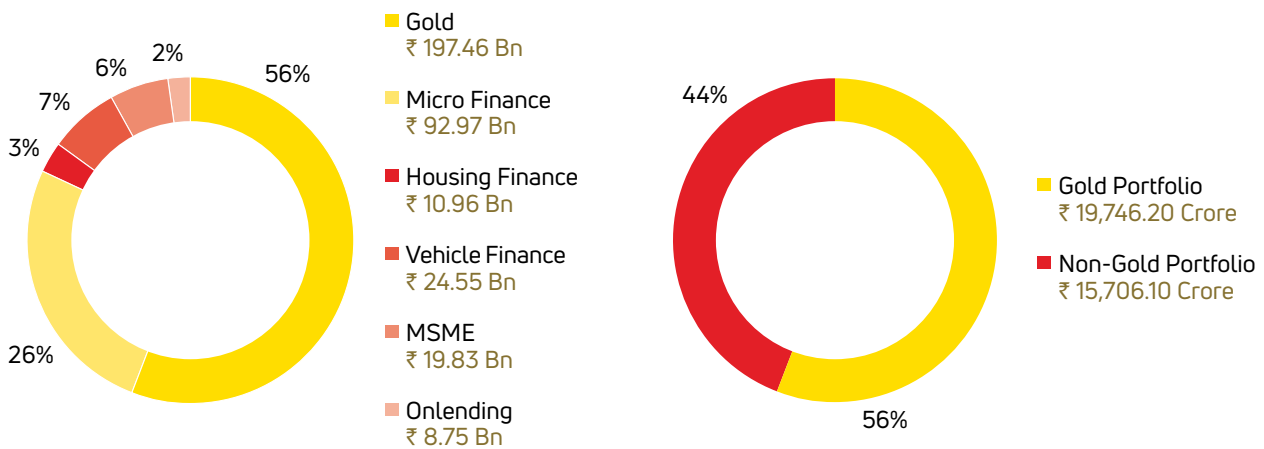
Through a diversified portfolio of innovative products in gold, MSME, housing and vehicle loans and insurance, we help customers gain access to financial products and serve their aspirations. We adopt a calibrated approach to grow in these Non-Gold products relevant to our customer base.

Our Competitive Edge

Our vast knowledge of the market, industry experience, an extensive portfolio, a diversified geographic presence, a customer-centric approach and our advanced technologies lend us a competitive advantage in the market. We are a brand with solid equity and a pioneer in process innovation in gold loans.



Our diverse revenue streams



Manappuram Finance

#No. 2

NBFC in Gold Loans

₹ 3,54,523 Million

Total Lending to Customers

2.40 Mn

Gold Loan Customers


Safekeeping of **60 MT** household gold jewelry on behalf of **2.4 million** active customers

3.48 Mn

Non-Gold Loan Customers

₹ 15,002 Million

Consolidated PAT

 12.9% YoY

Board-driven governance process

Pan-India presence with a wide network of **5,000+** branches across all Indian states and union territories

Well capitalized with Tier 1 ratio of **31.7%**, with strong ALM and access to diversified source of funds

5.88 Mn

Total Customers

Trusted employer of **45,000+** employees (consolidated)

One of India's leading NBFCs

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.



Credit rating

Manappuram Finance Limited

Domestic Rating

Crisil Rating

AA (Stable)

Long-term

A1

Commercial Paper

CARE Rating

AA (Stable)

Long-term

A1

Commercial Paper

International Rating

S&P Global

BB-/Stable

Long-term

B

Short-term

Fitch Ratings

BB-/Stable

Long-term

Asirvad Micro Finance

Crisil Rating

AA - Stable

Long-term

A1+

Short-term

Manappuram Home Finance

Crisil Rating

AA-/Stable

Long-term

A1+

Short-term

CARE Rating

AA-(Stable)

Long-term

AA-(Stable)

Short-term

Customer Trust

Our growth can be attributed to customer loyalty. We have a loyal base of customers who have full faith and trust in the company. A significant portion of our customer base are repeat customers.

Efficient Processes and Systems

We are the pioneers in process innovation in gold loans, with the online gold loan product 'OGL' and cellular vaulting mechanism.

A strict adherence to well-defined processes, including timely auctions, give us a competitive market edge.

Customized Schemes

We offer tailor-made and customer-friendly schemes catering to the individual needs of our customers. Our schemes are structured well to suit the requirements of our customers.

Reiterating Our Market Position

Competitive Lending Rates

We offer a variety of schemes at competitive rates, which helps customers to choose the scheme which best suits their requirement. We offer the best value for loan at the best rates of interest to the customer.

Managing Director's Message to Shareholders



Dear Shareholders,

I am extremely honored and delighted to share with you our 31st Annual Report for the financial year ended March 31, 2023. We emerged stronger by navigating a volatile, uncertain and complex economic landscape. Execution of our business plans with finesse and perfection ensured that we closed FY 2022-23 with Consolidated Assets under Management (AUM) of ₹ 354.52 billion, achieving a growth of 17% over the previous year.

What adds glitter to this commendable performance is an unwavering commitment towards our customers, regulators, policy-makers, and last but not the least, our employees – the real foot soldiers without whom your Company couldn't have scaled such great heights. No institution can aspire to grow by alienating itself from its roots and true to that spirit, we will make every effort to uphold our cherished values and principles in our future growth trajectory.

Navigating The 'Vuca' World

Even as scars of the COVID-19 pandemic had begun to fade, geopolitical tensions took the world by storm. The Russia-Ukraine conflict and the consequent polarization of the global order had its ramifications in the economic landscape. The threat of inflation was imminent and the war sent the prices of essential staples – from rice to edible oils – skyrocketing, not to mention its debilitating impact on the poor and the vulnerable. Controlling inflation even at the cost of growth became the unmistakable agenda of global central banks. Interest rates were increased sharply in the developed economies. The US Federal Reserve was at the forefront as it raised its key policy rate, the Fed Fund rate, by a cumulative 5% in 2022-23. The Bank of England and the European Central Bank were not far behind either. However, even with these measures, inflation remains stubbornly high in the UK and EU, though US had a modicum of success. The Reserve

Bank of India raised its repo rate by a much lower 250 basis points (bps) during the year under review, compared to the developed world. In India, Consumer Price Inflation (CPI) is now below 5%, after staying rigidly in the 6.5% to 7% range for two years in a row.

As the world battled the geopolitical fallout of the war, another jolt was the US banking crisis with Silicon Valley Bank, that housed the funds of many technology and start-up firms, becoming insolvent. The crisis had its roots in the sharp hike in Fed Fund rate and the asset liability mismatches that followed. The crisis of confidence brought back memories of the 2008 debacle, but the US financial regulators acted swiftly to bring the situation under control by exhorting bigger banks to rescue failed ones. I feel that prudent and conservative practices followed by Indian banks have always stood the test of time, acting as shock absorbers and automatic stabilizers during crises, a fact that has been endorsed time and again.

It is universally acknowledged by analysts as well as agencies including the International Monetary Fund (IMF) that India is emerging as the fastest growing among large economies. There is a growing consensus that China might slow down to the 2% to 2.5% range owing to a slew of factors, such as the real estate crisis, aging and insufficient support from domestic consumption, among others. The China Plus One strategy is indeed an attractive proposition for India as it bestows an opportunity to emerge as a manufacturing powerhouse and export hub. The Production-Linked-Incentive (PLI) scheme could not have been envisaged at a more opportune time, now that its second version has also been unveiled. Manufacturing as a share of gross domestic product has been languishing in the mid-teens for much of the past decade, which needs to be taken to a higher level.

India witnessed a slew of developments on many fronts in the year gone by. The G-20 presidency cemented our standing on the global stage, opening the door to make our imprint felt on several global policy decisions ranging from climate change to transfer pricing. We could also turn Russia's isolation by the West in the wake of the Ukraine conflict into an opportunity by sourcing 20% of our crude oil from that country, which not only helps alleviate the bulging current account deficit, but also cools off inflation.

The fruits of reforms unleashed over the past years are now slowly becoming available. The Goods and Services Tax (GST) has stabilized, mobilizing ₹ 1.5 trillion and upwards every month. The use of analytics and artificial intelligence have gone a long way in ensuring compliance and preventing evasion, thereby easing the fiscal burden. India historically has a poor Tax-GDP ratio and major reforms help correct this distortion, one of which is to ensure maximum compliance.

The National Monetisation Programme (NMP) and the big push to infrastructure capex will help in boosting economic growth and employment generation. The Urban Infrastructure Development Fund (UIDF) envisaged on the lines of the Rural Infrastructure Development Fund will catalyze the development of smart cities with positive spillover effects on housing demand, which presents a great opportunity for lending institutions to tap into. The potential of affordable housing merits special attention in this context. To be sure, those who seize the opportunity now will invariably move to the next orbit of growth.

FY 2023 - An Opportunity to Consolidate on Past Efforts

As mentioned earlier, the financial year gone by saw your institution deftly navigate a volatile economic landscape. This was also a phase where we began consolidating on our efforts to diversify into niche business segments. While gold loans continue to remain a focus area, we have gone forward with microfinance, vehicle loans, corporate loans, commercial vehicle finance, MSME finance and home finance with more aggression which reaped dividends both in terms of top-line and bottom-line. Your Company is now pursuing a strategy of diversification and we are well on our way to reach our avowed goal – a portfolio mix of 50:50 between gold and non-gold sectors.

I am happy to reiterate that your Company has achieved a consolidated net profit of ₹ 15 billion in FY 2022-23 with the Assets Under Management touching ₹ 354.52 billion, depicting a Y-o-Y growth of 12.9% and 17.2%, respectively. The gold vs non-gold business mix is now 56:44.

Our gold loan AUM remains more or less unchanged while all non-gold verticals have contributed well during the year. The microfinance subsidiary, Asirvad Micro Finance, has hearteningly turned the corner with a Net Profit of ₹ 2,181 million vis-à-vis a profit of ₹ 152.6 million in the earlier year. Its AUM crossed the milestone of ₹ 100 billion. The RBI's removal of the cap on interest rate also had a favorable impact. It is also worth noting that your Company's Gross NPA declined by 162 bps – from 2.95% in FY 2021-22 to 1.33% in FY 2022-23, while the return on assets remained constant at 4.08%. Your Company acquired an additional 18 lakh customers with its total customer base now at a robust 58.8 lakhs, with live gold loan customers constituting 24.1 lakhs. The Vehicle Finance business registered a growth of 49.4% with its AUM growing from ₹ 16.4 billion to ₹ 24.5 billion at the end of March 2023. Home Finance AUM grew 29.6%, while the vertical also posted a Profit After Tax (PAT) of ₹ 194.7 million, more than double its FY 2021-22 PAT of ₹ 72 million. Your Company also exceeded the milestone of ₹ 10 billion in corporate loans.

The balance sheet of your Company continues to be healthy. We remain well capitalized and our capital adequacy ratio improved from 31.33% in the earlier year to 31.7% in the year under review. Earnings Per Share improved from ₹ 15.70

to ₹ 17.72, while Book Value Per Share also improved from ₹ 98.87 to ₹ 113.95. Our total Net Worth stood at ₹ 96.4 billion, an increase of 15.25%. Return on Equity was at a healthy 16.61%.

Outlook and Way Forward

With India offering tremendous growth potential for the future, its resonance will be felt in our future growth. The diversification strategy that we have put in place is to take advantage of the India growth story. Several studies show that India's per capita income will graduate towards the league of developed nations in the course of time, which offers immense scope to evolve new products tailor-made to suit the evolving customer aspirations.

If the recent trend of rural inflation coming below urban inflation sustains, rural consumption will receive a huge boost which augurs well for most non-gold businesses. Two-wheeler finance is sure to receive a big fillip. This will also significantly improve the repayment capacity of microfinance borrowers, which will reflect in our balance sheet by way of improved collection efficiency.

Improvement in infrastructure, fast-paced urbanization and per capita incomes moving towards a higher level will benefit your Company in the medium to long term. The way forward is to always keep our eyes and ears to the ground, keep reskilling ourselves, put in place the necessary capabilities, and seize new opportunities as they come along. At Manappuram, we have always considered technology as a big ally in realizing our dreams. This year, we launched MA-MONEY, a super app that brings all our online products under one umbrella.

Closing Comments

I thank the regulators and policymakers for providing us with an enabling atmosphere to go from strength to strength over the years. I take this opportunity to appreciate the efforts of the senior management team who have given their best to translate the Company's vision to actual results on the ground. I would like to thank each and every one of our workforce who has shown immense dedication in meeting our goals.

I also take this opportunity to thank our Board for their unstinted support and guidance and our shareholders and customers who are our pillars of strength. Finally, I express my gratitude to the community at large because our mission has always been not just to create wealth, but also to serve them in the best possible manner.

I have no doubt that with the continued support of all the stakeholders, your Company will scale new heights in the years to come.

V.P. Nandakumar

MD & CEO

Board of Directors



1
2
3
9

Mr. Shailesh 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 45 years of work experience and has held the positions of President, Granite Hill Capital Ventures; Chairman and Chief Executive Officer, Provident 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.



3
4
5
6
7
8

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.



1
3
6
8

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 38 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.



6
7
8

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 32 years of experience and is a civil lawyer enrolled with the Thrissur Bar Association.



1
3
7
9

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, Trent, U Gro Capital, Ujivan Micro-Finance and Cashpor Microcredit. He also chairs the Audit Committees of Kalyani Forge, Tata Investment Corporation and U Gro Capital 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.

1
2
3**Mr. Harshan Kollara****Independent and Non-executive Director**

He is an alumnus of Mumbai University. He has over 40 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.

7
8
9**Mr. S. R. Balasubramanian****Non-Executive Director**

He holds a Bachelor degree in Engineering (Electronics) from Madras University and has a Post Graduate Diploma in Computer Science from IIT Bombay. He has over 43 years of experience in Information Technology at various capacities, majorly in the BFSI space. He was the former VP of Citibank and has worked in India, Singapore and Kenya. He played a key role as Technology Head for implementing Cash Management Technology in Citibank during the early 90s. He was with HDFC Bank for over seven years as Senior VP and moved to IT Advisory role for few banks in India and was Business Advisor to a software company and served there for 4 years. He was the former Board member of Quantum Asset Management Company (P) Ltd and currently is the member of its Information Security Committee, providing his service as an external expert.

1
3
6**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.

1
6
9**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 Trikakkara 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, Cochin.

2
7
8**Adv. V P Seemandini****Independent Non-Executive Director**

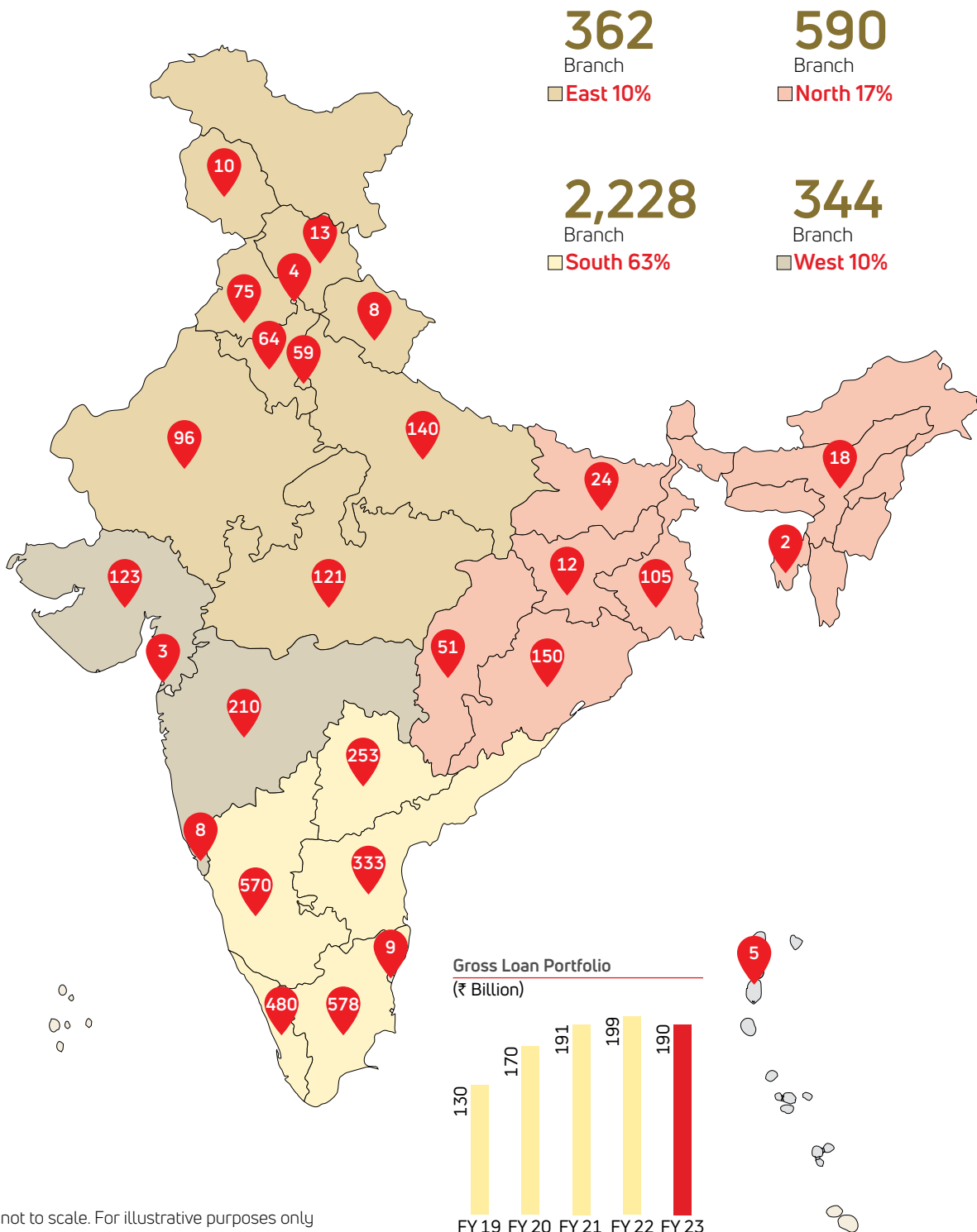
Adv. Veliath Pappu Seemanthini is a law graduate and a Senior Advocate designated by High Court of Kerala. She is also a Standing Counsel for various Central Government and State Government Institutions like High Court of Kerala, Food Corporation of India, National Insurance Company, Coir Board, Steel 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.

Board Committees

1. Audit Committee
2. Nomination Compensation and Corporate Governance Committee
3. Risk Management Committee
4. Asset Liability Management Committee
5. Debenture Committee
6. Financial Resource and Management Committee
7. Corporate Social Responsibility Committee
8. Stakeholders Relationship and Securities Transfer Committee
9. IT-Strategy Committee

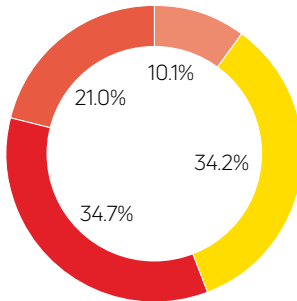
Expanding and Deepening Our National Footprint

We endeavor to strengthen our pan-India presence to have a well-diversified reach and increase visibility. At the core of our branch expansion strategy is the objective to penetrate into new markets, and not remain limited to southern part of India.



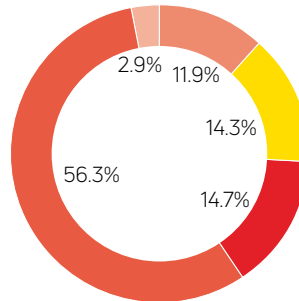
Map not to scale. For illustrative purposes only

Gold AUM – Rural-Urban Mix



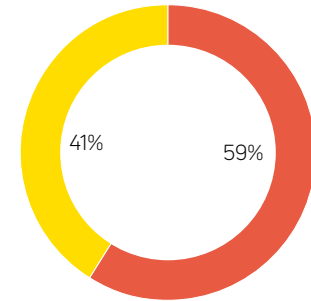
■ Rural ■ Urban
 ■ Semi-urban ■ Metro

Zone-wise Branch-wise AUM



■ North ■ West
 ■ East ■ South
 ■ Union Territories

MFI - Rural Urban Mix



■ Rural ■ Urban

NORTH

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

WEST

Maharashtra	210
Goa	8
Gujarat	123
Daman & Diu	3
Total	344

EAST

Assam	18
Bihar	24
Tripura	2
Jharkhand	12
West Bengal	105
Chhattisgarh	51
Odisha	150
Total	362

SOUTH

Karnataka	570
Kerala	480
Telangana	253
Andhra Pradesh	333
Tamil Nadu	578
Puducherry	9
Andaman & Nicobar	5
Total	2,228

3,524

Manappuram
Finance Limited Gold
Loan Branches

Our Comprehensive Suite of Product Offerings

Gold Loans Business



Business Overview

Our value-added service of doorstep gold loans enable customers to save time and cost related to traveling to branches. We offer diverse schemes suiting customers' needs and also pioneered Online Gold Loans (OGL), enabling customers to deposit their gold safely and free of cost at our vaults. The seamless and paperless process involves easy documentation, instant approval and convenient 24X7 online repayment. The Company has perfected the art of managing appraisal, custodial and valuation risks inherent in gold lending.

Key Developments, FY 2022-23

- Gold holdings stood at 58.03 tons, while customer base remain the same at 2.4 million
- Gold AUM per branch stood at ₹ 54 million, while Loan to Value ratio was 60%
- Share of Online Gold Loans in overall Gold AUM stood at 50%
- Undertook various cost rationalization initiatives
- Significant operating expense leverage with new branches maturing

Growth levers

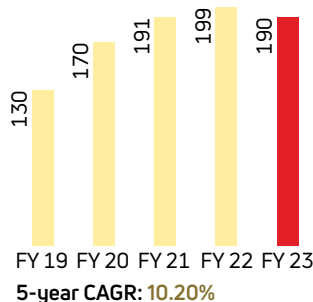
- Online gold loan
- Digital marketing
- Local marketing activities
- Celebrity endorsements
- Business associates/DSA channel business
- Doorstep gold loan
- Relocation and revitalization of non-performing branches

Benefits of Online Gold Loans to Customers

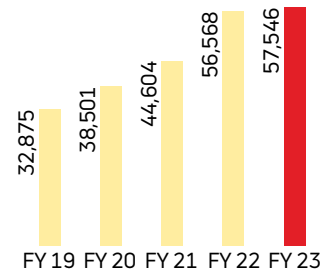
- Enables customers to avail gold loan anytime, anywhere against gold store at branch
- Easy documentation, instant approval convenient 24/7 online repayment
- Hassle-free, paperless transactions online
- Instant fund transfer up to pre-approved limits
- Online App available in regional languages for customer ease

Key Highlights of FY 2023 performance

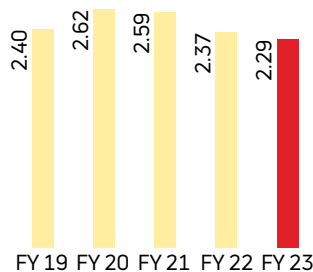
Our diverse revenue streams
(₹ Billion)



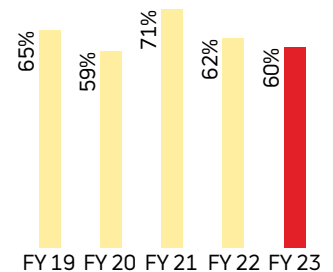
Average Loan Ticket Size
(₹)



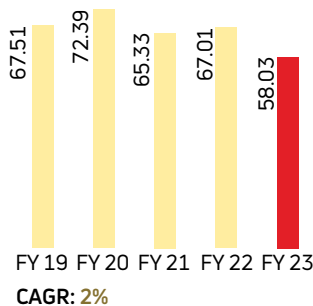
Customer Base
(Million)



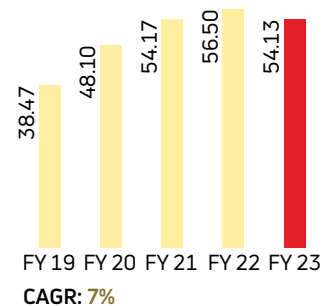
Loan to Value Ratio
(%)



Gold Holdings
(In Tons)



Average Gold AUM Per Branch
(₹ Million)



Micro Finance Business (Asirvad Micro Finance Limited)



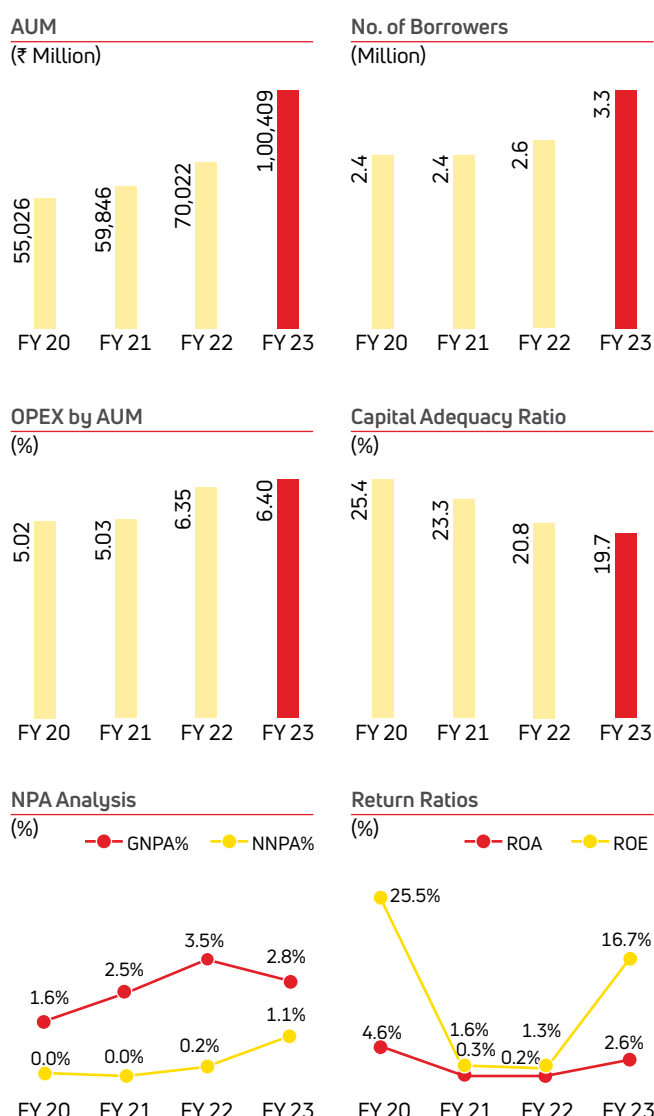
Business Overview

Asirvad Micro Finance is our subsidiary. It provides MFI loans to customers such as the Income Generating Program (IGP) Loan, Product Loan, MSME Loan and Gold Loan. Its business model allows for a short average turnaround time (TAT) of 3-6 days.

Key Developments, FY 2022-23

- Strong focus on business development and customer retention led to number of borrowers increasing from 2.57 million in FY 2021-22 to 3.34 million in FY 2022-23 and an increase in total loan disbursement by 125% to ₹ 1,92,485.76 million (including Gold Loan)
- Total AUM increased by 43% from ₹ 70,021.83 million in FY 2021-22 to ₹ 1,00,408.93 million in FY 2022-23
- The revenue from operation increased by 26.52% from ₹ 13,678.90 million in FY 2021-22 to ₹ 17,151.95 million in FY 2022-23
- Increased focus on Gold Loans by adding exclusive branches in response to a new regulatory which allows for 25% of the total assets being non-MFI, as a result Gold Loan AUM increased 135% from ₹ 3,005.69 million in FY 2021-22 to ₹ 7,053.20 million in FY 2022-23
- Sustained focus on improving collection and an increase in number of loan officers from 7,028 to 8,350 officers resulted in efficiency increasing from 100% in FY 2021-22 to 105% in FY 2022-23
- AUM per branch increased from ₹ 45.92 million in FY 2021-22 to ₹ 59.63 million in FY 2022-23 (Including Gold Loan)

Key Highlights of FY 2023 performance



Housing Finance Business



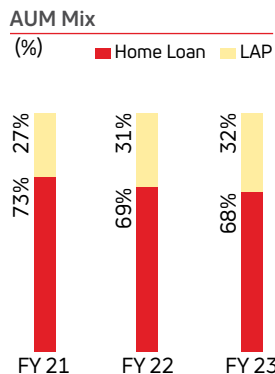
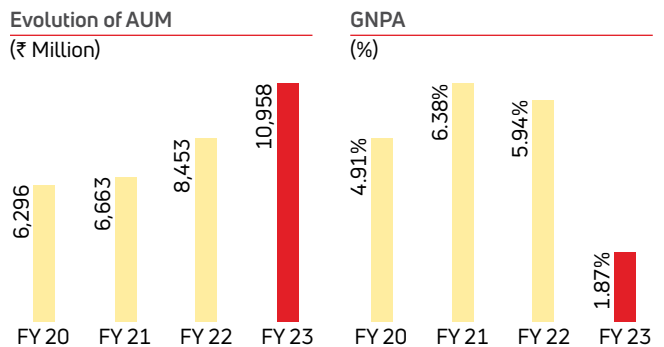
Business Overview

Manappuram's housing finance business is operated through its subsidiary Manappuram Home Finance Limited (MAHOFIN). The housing finance arm provides affordable housing loans up to ₹ 1.5 million targeted at mid-to low-income groups, ~79% of whom are self-employed. MAHOFIN is focused on the markets in South and West India, where it has 66 branches and is strong penetrated in Tier III & IV towns. Based on co-location with its parent branches, the business model of the subsidiary facilitates low-cost of operations.

Key Developments, FY 2022-23

- AUM of MAHOFIN increased 29.64% to ₹ 10,958 million in FY 2022-23, up from ₹ 8,453 million in FY 2021-22
- Home Loan comprised 67.52% and Non-Home loan contributed 32.48% to its Total AUM
- GNPA decreased from 5.9% as on March 31, 2022 to 1.87% on March 31, 2023
- Emphasis was increased on direct sourcing by way of ground-level marketing
- 93% of the business of MAHOFIN is self-sourced

Key Highlights of FY 2023 performance



Vehicle and Equipment Finance Business



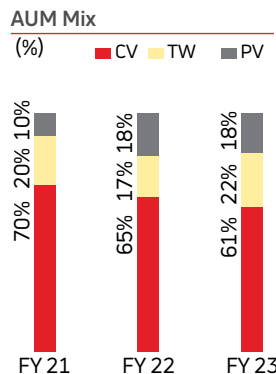
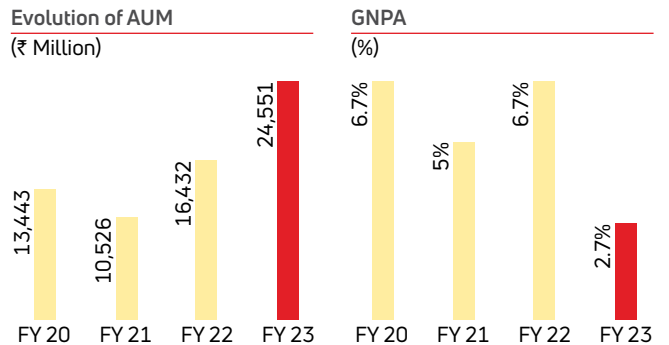
Business Overview

We provide Commercial Vehicles, Auto Loans, Two-Wheeler Finance, Construction Equipment and Farm Equipment Finance. The ticket size of these loans starts from ₹ 60,000 with a tenure ranging from 12 months to 84 months. The business ensures wide distribution through a network of 3,000+ co-located gold loan branches, our digital lending platform and brand tie-ups with manufacturers. A dedicated team is in place for used business with lower ticket size and higher yield. The business is primarily focused on Used Commercial Vehicles business in semi-urban and rural locations of India.

Key Developments, FY 2022-23

During the year, Assets Under Management (AUM) increased 49.42% from ₹ 16,432 million in FY 2021-22 to ₹ 24,551 million in FY 2022-23. Of this AUM, 61% is for Commercial Vehicles, 18% for Two-Wheelers and 22% for Passenger Vehicles. Gross Non-Performing Assets (GNPA) decreased from 6.7% as on March 31, 2022 to 2.7% as on March 31, 2023.

Key Highlights of FY 2023 performance



Other Businesses



Business Overview

MSME

Manappuram's MSME business is involved in providing loans ranging from ₹ 1 lakh to ₹ 50 lakhs against property as the collateral and rent receivables. These MSME loans are provided for a tenure ranging from 12-120 months. Our business model allows for a short average turnaround time (TAT) from 3 days to 6 days.

Micro-home Finance

Manappuram's micro-home finance has become the first choice of families seeking financial assistance for home improvement or renovation works apart from this now expanded to House construction, Loan against property for their personal purpose.

Secured Personal Loan

Manappuram's Secured Personal Loan is a financial option that provides individual with access to funds ranging from 1 lakh to 50 lakhs, while offering the lender the security of Collateral. These Secured Personal loans are offered provided for a tenure ranging from 12-240 months. Their business model allows for a short average turnaround time (TAT) from 3 days to 6 days. Secured Personal Loans present a promising option for individuals seeking significant funds while benefiting from lower interest rates.

Unsecured Personal Loan

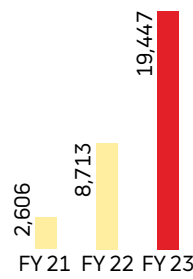
Manappuram Digital Personal Loan is 100% paperless, and hassle-free loans. MAFIL really do not ask for any physical documents or ask to fill any paper-based application forms. Customer can apply for the loan at their convenience by downloading the digital Personal Loan app from app store and just enter personal details and completing KYC. There's no need to visit a MAFIL branch.

Key Developments, FY 2022-23

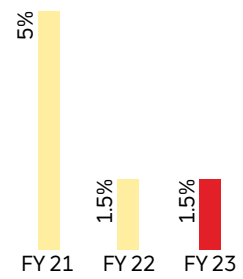
- A growing portfolio with stable asset quality
- Portfolio is an amalgamation of new products (not familiar in the market)
- Lending increased from ₹ 7,475 million in FY 2021-22 to ₹ 14,687 million in FY 2022-23
- AUM increased from ₹ 8,710 million to ₹ 19,447 million
- We added 25,000+ new customers in MSME lending and 31,000+ customers in personal loan lending
- Gross NPA stood at 1.5% as on March 31, 2023

Key Highlights of FY 2023 performance

Evolution of AUM
(₹ Million)

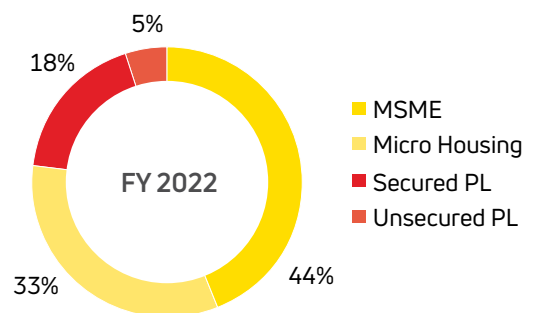


GNPA
(%)

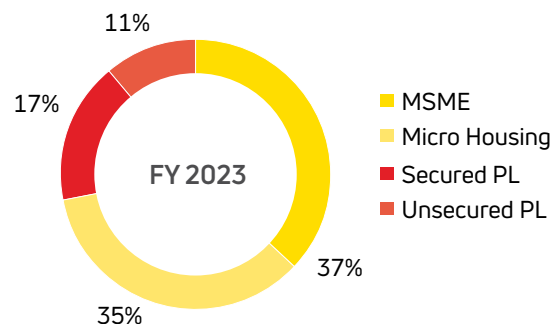


AUM Mix (%)

MSME



MSME



Insurance Broking



Business Overview

Manappuram Insurance Brokers Limited (MAIBRO) became a wholly-owned Subsidiary of Manappuram Finance Limited in January 2016. In 2006, MAIBRO became a licensed Broker with (Insurance Regulatory and Development Authority of India) since then the growth of the Company has been steady. It is a direct insurance broker licensed by Insurance Regulatory

and Development Authority of India (IRDAI) for doing life and non-life business. Company during the year marked its achievement by launching its B2C platform www.masuraksha.com. The platform provides facility for customers to compare premium rates of various insurance companies and choose best policy at best rate. The policy taking steps are very simple "select product" "fill details" "make payment and get policy". As a first phase, company launched Two-wheeler insurance, Four-wheeler insurance and Health Insurance products in the platform. This will support customers to compare and take best policy within few minutes. The portal works 24X7 and offers best coverage, rates, and services. Company during the financial year 2022-23 had also focused on faster claim processing, providing best quote to its clients and in speedy resolution of customer query, request, and complaints.

Key Developments, FY 2022-23

- Revenue increased 8% to ₹ 121.9 million from ₹ 113.2 million a year ago
- PAT decreased 6% to ₹ 31.5 million from ₹ 33.4 million
- Claim settlement ratio stood at 95% from 93.5% in FY 2021-22

Manappuram Comptech and Consultants



Business Overview

Manappuram Comptech and Consultants (MACOM) reported significant growth in FY 2022-23, as Total Revenue increased 34% YoY at ₹ 407.3 million, compared to ₹ 304.2 million in the previous year. Total Income stood at ₹ 409.8 million, reflecting its continued focus on operational efficiency, customer satisfaction and strategic investments. Profit Before Tax (PBT) was ₹ 34.3 million, while Profit After Tax (PAT) nearly doubled at ₹ 26.6 million. Earnings Per Share (EPS) increased by an impressive 101% YoY, reaching at ₹ 50.52, a clear testament to a continued focus on delivering value to the shareholders.

MACOM's success can be attributed to several key factors. A strong focus on providing quality products and services to customers in a timely manner helped generate a Total Revenue of ₹ 395.1 million from the sale of IT products & services.

It also made strategic investments in new technologies and infrastructure, which helped it improve operational efficiency and reduce costs.

Key Developments, FY 2022-23

- Successfully completed application migration of MAFIL VEF division to Oracle Cloud
- Partnered with Mongo DB; Document management server of Asirvad Microfinance and MAFIL VEF was migrated from community edition to enterprise edition, with support and services managed at our end
- Implemented RBI-issued regulatory changes for the Microfinance industry on a war footing
- Commenced the rendering services of VAPT testers and SOC analyst to clients
- Currently managing entire new loan portfolio of Two-Wheeler division of MAFIL and MAHOFIN, while the Two-Wheeler and Commercial Vehicle division commenced the use of LOS-LMS platform
- Successfully completed setting up of Automatic Data Flow Staging server for MAHOFIN, as part of NHB's regulatory compliance
- Cleared surveillance audit conducted by BSI for existing ISO 27001:2013 (Information security management system)
- Modernized three legacy applications (Recurring Deposit, Variable Deposit and Savings Deposit), while Term Deposit, P&L and Taxation applications are currently under progress
- Created a Centre of Excellence focusing on data analytics, with its first project is currently under development

Forex and Money Transfer



Business Overview

The Company's fee-based services include money transfer, foreign exchange, and depository services. We assist in exchange of currency for purposes as permitted under the Foreign Exchange Management Act (FEMA). In December 2017,

Manappuram received RBI's license to act as the Indian Agent for Western Union Money Transfer. Through our Authorized Dealers Category-II license by the RBI, we engage in providing solutions for fast, easy and safe money transfer up to ₹ 50,000 without the need for a bank account. Our services include transfer to both India and abroad. We also act as sub-agents to the Indian representatives of other companies providing money transfer inward remittance.

Key Developments, FY 2022-23

Following are the highlights of our fee-based services:

- Tie-up with Eight money transfer agencies for inward remittance
- About 60% of the inward remittance is contributed by Western Union
- Turnover of MTSS business is around ₹ 10.5 crore per month
- As an Indian agent of Western Union, we have 23 active sub-agents for Western Union business, who contribute about ₹ 1.65 crore of business per month

Payments Business



Business Overview

In March 2017, Manappuram received RBI's authorization to issue prepaid payment instruments (payment wallet) and went on to launch the MAKash wallet. A mobile wallet is a way to carry cash in digital format that promotes the cashless payments initiative in India. Customers can load money into

the wallet using a Credit Card, Debit Card. Alternatively, they can walk into any of the MAFIL branches across India and load cash into the wallet without any extra cost. With over one lakh customers, MAKash has registered steady growth. The wallet registers an average of 19,508 transactions per annum valued at about ₹ 12.55 crore. Customers can avail the assistance of MAFIL Branches to create the wallet and conduct transactions.

Key Developments, FY 2022-23

The following services are available with MAKash through Online/Offline modes:

- Phone Recharge & DTH: With money loaded in your MAKash wallet, it takes just seconds to make phone and DTH recharges
- Bill Payments: Customers can pay all the bills across categories via MAKash in no time to avoid late payment charges
- Transfer money to Bank: Customers can load money from Credit Card, Debit Card and send it to any bank account in India, any time



The diversification strategy that we have put in place is to take advantage of the India growth story

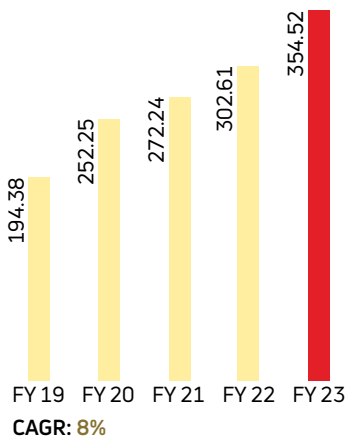
Stable and Sturdy Growth

With a well-set infrastructure management in place, our key strategy is to use the operating leverage to increase the size of our AUM, and increase our profitability in subsequent years.

Delivering superior performance, consistently

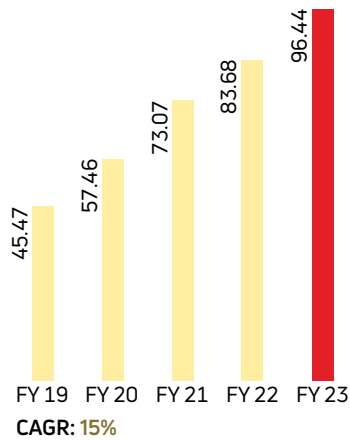
Assets Under Management*

(₹ Billion)



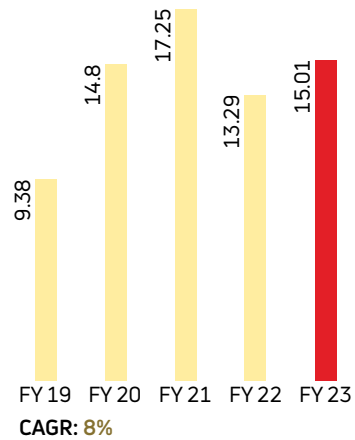
Net Worth*

(₹ Million)



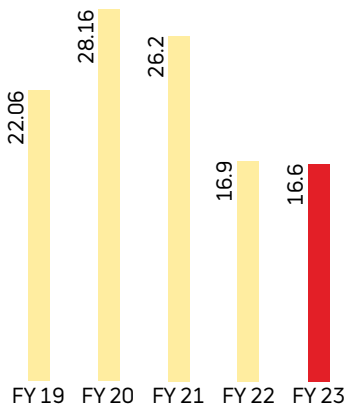
Profit After Tax*

(₹ Million)



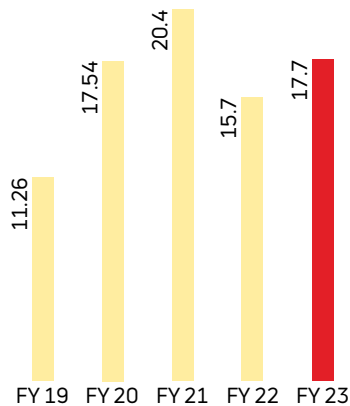
Return on Equity*

(%)



Earnings Per Share*

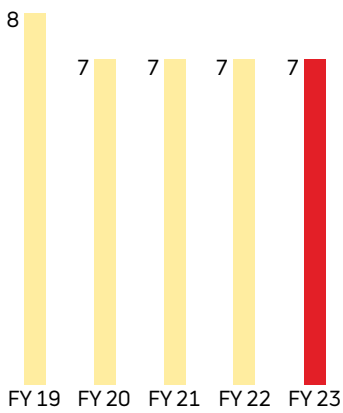
(₹)



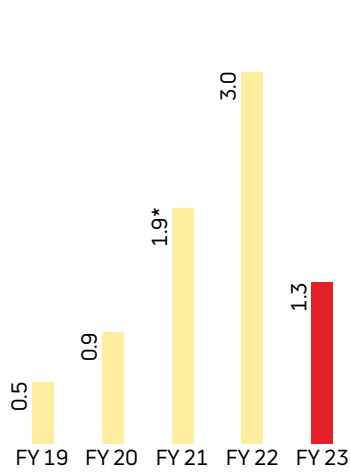
NPA Analysis (%)**

OPEX to AUM**

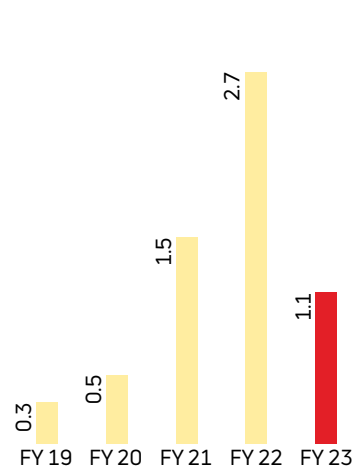
(%)



GNPA

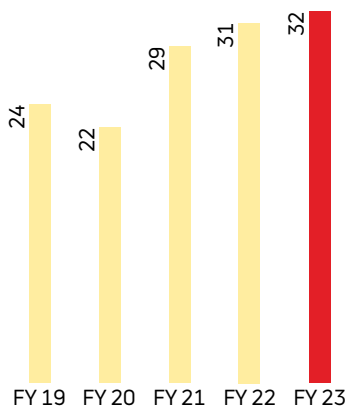


NNPA



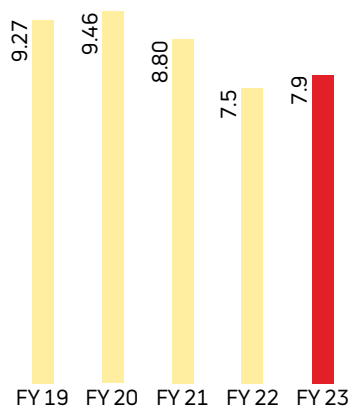
Capital Adequacy Ratio**

(%)



Cost of Borrowing**

(%)



*Consolidated Business

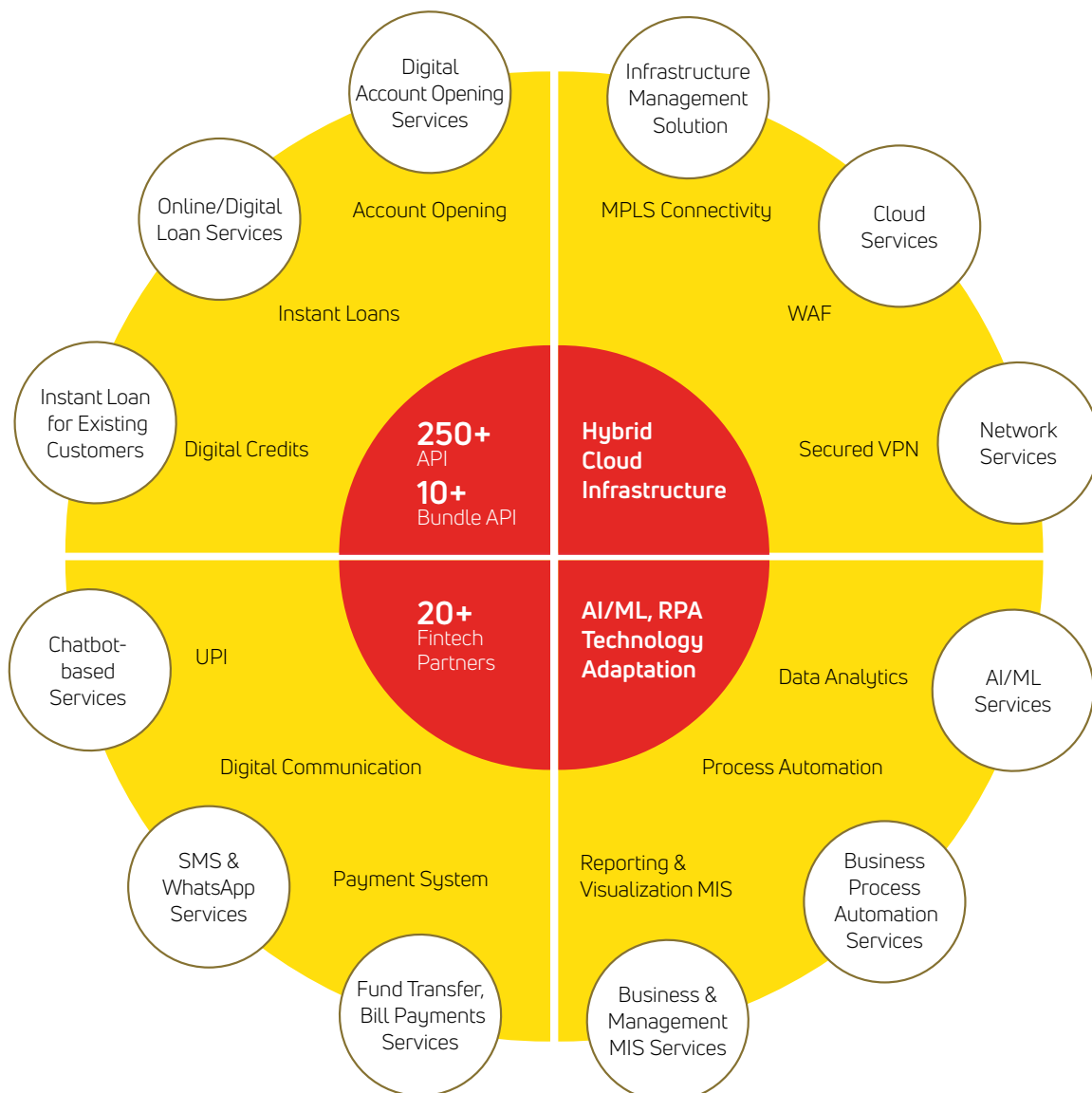
**Standalone Business

Unleashing the Unparalleled Value

Our Digital Transformation Journey

At Manappuram Finance Limited, we have embarked on an extraordinary enterprise-wide journey of digital transformation, revolutionizing the way we operate. We are leveraging cutting-edge technology to achieve remarkable business outcomes.

With a keen focus on enhancing customer experiences, optimizing processes and fostering innovation, we are poised to redefine our relationship with customers with seamless integration of ground-breaking technologies. This transformative journey also hinges on harnessing the power of data-driven insights and intelligent workflows, thereby propelling the organization towards the forefront of innovation. By embracing automation, hybrid cloud solutions, API integrations and other digital advancements, we are equipping ourselves with the necessary tools to thrive in a rapidly-evolving digital landscape.



Manappuram Finance Chatbots

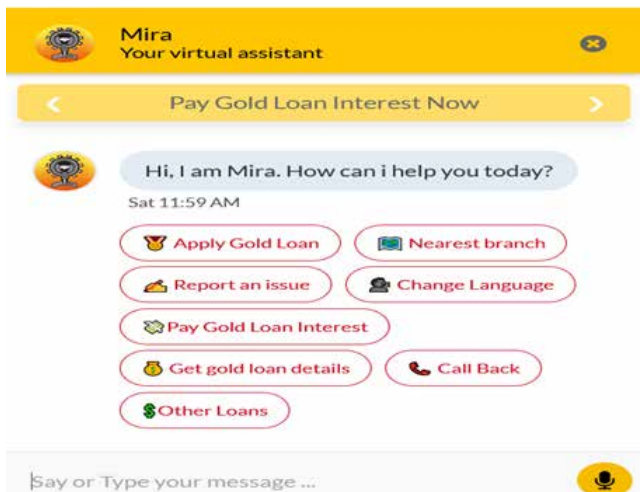
WhatsApp Chatbot

WhatsApp Chatbot is a personalized financial assistant on demand. Seamlessly integrated into WhatsApp, the chatbot brings convenience and accessibility to the customer's gold loan experience. Whether they want to apply for a gold loan, explore doorstep loan options, calculate Loan to Value (LTV) ratio, locate the nearest branch, or make gold loan interest payments, the chatbot is here to assist them every step of the way. The chatbot provides instant calculations on Loan to Value (LTV) ratio, ensures transparency and helps customers make informed decisions.



Website Chatbot (Mira)

Customers can experience the future of customer service with Manappuram Finance Website Chatbot. Designed to provide comprehensive assistance, the chatbot offers a range of services, such as how to apply for a loan, locate the nearest branch, make loan interest payments, gather loan details. With a user-friendly interface and advanced artificial intelligence capabilities, the chatbot ensures a seamless and personalized experience.



Driving Transformation through 200+ Automation Projects

Empowering Efficiency

We have undertaken a remarkable digital transformation journey through 200+ automation projects. With a steadfast commitment to operational excellence, we leveraged cutting-edge technologies, including Robotic Process Automation (RPA) to revolutionize our processes and enhance efficiency across various departments. Critical functions such as GST, ESI, PF, BRS, salary processing, and many more have been seamlessly automated. This comprehensive automation drive has resulted in remarkable improvements in productivity, accuracy and speed.

MA-Money - Unified Digital Lending Platform

MA MONEY

We launched our Unified Digital Lending Platform - MA-Money. It lights up a revolution that can change the course of the future through its state-of-the-art facilities and cutting-edge technology. In this entire financial structure, MA-Money has arisen as a great concept for quickly offering safe and hassle-free urgent loans in India. Customers can apply for any loan online and upload the necessary scanned documents. Currently, MA-Money offers 24 products, which can be availed by an individual following a simple process. Depending on the nature of the loan, the amount is disbursed. Thus, MA-Money underlines and confirms the motto of Manappuram, 'Make Life Easy'.

MA-Auction - Digital Auction Application

MA AUCTION

MA- Auction is 'a quick action to the auction processes and a brand new Digital Auction Application, which makes the auction processes easy, error-free, transparent and fast. The application's access is being given at a three-tier level including Bidder, Proxy, and Auctioneer. In addition, it offers a sound MIS system through which we can track and trace the status and draw detailed system-generated reports. The user can view the result of the auction conducted through this application.

Solidifying our Brand Equity

Brand Manappuram is a reputed brand built on trust and strong brand loyalty. We are leveraging our brand equity to build further on our success, deliver the desired results and reinforce our market presence. Our brand is the key to the growth of our business

With a keen focus on enhancing customer experiences, optimizing processes and fostering innovation, we are poised to redefine our relationship with customers with seamless integration of ground-breaking technologies. This transformative journey also hinges on harnessing the power of data-driven insights and intelligent workflows, thereby propelling the organization towards the forefront of innovation. By embracing automation, hybrid cloud solutions, API integrations and other digital advancements, we are equipping ourselves with the necessary tools to thrive in a rapidly-evolving digital landscape.

6,05,367

No. of Facebook followers

39,687

No. of Instagram followers

6,00,716

Likes in Facebook



Digital Marketing

Manappuram Finance Limited remains focused on increasing its brand awareness and engagement through digital strategies, including search engine optimisation (SEO), social media marketing, and content marketing, to reach the target audience and build relationships with potential customers. As our tagline suggests, "Make Life Easy", we follow up on our successful Online Gold Loan with Doorstep Gold Loan facility, and as a result of digital advertising strategy efforts, we have seen a significant increase in business since we introduced doorstep gold loan service. We received more loan applications, and also sanctioned more loans.

Key Highlights of Branding Activities

#Creating a strategic mix of branding activities

We continue to build our brand through advertisements and PR campaigns, and are also undertaking marketing on radio, television and outdoor advertising.

#Leveraging Traditional and Digital Media for Increased Brand Presence

Promoting our offerings through door-to-door awareness campaigns, loan melas, shop and home visits, distribution of pamphlets and brochures.

#Building Social Media Platforms to Engage with Customers

We are actively using the power of social media and various other digital platforms to impart the right information and propagate our products and services.

#Capitalizing on Celebrity Endorsements

Brand ambassadors and well-recognized celebrity endorsements is a part of our smart marketing initiatives aimed at building the Manappuram brand even further. We are engaging into more and more activities and using celebrity endorsements to further enhance our visibility, expand our footprint and grow the business.

Empowering Employees for Enhanced Organizational Effectiveness



Leveraging MADU to make training more efficient

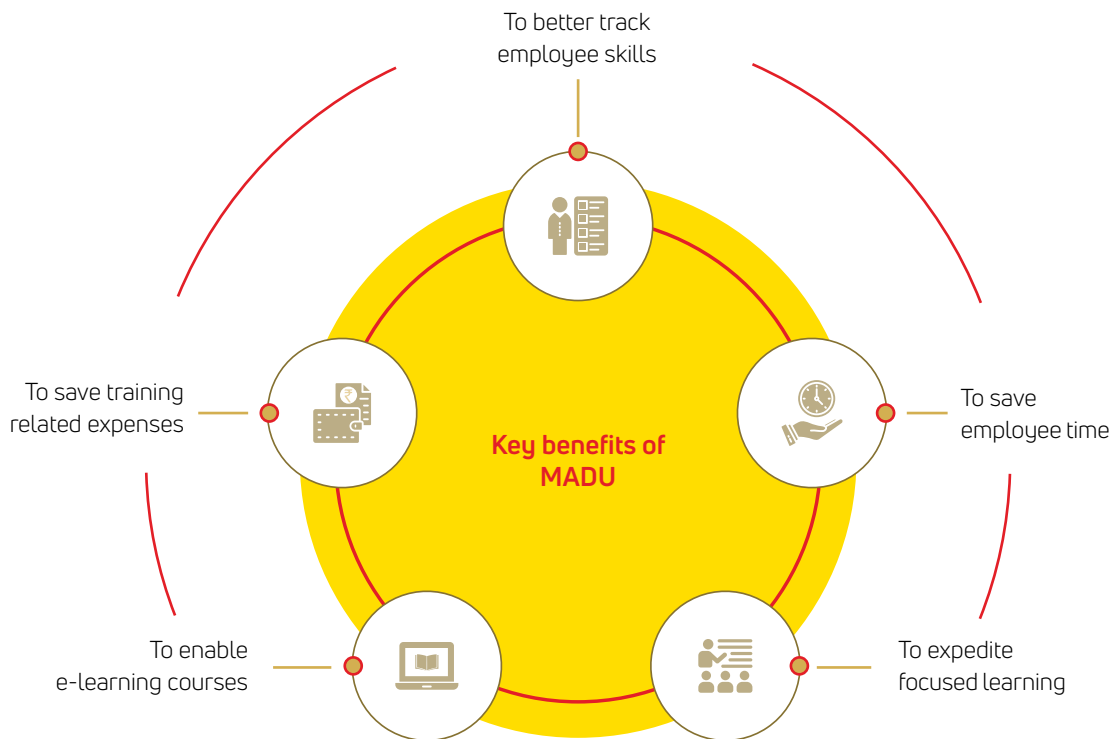
MADU is an inhouse training platform to provide training and development to employees. It has been developed with the intention of customizing the ever-growing needs of the workforce and allowing access to latest updates in the digital learning experience. Today, MADU exemplifies the essence of digital learning diversified into various segments.



Digital Learning

MADU is unique as it offers features such as survey, poll, synchronous learning, digital library, online examination, and higher education nomination, which make the platform comprehensive and even more versatile. The platform has been certified as the most advanced by the IIM Indore team and has brought about a digital learning transformation in the system.

By tapping into the scope and capabilities of existing environments, and by supplementing them with newer capabilities such as Artificial Intelligence (AI) and data analytics, MADU can proactively detect the learning needs and deficiencies in the mainstream and define learning strategies to bridge the gap.



45,000+

No. of employees using the platform

1,145

E-learning courses available on MADU

1,000

MADU features vetted and certified as one of the most advanced

Segments of Digital Learning

- eLearning
- Video-based Learning
- Gamified Learning
- Social & Collaborative Learning
- Virtual Classroom
- Blended Learning
- Micro Learning
- Self-Learning
- Personalized Learning
- Adaptive Learning

Key Achievements in FY 2022-23

Employee participation

During the year, the MADU Learning Experience Platform has been used by 45,000+ employees for e-learning, instructor-led training and virtual instructor-led training, demonstrating the commitment of our employees towards professional development. The learning platform has been utilized by 99 departments within MAFIL, its subsidiaries and group firms, indicating its effectiveness and versatility for various departments and industries.



Training modules

The learning platform has offered 1,145 training modules during the year and offered a wide range of courses to cater to various skill levels. The modules have been designed to address specific training needs and generate reports on progress of trainings undertaken by employees such as attendance, course completion, evaluation, proctored exams, details of trained and untrained employees, among others.



4/5

Satisfaction rate of employees using MADU platform for training purpose, indicating its effectiveness in providing quality training

Recommendations for FY 2023-24

The recommendations made for the upcoming year will help further improve the platform and provide more opportunities for professional growth and development. Some new features are recommended to be added in FY 2023-24 to further enhance the MADU platform.

Some of these recommendations are:

- Introduction of a training calendar that chronologically describes all the proposed training-related activities to be conducted in the next financial year
- A training needs assessment (TNA) to collect requirements for training to be given for the next financial year
- A training budget to explain all the expected total costs and returns from all the training-related activities to be conducted
- The implementation of on-the-job training (OJT) and mentoring programs to enable employees to learn and practice new skills, enhancing their performance

The platform has been instrumental in providing quality training and development opportunities to our employees. With high participation, a wide range of training modules, and increased satisfaction rates, the platform has proven to be quite effective in enhancing employee skills and knowledge.

Creating a Net Positive Society

CSR is not just a duty – it is an approach towards existence. We see CSR as a creative opportunity to fundamentally strengthen our business, while contributing to the society and creating social, environmental and economic impact.

At Manappuram, we care about helping those in need and living our founder’s values. We remain committed to making a difference to the society by creating economic opportunity and strengthening local communities. Our motto is to build a sustainable life for the weaker and under-privileged sections of the society and stretch our aim towards serving humanity in different ways.

As an integral part of our commitment to Good Corporate Citizenship is to improve the quality of life of people in the communities we operate within. The motive of our CSR initiatives is to help the socially and economically backward groups, under-privileged and marginalized, and the society at large, with an ongoing commitment to sound business practices.

Key CSR initiatives in FY 2023

Key Focus Area: Quality Education



digitalized classrooms, online testing capabilities, and spacious seminar halls. Students from economically weaker sections are granted 50% concession on fees. Moreover, students who belong to Scheduled Caste (SC) and Scheduled Tribe (ST) categories, and achieve a remarkable academic performance with 90% score are offered 100% discount to uplift and empower them.

Manappuram Geetha Ravy Public School

Manappuram Geetha Ravy Public School offers education to students up to 8th standard by utilizing a contemporary Montessori approach at affordable rates. This methodology integrates cutting-edge technology into both academic and co-curricular realms, providing a holistic and progressive learning experience.

Mukundapuram Public School

The school is affiliated to the Indian School Certificate Examination (ICSE) board and offers quality education at minimal rates to the local community, achieving commendable results in academics. Its unwavering commitment to academic excellence has yielded remarkable results, making it a distinguished institution in terms of scholastic achievements.

Manappuram Academy of Entrance Coaching (MAAcademy)

The Academy provides high-quality coaching facilities to students, particularly from disadvantaged backgrounds, at affordable fees. It is well-equipped with modern amenities like

Manappuram Academy of Professional Education (MACampus)

The Academy provides coaching for esteemed professional courses including CA, CMA, CS, and ACCA, delivered by renowned faculties, all at a highly affordable fee. With its state-of-the-art infrastructure comprising digitalized classrooms and a well-equipped library, the Academy ensures an optimal learning environment for its students. Additionally, the Academy takes pride in promoting inclusivity by offering 50% concession to students from economically disadvantaged backgrounds.

Manappuram Institute of Automotive Skills

The institute maintains an affiliation with Automotive Skill Development Council, which operates under the umbrella of the prestigious National Skill Development Council. Through this affiliation, MAIAM offers specialized courses in Auto Body Repair and Technician/Denter, ensuring students receive industry-recognized certifications. It offers a comprehensive program that includes eight months of rigorous institute training, coupled with an immersive four-month internship at renowned auto dealerships and ensures 100% placement for qualifying students.

Manappuram Institute of Skill Development

MASkill works with the objective of equipping youth from the coastal belt with employable and recognized skills under the National Skill Development Council (NSDC) framework, in association with accredited NSDC partners. It offers skill training

Key Focus Area: Quality Healthcare



MAHIMA Counselling and Psychotherapy Centers (MAHIMA)

The Manappuram Action for Health Intervention in Mental Ability (MAHIMA) centers function in Valapad Panchayath, with an aim to uplift the comprehensive mental health of people. These centers provide services like family counseling, student counseling, adolescent counseling and de-addiction counseling through experts in the field of Psychiatry and Psychology. Regular specialist services of well-qualified clinical psychologists and speech therapists are also available.

Yoga Centre (MAYoga) & Fitness Centre (MAFit)

Manappuram Foundation also has two aesthetic Yoga Centres and a Fitness Centre with excellent infrastructure and facilities. Within these facilities, regular seminars are conducted on various topics such as fitness, healthy living, stress management and diet plans. These seminars serve as a platform to actively engage and educate the local community, spreading awareness on both mental and physical well-being.



Manappuram Ambulance Services

Manappuram Ambulance Services offer advanced medical transportation services through our fleet of ambulances. Currently, we have seven fully-equipped ambulances which are equipped with state-of-the-art technologies, including neonatal facilities, round-the-clock tele-calling services, and a mobile application for instant assistance. Moreover, our drivers and paramedics are highly trained professionals, ensuring the highest level of care and expertise in medical transportation. These ambulances mainly serve coastal and rural areas in Thrissur and Kaloor, providing subsidized services and free assistance to accident victims.

MAcare Diagnostic Centers

MAcare Diagnostic Center is a groundbreaking and ambitious initiative that strives to transform the world into a healthier place. The cost of accessing top-notch healthcare often renders it inaccessible to the average individual. However, MAcare seeks to bridge this divide by making state-of-the-art diagnostics and treatments affordable and accessible to the general public, particularly those from marginalized and under-privileged backgrounds.

In an unwavering commitment to enhance healthcare initiatives, we are planning to expand and renovate the existing MAcare Diagnostics. This expansion entails the introduction of new specialty and super specialty departments, along with the installation of cutting-edge medical equipment. By undertaking these measures, our primary objective is to foster a healthy community that can avail themselves of the finest healthcare services and facilities at reasonable and affordable prices.

Manappuram Aquatic Complex and Manappuram Badminton Academy

Manappuram Aquatic Complex (MAC) promotes the core aquatic skills of the people in rural areas and provides efficient professional swimming coaching to the kids to create competitive swimmers and with the overarching goal to cultivate the growth and advancement of Indian swimmers on an international scale. Manappuram Badminton Academy aims to nurture and cultivate the badminton talent of students residing in rural areas. By offering professional and expert training, the Academy strives to promote the sport and enhance skills of children and young individuals.

Key Focus Area: Community Development Activities

Aksharamuttathu Karuthayi

This includes distribution of educational kits to 2,200 underprivileged and economically weaker students for promoting quality education.



Dialysis Machine

The dialysis machine has been donated to Lions Life Charitable Trust (LLCT) for providing free dialysis to the under-privileged patients.

SN Sevika Samajam

A dedicated floor has been constructed in a foster home to serve the needs of orphaned and under-privileged women, including elderly ladies and young girls.



Community Kitchen

This has been constructed at Pinarayi Gramapanchayath Convention center for the benefit of the general public.



Vision Valapad

21 houses have been constructed and handed over to deserving families of Valapad Gram Panchayath through Manappuram Foundation.



Manappuram Chikilsa Sahaya Padathi

38 beneficiaries are supported with financial assistance for their medical treatments at this facility.



Turning our ESG theory into action

At Manappuram Finance Limited, we are fully committed to driving purposeful activity, to realize it for ourselves and all our stakeholders. It explains how we leverage our business and expertise to help address economic and societal challenges, and contributing to an inclusive, sustainable economy.

Like any other business, our business is also deeply intertwined with environmental, social and governance concerns. We strive to be resilient to crisis and to weather the pressure of each day, while making strides towards long-term efforts at sustainable growth and bringing value to our stakeholders.

Hence, we have devised an ESG framework that is based on our Company's vision to build an **enduring institution that serves the** long-term needs of our customers **with great sensitivity**. Our sustainability framework is shaped on the three pillars of: Environmental – leaving the planet a better

place for our next generation, Social – giving back to society and Governance – transparency in functioning.

We are proud of the progress we have made in integrating ESG principles into our business operations. Our achievements in environmental sustainability, employee empowerment, customer satisfaction, and community development reflect our commitment to responsible business practices. As we move forward, we remain dedicated to continuous improvement, setting higher targets, and further enhancing our positive impact on the environment, society and governance aspects.

Environment



We understand the importance of environmental sustainability and compliance with regulations. We have implemented energy-efficient lighting and air-conditioning systems, raising awareness among employees about energy conservation.

Embracing technology has helped us reduce paper usage and emissions from travel, while improving operational efficiency.

Key Initiatives

- We prioritize efficient use of materials and water resources, along with proper waste management practices
- Our transition from diesel vehicles to electric vehicles demonstrates our commitment to reducing carbon emissions
- We have also implemented wastewater treatment and rainwater harvesting systems to conserve water resources

53,000 kWh

Solar Energy generated by powering branches with renewable energy

Social



As part of our purpose-driven culture, we strive to develop respectful and positive relationships with our employees, customers and communities we serve within, and contribute positively to the society as a whole

Employees

Through our talent management strategy and the MADU online learning platform, we provide extensive learning and development opportunities, fostering continuous growth and professional development. We prioritize upskilling and reskilling our workforce and also offer training and resources to enhance their skills and expertise.

Besides, we are also proud of our diverse and inclusive workplace culture, with the percentage of our female employees increasing year on year. As employee welfare is paramount, we strive to create a safe and inclusive work environment that values diversity and promotes engagement.

Key Initiatives

- Embracing digital technologies empowers our employees, leading to increased productivity and streamlined processes
- Training programs on business policies and responsible practices ensure that our employees are well-versed and adhere to our responsible business principles

21.98%

Percentage of female employees in FY 2023 vs 18.84% in FY 2022

Customers

Our aim is to provide superior experiences through robust customer relationship management practices and the utilization of digital technologies. Our wide range of borrowing options cater to the diverse needs of our customers.

Key initiatives

- We take pioneering initiatives in online and doorstep gold lending to enhance convenience and safety in transactions
- Even during the pandemic, we remained committed to providing sustained lending support to our customers, understanding the crucial need for financial assistance



Communities

We actively contribute to social welfare. Through our gold lending business, we empower women by providing them with financial opportunities that contribute to their families' economic well-being. We support quality education and create learning environments that promote holistic development of the communities we operate within.

Key initiatives

- Providing support for below poverty line (BPL) families and various community development projects
- Improving healthcare access for marginalized sections of the society and promoting physical and mental well-being through initiatives, such as MAcare Diagnostics
- Operating ambulances to facilitate preventive healthcare, emphasizing the importance of prompt emergency response

Governance



Governance is a core aspect of our operations. We embed strong corporate governance systems and principles in our business, strong integrity values and rigorous systems for cyber-security and data privacy.

Key initiatives

- We prioritize integrity, accountability and oversight, fostering a culture of compliance
- Our strong internal control mechanisms, overseen by an experienced and diversified Board with a majority of independent directors, promotes transparency and accountability
- Risk management is a key focus, and we proactively identify, assess, and mitigate risks to safeguard our interests
- Customer protection is integral to our practices, and we ensure fair and transparent dealings to enhance customer satisfaction and trust

Awards & Accolades



Karan Bhagat, Founder & MD, 360 One Wealth; Nandakumar Sir; Rupert Hoogewerf, Founder & Chairman, Hurun Global; and Anas Rahman Junaid, Founder & Chairman, Hurun India.

The MD & CEO received The Hurun Industry Achievement Award 2022 at Taj Land's End, Mumbai, in February 2023



Manappuram Finance CFO Ms Bindu A L was adjudged as a Leading Woman CFO of the Year 2022 by CII at its CFO Excellence Awards at the Taj Coromandel, Chennai.

Management Discussion & Analysis

Manappuram Finance Limited – An Overview

Manappuram Finance Limited (“MAFIL” or “the Company”) is a renowned Non-Banking Financial Company (NBFC) serving the credit requirements of people belonging to the lower socio-economic classes, particularly in rural and semi-urban areas of India. The Company offers a range of retail credit products and financial services. The Company has a diversified lending portfolio encompassing retail, microfinance, SME and commercial customers. It has been the second-largest gold finance NBFC in India. The Company offers credit against the security of used household gold jewelry (henceforth referred as gold loan). The Company’s short-term gold loan product has been availed largely by customers who is requiring immediate funds and may not have access to other types of formal credit readily available. The Company competes directly with informal moneylenders and pawnbrokers, in its efforts to outreach the marginalized to achieve the larger goal of financial inclusion..

Our Micro finance subsidiary, Asirvad Microfinance 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 from its Branches spread across pan India. Through another subsidiary, Manappuram Home Finance Limited, the Company provides loans to customers in the affordable housing market for home building, extension, purchase, and improvement. The third subsidiary, Manappuram Insurance Brokers Limited, offers life and non-life insurance products via partnerships with numerous top insurance firms. The recently purchased Manappuram Comtech and Consultants Limited provides cost-effective and high-quality IT solutions with over two decades of experience.

Economic Review

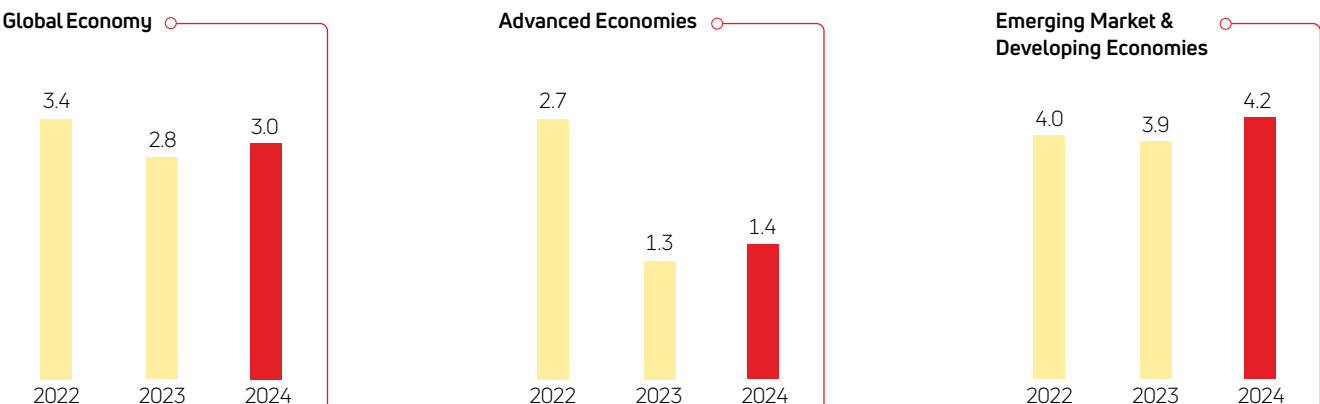
Global Economic Overview

Global economy is witnessing signs of resilience in 2023 after a turbulent year. The geopolitical tensions caused by the prolonged Russia-Ukraine war, supply chain disruptions, higher inflation, and tighter monetary conditions have been disrupting economic recovery in 2022. The slowdown is expected to be less pronounced in 2023 than previously anticipated. However, higher inflation, tighter monetary conditions, and the ongoing war continue to impact the global economy. Further, the global banking crisis in the United States has raised concerns over macroeconomic stability across the markets and an impending global recession. However, key factors such as the rebounding of China’s economy, the gradual unwinding of supply chains, and the recent decline in energy and food prices indicate the improvement in economic activity and sentiment in 2023.

International Monetary Fund (IMF) has projected global growth to decline from 3.4% in 2022 to 2.8% in 2023 and rise to 3.0% in 2024. Growth across Advanced Economies (AEs) is expected to decline from 2.7% in 2022 to 1.3% in 2023 before rising to 1.4% in 2024. The real GDP of the United States grew at 2.1% in 2022 on the back of increased private investment and consumer spending. It is projected to grow at 1.6% in 2023 and 1.1% in 2024. The European economy recorded 2.7% growth in 2022 and is projected to grow at 0.8% in 2023 before rising to 1.4% in 2024. Emerging and Developing Economies (EMDEs) fared better and grew at 4.0% in 2022 and are expected to grow at 3.9% in 2023 and 4.2% in 2024. The developing economies like South-East Asia and Latin America are poised to do well and benefit from strong job markets, commodity price boom and ambitious investment plans by governments in many countries. Asia-Pacific will be the most dynamic of the world’s major regions in 2023, predominantly driven by the buoyant outlook for China and India, which will be the major contributors to global economic growth in 2023.

Growth Projections

(Real GDP growth percent)



International monetary fund

Outlook

Despite the economic uncertainties and underlying inflationary pressures, the outlook for the global economy seems less gloomy. With the central banks' efforts to curb inflation by tightening monetary policy, global inflation is projected to decline from 8.7% in 2022 to 7.0% in 2023 and 4.9% in 2024. The global economy is expected to pick up modestly in 2024, as inflationary pressures are expected to abate.

Indian Economic Overview

India continues to be among the fastest growing economies in the world. The Indian economy continues to show resilience to exogenous shocks caused by the prolonged war between Russia and Ukraine, higher inflation, tighter monetary conditions and supply chain challenges, among others. India's real GDP growth is pegged at 7.2% in FY 2022-23 as against 9.1% in FY 2021-22.

Domestic economic growth is gaining strength and further traction in 2023. According to the IMF, India's GDP per capita at current prices is US\$ 2,600 in 2023, leading to a surge in household consumption. The growth rate is expected to decline to 5.9% in FY 2023-24. Higher inflation remains a challenge and the Reserve Bank of India (RBI) increased the repo rate by 250 basis points in FY 2022-23 to curb inflation. As a result, retail inflation eased to 4.7% and the wholesale price index (WPI) inflation fell to -0.92% in April 2023 amid lower food and fuel costs. This could lead to a pause in repo rate hike in the ensuing MPC meeting on June 6. Though the manufacturing sector is yet to gain traction, the services sector is expected to show strong growth in FY 2024 as evidenced by the rising services Purchasing Managers' Index (PMI). However, the Indian Meteorological Department (IMD) has forecasted moderate El Niño conditions and its impact on the agriculture sector and rural inflation needs close monitoring.

International trade contributed significantly to economic growth in FY 2022-23. The Annual merchandise exports were the highest-ever at US\$ 447.46 billion with 6.03% growth during FY 2022-23 surpassing the previous year's record exports of US\$ 422.00 billion. As the world economy experienced slower growth, commodity prices softened which had a positive impact on domestic inflation. Brent crude averaged just about US\$80 per barrel in FY 2023 as against US\$100 in FY 2022. Moreover, the Russia-Ukraine conflict provided India an opportunity to source cheaper crude from Russia which has gone up to 20% of our overall sourcing needs. This also opened up the possibility of trade between Russia and India in Rupees with Vostro accounts of Russian banks being opened with banks in India. These developments have had a salutary and positive effect on inflation which also makes it easy for RBI to have a better handle over price increases.

Outlook

As per the IMF, the Indian economy is expected to grow at 6.3% in FY 2024-25 after registering around 6% growth in FY 2023-24. Growth will be supported by a conducive domestic policy environment, driven by various dynamic reforms undertaken by the government such as higher capital expenditure, thrust on domestic manufacturing and infrastructure development,

rebound in domestic consumption, technology-enabled development, revival in credit growth, and energy transition among others. The benefits of reforms like the Goods and Services Tax (GST) and Insolvency and Bankruptcy Code (IBC) are slowly trickling in and will be felt in the years to come. India will slowly graduate to the league of developed nations in terms of per capita income in a decade which augurs well for the financial services sector. Moreover, as urbanization gathers pace demand for housing, real estate and automobiles will see an upswing in tune with the rising aspirations of the populace. In the Union Budget 2023-24, the government has envisaged ₹10 lakh crore for the development of the infrastructure sector, which will accelerate economic growth. In addition, growth-enhancing policies such as the production-linked incentives (PLI) scheme, Atmanirbhar Bharat and PM Gati Shakti will have a multiplier effect on economic growth.

Financial Services Industry

Over the past two years, the financial services industry has demonstrated its ability to successfully navigate unprecedented levels of uncertainty. Despite the geopolitical and economic challenges such as the Russia-Ukraine war, higher inflation, monetary policy tightening, volatility in the forex markets and the possibility of regional or global recession in 2023, the financial services sectors in India showed remarkable resilience and adaptivity in FY 2022-23.

Indian financial sector is diversified and consists of commercial banks, modern fintech startups, non-banking financial companies (NBFCs), insurance companies, co-operatives, housing finance companies, pension funds, mutual funds, small and medium financial entities, and newly founded payment banks. These diverse financial services offer solutions to a wide variety of customers based on their needs and access. India's private wealth management industry has huge potential as it is expected to have 6.11 lakh high-net-worth individuals (HNWI) by 2025. This will lead India to be the fourth-largest private wealth market globally by 2028.

Digital transformation has been an important driver in increasing the reach of financial services in the country. The pandemic propelled the adoption of digital technology for financial activities, which is becoming increasingly popular due to the rapid expansion of smartphones and internet across the country. Financial services firms are keen on a non-branch acquisition and service approach and they have been focusing on a digital-first omni-channel experience over the past few years.

India's private wealth management industry has huge potential as it is expected to have 6.11 lakh high-net-worth individuals (HNWI) by 2025. This will lead India to be the fourth-largest private wealth market globally by 2028.

Reforms in the financial sector including credit discipline, responsible lending and improved governance, adoption of digital technology, the government's initiatives and digital services such as the PM Jan Dhan Yojana, India Stack and UPI have led to financial inclusion at scale, better and faster service delivery, ease of access to credit and participation in financial markets. The growth of the financial service sector has been recognized as one of the seven priorities in the Union Budget 2023-2024. As per the Budget, fiscal support for digital public infrastructure will continue in FY 2023-24, which will help to boost the economy. As per the Global FinTech Adoption Index, India has accomplished 87% fintech adoption, compared to the world average of 64%. Digital transactions witnessed an increase of 76% and 91% in value in 2022. With more than 2,100 fintechs operating currently, India is positioned to become one of the largest digital markets.

Rising income is driving the demand for financial services across income brackets. While there was sustained growth in all the segments, digital payments recorded exponential growth in FY 2022-23. Total digital payment transactions increased from 5,554 crore in FY 2021-22 to 9,192 crore (provisional/ till December 31, 2022) in FY 2022-23. Digital transactions were mainly dominated by the NEFT mode of payment, followed by Unified Payments Interface (UPI). NEFT recorded ₹38 trillion transactions, followed by UPI with ₹14 trillion transactions, CTS with ₹7 trillion transactions and Credit and debit cards with ₹1 trillion and ₹2 trillion transactions respectively. BHIM UPI has emerged as the preferred payment mode in the country and has recorded 803.6 crore digital payment transactions with a value of ₹12.98 lakh crore in January 2023.

Despite the rise in rates, bank credit increased across all sectors including Industry, agriculture, retail and services sectors due to accelerated economic activities and robust demand for personal loans. Bank credit grew by 15% Y-o-Y in FY 2022-23 against 9.6% Y-o-Y in FY 2021-22. Credit growth is highest in FY 2022-23 since FY 2011-12. The outstanding credit stood at ₹136.75 trillion as of March 24, 2023, rising from ₹118.91 trillion recorded in March 2022. Further, Bank deposits expanded 9.58% Y-o-Y in FY 2022-23 against 8.9% Y-o-Y growth seen in the previous financial year.

Credit to agriculture and allied activities rose by 15.4% Y-o-Y in March 2023 compared to 9.9% the previous year. Credit to the industry sector registered a growth of 5.7% Y-o-Y in March 2023 compared to 7.5% in March 2022. Size-wise, credit to large industries rose by 3% compared to 2% in March 2022. Credit growth of medium industries was 19.6% as against 54.4%

The outstanding credit stood at ₹136.75 trillion as of March 24, 2023, rising from ₹118.91 trillion recorded in March 2022. Further, Bank deposits expanded 9.58% Y-o-Y in FY 2022-23 against 8.9% Y-o-Y growth seen in the previous financial year.

a year ago. Credit to micro and small industries accelerated to 12.3% in March 2023 as against 23.0% during the same period of March last year. Credit growth to the services sector accelerated to 19.8% Y-o-Y in March 2023 from 8.7% in March 2022 due to the improved credit offtake to 'Non-Banking Financial Companies (NBFCs)' and 'trade'. Personal loans continued to expand at a robust rate of 20.6% Y-o-Y in March 2023 compared to 12.6% the previous year, primarily driven by housing loans.

The resilience of the domestic financial system is reflected in the healthy balance sheet of banks, stronger capital levels of NBFCs and robust growth in the assets under management (AUM) of domestic mutual funds. Buoyant demand for bank credit and early signs of a revival in the investment cycle are benefiting from improving asset quality, a return to profitability and resilient capital and liquidity buffers.

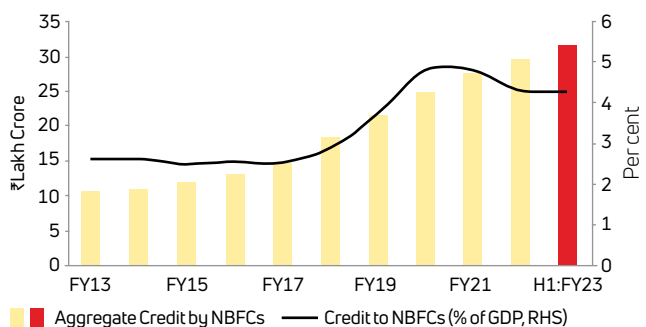
Outlook

India's financial services industry has experienced huge growth in the past few years and this momentum is expected to continue driven by rising incomes, favorable demographics and heightened government focus on financial inclusion and digital adoption. The year 2023 will witness the impact of various regulatory measures, especially around the Account Aggregator, digital lending guidelines, regulator's expectations around data availability and depth in regulatory reporting, and co-lending initiatives, among others. India's fintech market is expected to reach US\$1 trillion by 2030. Going forward, credit growth is expected to remain positive in 2023. The financial services sector expects more investments in technology and a rise in demand for Artificial Intelligence (AI) and Machine Learning (ML).

NBFC Industry

Non-Banking Financial Companies (NBFCs) are financial intermediaries that conduct financial transactions and offer almost all banking services except for issuing self-drawn checks and demand drafts. They solicit funds from the public, directly or indirectly, and execute loans to parties having repayment capacity. They provide credit to the unorganized sector and small local borrowers, such as wholesale/retail merchants, small and medium-sized businesses, and sole proprietors. As a key accelerator in the Indian financial landscape and for addressing the needs of numerous sectors, NBFCs are becoming more advantageous alternatives to traditional banks. Despite the competition with banks in the market, NBFCs will remain important because of their wider reach, increased flexibility, individualized services, and cutting-edge digital solutions. As per the Economic Survey 2022-2023, the growing importance of the NBFC sector in the Indian financial system is reflected in the consistent rise of NBFCs' credit as a proportion to GDP as well as in relation to credit extended by Scheduled Commercial Banks (SCBs). The continuous improvement in asset quality is seen in the declining GNPA ratio of NBFCs from the peak of 7.2% recorded during the second wave of the pandemic (June 2021) to 5.9% in September 2022, reaching close to the pre-pandemic level. With the decline in GNPA, the capital position of NBFCs also remains robust.

Increasing credit disbursed to and by NBFCs



Source: RBI

Note: Credit to NBFCs (Per cent of GDP) for FY23 (H1) is estimated based on NSO's 1st AE for FY23 and Credit by NBFCs as of September 2022

The Reserve Bank of India (RBI) regularly makes the required modifications to the NBFC regulatory framework to proactively give regulatory assistance to the sector and maintain long-term financial stability. The RBI has introduced scale-based regulation to enhance regulatory oversight over the sector. To further strengthen the supervisory tools applicable to NBFCs, the RBI also issued Prompt Corrective Action (PCA) Framework for NBFCs effective October 2022. The PCA Framework's purpose is to allow Supervisory intervention at the appropriate time and to require the Supervised Entity to initiate and implement corrective measures in a timely manner to restore its financial health. Further, through the recent change in the RBI's securitization regulations, it issued a master direction on transferring loan exposures and securitizing standard assets.

The RBI's stress test to assess the resilience of the NBFC sector to credit risk shocks for a sample of 152 NBFCs reveals that the number of NBFCs that would fail to meet the minimum regulatory capital requirement of 15% stood at 8% under the baseline scenario. It increases to 10% and 13% under medium and severe stress scenarios, respectively. NBFCs continued to deploy the largest quantum of credit from their balance sheets to the industrial sector, followed by retail, services, and agriculture.

NBFC's credit offtakes reached 11-year high in FY 2022-23. It expanded to ₹136.8 lakh crore as of March 24, 2023, despite rising interest rates. The AUM of NBFCs exceeded ₹ 14 lakh crore as of March 2023. According to India Ratings, the assets under management (AUM) of NBFCs will grow at 15-16% in the coming year. The growth has been driven by demand for personal loans and higher working capital requirements due to inflation and robust growth in NBFCs. In recent times, several NBFCs have seen a rise in their borrowing costs as the central bank intends to remove excess liquidity from the financial system. NBFCs are tapping into various routes like selling assets through loan pools and entering into co-lending partnerships to meet their funding needs. Despite challenges over funding, the loan growth of NBFCs is expected to sustain in FY 2023-24.

The organized gold loan segment includes public banks, private banks, small finance banks, cooperative banks, non-banking financial companies (NBFCs) and Nidhi companies and accounts for 35% of the gold loan market.

Outlook

NBFCs are expected to witness an upward trajectory and become stronger in the financial landscape with more robust business models, adequate capital, robust and diverse loan portfolios, excellent underwriting capabilities and a focus on digital strategy. Further, credit growth is expected to be in sync with the GDP growth in FY 2023-24, which will benefit the NBFCs. However, the slowdown in the global economy, higher inflation and rising interest rates in India may impact credit growth.

According to ICRA, NBFCs will focus on reviving growth in 2023 by improving asset quality supported by rising retail demand and liquidity. The MSME sector and other growing sectors will witness increased participation from NBFCs. Moreover, with the introduction of 5G services in the country, more NBFCs will start exploring AI and ML for offering services or full-fledged applications. NBFCs have the potential to emerge as superior alternatives to conventional banking practices to secure long-term, sustainable growth.

Gold Loan Industry

The gold loan industry has gained credibility and has been expanding over the past few years with consistent demand for gold loans. Gold loans are a crucial source of financing for MSMEs, the agricultural sector, small companies and the unorganized sector. The organized gold loan segment includes public banks, private banks, small finance banks, cooperative banks, non-banking financial companies (NBFCs) and Nidhi companies and accounts for 35% of the gold loan market. NBFCs constitute the largest share of the organized market. The unorganized segment accounts for 65% of the market and is dominated by moneylenders and pawnbrokers. The organized gold loan market size is estimated at ₹6 lakh crore industry, out of which there is an 80:20 split between banks and NBFCs.

The assets under management (AUM) for the gold loan industry have been organized or serviced by banks, NBFCs and cooperatives. The flexibility of NBFCs coupled with the average Indian's preferences for gold is an important driver in the gold loan market. The gold loan industry is increasingly becoming significant in India, with a steady rise in the AUM of gold loan NBFCs which is estimated to grow 12-14% in FY 2022-23, on the back of buoyancy in the gold prices and limited borrowing avenue for select customer segments. While asset quality is expected to continue to improve, leading to the unwinding of

provisions and lower credit costs, margins are likely to face pressure in FY 2024-25.

NBFCs are facing intensified competition from banks, especially in the higher loan ticket segment. Banks are improving their visibility in the gold loan segment by opening branches and increasing their portfolio of gold loans. Banks are targeting the gold loan segment aggressively with lesser interest rates on gold loans, which has attracted more borrowers recently. However, NBFCs are expected to remain key players in this segment due to their pan-India presence and ability to disburse loans quickly with a hassle-free process. Further, NBFCs face challenges in collecting payments and meeting liquidity requirements, which adversely impact their margins. NBFCs are seeking Priority Sector Status and liquidity support in 2023 due to multiple factors affecting their ability to access funds from traditional sources of funding. While challenges such as margin pressure and competition from banks persist, the sector is expected to benefit from improved asset quality and a favorable funding mix.

With the surge in gold prices, financial institutions are witnessing a surge in demand for gold loans, which are considered to be one of the safest and most secure loans. With the current

macroeconomic volatility, geopolitical tensions flaring and equity markets giving less returns, people are buying gold as it is considered to be a safe investment because it holds its value over the long haul despite fluctuations in the currency. The increasing price of gold allows borrowers to get more value from the gold that has been pledged to the bank and borrowers can receive more for the same amount of gold kept with the bank as collateral. Moreover, millennials have been keen on investing in the yellow metal, adding digital gold, ETFs, SGBs and gold-oriented mutual funds to their portfolios. The gold loan NBFCs have huge potential to significantly expand their businesses as only 500 tons of the estimated 25,000–30,000 tons of household gold in India have been able to be monetized by NBFCs so far.

Aided by the government’s thrust toward a digital economy and the evolving Fintech industry, the gold financing industry has undergone a major transformation in the past few years with the adoption of digital technology which offers several advantages to both consumers and service providers. It has aided the growth of the gold loan market. The use of digital technologies is allowing financial institutions such as banks and NBFCs to avail loans to borrowers at a much faster rate.

Key Growth Drivers

<p>— Rising demand for gold jewelry With Indian households possessing a significant amount of gold in the form of jewelry, finance companies find the gold loan business lucrative.</p>	<p>— Digitalization It has become essential for banks and NBFCs to step up digitalization as customers become more and more technology-savvy.</p>	<p>— Investment for stagflation Investing in gold is considered a safer and good hedge against inflation and recession in India and abroad.</p>
--	--	--

Outlook

Despite the slowdown and high inflation, demand for gold loans is picking up steadily and the industry is poised to grow in the long run. A reasonable increase in gold loan AUM and disbursements is expected during FY 2023-24. Demand for gold loans is expected to expand further as risk profiles of borrowers have depreciated considerably and lenders are becoming risk-averse.

The penetration of banks in the gold loan sector and competition with NBFCs indicate huge opportunities in the sector. There is enough unsatisfied demand for gold loans in India which will ensure that all players can co-exist without erosion of profitability. Moreover, banks and NBFCs are creating a market by transferring customers from the unorganized sector to the organized sector. Banks are also exploring partnerships with smaller NBFCs to enhance their gold loan portfolio. The growth of gold loan NBFCs is expected to remain moderate considering the prevailing competitive scenario, especially in the higher ticket segment with the continuation of low credit cost and relatively higher returns on total assets (RoTA).

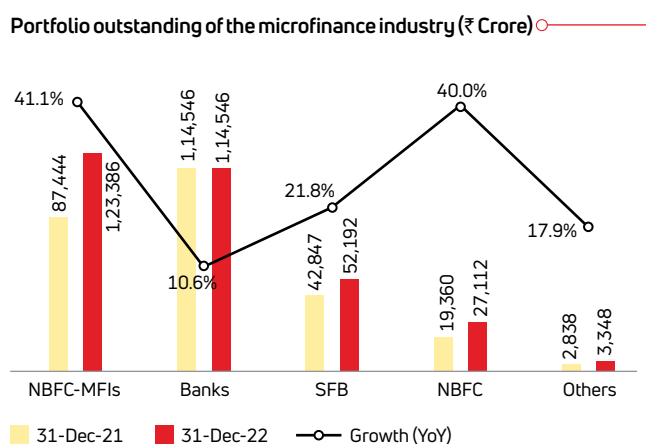
Overview Of Other Business Verticals

Microfinance Industry (MFI)

The microfinance industry has faced challenges such as pandemic-led disruptions and process realignment as per the revised MFI regulation in Q1 FY 2022-23 which derailed its growth momentum. However, the industry has emerged stronger and experienced a growth spurt on the back of a favorable macroeconomic climate, revised regulatory norms and renewed demand from Tier-III cities, which have led to a surge in disbursements over the past few months. New regulatory norms have created a level-playing field and it is reflected in the growth of the portfolio of non-banking finance companies and NBFCs working as microfinance institutions (NBFC-MFIs). The industry exhibited a sharp improvement in credit cost trajectory in FY 2022-23. Microfinance accounted for ~11% of the retail AUM of NBFCs as of March 2023. Moreover, with steady improvement in collections and subsiding asset quality challenges, MFI players have accelerated new customer acquisition during H1 FY 2022-23.

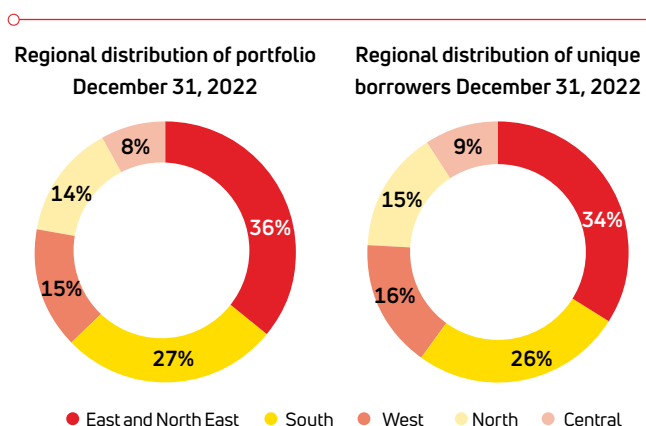
According to MFN's Micrometer report Q3 – FY 2022-23, as on December 31, 2022, the microfinance industry served 6.4 crore unique borrowers, through 12.6 crore loan accounts. The overall microfinance industry currently has a total Gross Loan Portfolio (GLP) of ₹3,20,584 crore. Microfinance loans in India increased 21.3% YoY at ₹3.5 lakh crore in FY 2022-23. Asset quality profile improved with loans due in more than 90 days dipping to 1.06% in March 2023 from 2.43% a year ago.

All regulated entities have registered healthy growth on a Y-o-Y basis during Q3 FY 2022-23. NBFC-MFIs surpassed banks in the overall microfinancing landscape and became the largest provider of micro-credit with a loan amount outstanding of ₹1,23,386 crore, accounting for 39% of the total industry portfolio. SFBs (Small Finance Banks) have a total loan amount outstanding of ₹52,192 crore with a total share of 16%. NBFCs account for 8% and Other MFIs account for 1% of the industry.



(Source: Micrometer Q3 – FY 2022-23)

The regional spread is depicted in the pie chart below which shows around 63% portfolio is concentrated in the East & Northeast and South regions. The Top 10 states (based on universe data) constitute 83.1% in terms of GLP. Bihar has emerged as the largest state in terms of portfolio outstanding followed by Tamil Nadu and West Bengal. Among the Top 10 states, West Bengal has the highest average loan outstanding per unique borrower of ₹47,466 followed by Karnataka at ₹46,146.



(Source: Micrometer Q3 – FY 2022-23)

Outlook

The near-term outlook for the microfinance (MFI) industry remains positive on the back of factors like regulatory clarity, the use of technology and declining credit cost. Credit costs for microfinance lenders will continue to moderate, settling at an average of 2.3% in FY 2023-24. The MFI sector is well poised to deliver double-digit AUM growth of 20% plus and 3.5%+ sector return on assets (RoA) by the end of FY 2023-24.

The profitability of non-banking financial company-microfinance institutions (NBFC-MFIs) is expected to improve with higher margins and improved collection efficiency. However, profitability is likely to remain lower than the pre-Covid level in FY 2023-24 as an increase in interest rates and high inflation could potentially impede economic growth and, as a result, impact the Microfinance sector adversely.

Automobile Industry

The Indian automobile industry has seen a healthy revival in FY 2022-23, aided by a recovery in economic activities, global supply rebalancing and increased mobility. The automobile industry is benefiting from new tailwinds, such as global supply rebalancing and the government's strong push for domestic manufacturing. The industry attracted Foreign Direct Investment (FDI) equity inflow of US\$ 33.53 billion (accounting for 5.54% of the total equity FDI) between April 2000-June 2022.

According to the Society of Indian Automobile Manufacturers (SIAM), the total automobile production increased to 25.93 million units in FY 2022-23 from 23.04 million units in FY 2021-22. The domestic sales for FY 2022-23 were 21.20 million units. The Passenger Vehicles (PV) and Commercial Vehicles (CV) segments have recorded robust growth in volumes during FY 2022-23.

The two-wheelers segment grew by a moderate 17% (Y-o-Y), after witnessing de-growth for the previous three consecutive years. The domestic sales of two-wheelers in FY 2022-23 were 15.86 million units as against 13.46 million units in FY 2021-22. The sales of Electric two-wheeler in India grew over two-and-half-fold to 7,28,090 units in FY 2022-23 over the previous fiscal, aided by subsidies offered by the government and growing penetration of electric vehicles across segments.

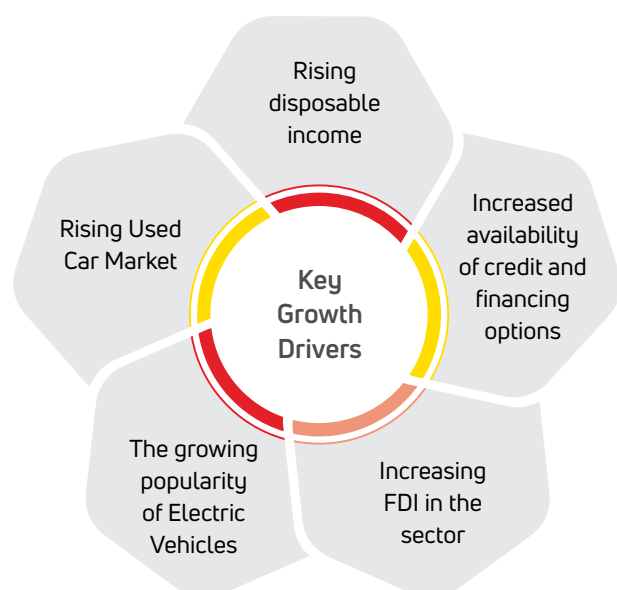
The two-wheelers segment grew by a moderate 17% (Y-o-Y), after witnessing de-growth for the previous three consecutive years. The domestic sales of two-wheelers in FY 2022-23 were 15.86 million units as against 13.46 million units in FY 2021-22.

Automobile Domestic Sales Trends

(In Numbers)

Category	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Passenger Vehicles	32,88,581	33,77,389	27,73,519	27,11,457	30,69,523	38,90,114
Commercial Vehicles	8,56,916	10,07,311	7,17,593	5,68,559	7,16,566	9,62,468
Three-Wheelers	6,35,698	7,01,005	6,37,065	2,19,446	2,62,385	4,88,768
Two-Wheelers	2,02,00,117	2,11,79,847	1,74,16,432	1,51,20,783	1,35,70,008	1,58,62,087
Quadricycles	0	627	942	-12	124	725
Grand Total	2,49,81,312	2,62,66,179	2,15,45,551	1,86,20,233	1,76,17,606	2,12,04,162

(Source: Society of Indian Automobile Manufacturers)



Outlook

The growth momentum of the Indian automotive industry is expected to continue in 2023 despite the constraints such as high input costs, soaring fuel prices, higher interest rates and inflation, leading to escalating prices of vehicles. However, factors such as sales of automobiles on digital platforms, wide availability of credit and financing options, population growth, integration of wireless technology in cars, and popularity of electric vehicles (EVs) will spur the growth of the automotive industry.

By 2026, India is predicted to be the third-largest automotive market globally in terms of volume. Further, the government has been taking proactive measures, including 'Make in India', Production Linked Incentive (PLI) scheme, Foreign Trade Policy (FTP), and schemes such as Advance Authorization, Export Promotion Capital Goods Scheme, etc. to boost manufacturing and export of automobiles.

The government has also extended the Faster Adoption and Manufacturing of Electric and Hybrid Vehicles (FAME-II) scheme till 2024. The FAME scheme was launched in 2015 under the National Electric Mobility Mission to encourage electric and

hybrid vehicle purchases by providing financial support. The second phase (FAME II) is a 3-year subsidy program, which aims at supporting the electrification of public and shared transportation: 7,000 e-Buses, 5 lakh e-3 Wheelers, 55,000 e-4 Wheeler Passenger Cars (including Strong Hybrid) and 10 lakh e-2 Wheelers. The program also finances charging infrastructures. Further, increased capital expenditure of ₹10 lakh crore on infrastructure development including road construction and higher demand for logistics especially from the e-commerce sector will create lucrative opportunities for the automobile industry.

Housing Finance Industry

In India, banks, NBFCs and housing finance companies (HFCs) provide housing finance. The Indian housing finance sector is dominated by banks with 67% market share. Banks are responsible for disbursing a majority of the housing loans to higher-income bracket customers whereas housing finance companies and NBFCs focus on lending to lower and middle-income segments and those with an uneven income pattern.

After the pandemic-induced slowdown, the real estate industry has strongly bounced back, primarily due to the government's focus on affordable housing, various initiatives and interest subsidies under PM Awas Yojana (PMAY). Moreover, the Union Budget 2023-24 has increased the outlay for PMAY by 66% to ₹79,000 crore. The higher allocation may lead to higher loan demand in the lower income segment.

Despite rising interest rates, housing loans outstanding rose 15% Y-o-Y to a record ₹19.36 lakh crore in FY 2022-23. Housing and housing finance activities in India have witnessed resilient growth over the years. Some of the factors that have led to this growth are the introduction of several economic reforms, tax concessions to borrowers, increasing disposable incomes and rise in nuclear families, urbanization and increasing penetration beyond Tier-I locations. After the pandemic, the work-from-home and hybrid work model with the privileges of working from anywhere encouraged first-time home buyers to move away from the metros and resulted in a pent-up demand in the residential real estate markets in Tier-II and Tier-III cities. Despite high-interest rates, housing finance companies (HFCs) witness higher demand,

especially in the low-income affordable housing loan segment from Tier-II and Tier-III cities. Millennials and young borrowers with high disposable incomes are potential consumers for home loans.

Banks are expected to sustain their dominant market share in the home loan (HL) segment as most NBFCs are enduring interest rate hikes. Amidst rising competitive intensity, banks are gradually beginning to shift their home loan (HL) origination models based on their target customer segment. Commercial banks are likely to increase their market share in the highly competitive housing loans business due to their lower cost of funds compared with housing finance companies (HFCs), structural shift in sourcing models, the renewed focus on retail HL and transient rate cycle tailwinds. HFCs have gradually reverted to a growth phase with strong housing demand and a relatively improving liquidity environment. Affordable-focused HFCs, which account for 4% of the home loan market have emerged as high-growth and profitable businesses. Banks and HFCs/NBFCs are experimenting with multiple asset-light models (Co-lending, DA, etc.) to optimize their portfolios, capital structures and liquidity. RBI's adoption of the Co-lending Model (CLM) has paved the way for a model in which NBFCs, HFCs and banks can collaborate and enter into an agreement to perform joint origination and lending in the market. This model aids in not only leveraging the liquidity capabilities of banks and other financial institutions but also in making efficient use of the extensive reach of NBFCs and HFCs, making money accessible to the intended beneficiaries at a reasonable price.

Outlook

The demand momentum in housing finance is expected to sustain in FY 2023-24. The home loan market is poised to double by the end of FY 2028, growing at a ~15-16% CAGR during FY 2023-FY 2028, driven by multiple structural-demographic tailwinds such as a large population base, a burgeoning middle class, rapid urbanization, increasing trend towards home ownership, improving affordability, etc. Further, RBI's decision to keep the repo rate unchanged at 6.5% augurs well for the residential real estate market as it provides relief to affordable and mid-segment homebuyers as the home loan rates remain unchanged. It will also help in sustaining the current demand trends.

The housing finance sector is well positioned to benefit from the government's thrust towards housing projects, pick-up in construction and real estate activities and strategic investments. Going forward, the recent government measures, such as the

reduction in import duties on steel products, iron ore, and steel intermediaries, will cool off the construction cost and help to control the rise in housing prices which will further boost housing demand.

Insurance Industry

Insurance is an integral sector of the financial services industry in India. The growth of the insurance industry in recent years can be attributed to various factors such as a conducive regulatory environment, increased participation of the private sector, improvement in distribution capabilities and rapid digitalization. Insurance products get a fillip after the pandemic and rising medical inflation. The pandemic increased the insurance penetration rate and triggered awareness of insurance and demand for protection products, especially health insurance. Moreover, the adverse impact of frequent natural catastrophes such as floods and cyclones on vulnerable segments such as agriculture underlines the need for suitable insurance products for their protection.

Due to the rise of insure-techs and digital transformation, the industry has undergone a transformation. The Insurance Regulatory and Development Authority India (IRDAI)'s mission of "Insurance for all by 2047" has unveiled a slew of measures to strengthen the insurance sector. The growth of the insurance market is also supported by government initiatives and schemes 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) etc. These schemes are being concentrated with the public sector general insurance companies compared to the last year and have driven insurance adoption and penetration across all segments. These schemes have increased their share in the last two years to pandemic-induced awareness.

Moreover, India's demographic factors such as a growing middle class, young insurable population and growing awareness of the need for protection and retirement planning will support the growth of the Indian insurance sector. In FY 2022-23, the non-life insurance segment recorded an impressive growth of 16.4% Y-o-Y compared to 11.1% the last year. The industry reported a total premium of ₹2,56,912.14 crore in FY 2022-23. First-year life insurance premiums increased to ₹3,70,543.02 crore in FY 2022-23 from ₹3,14,263 crore the previous year, an increase of 17.91%. In FY 2022-23, the cumulative premiums for the life insurance sector expanded by 17.9%.

Movement in Gross Direct Premium Underwritten (₹ Crore)

Insurers	Mar-21	Mar-22	Mar-23	Mar-22 Growth	Mar-23 Growth	FY21	FY22	FY23	FY22 Growth	FY23 Growth
General Insurers	15,660.0	17,818.4	19,542.1	13.8	9.7	1,69,844.7	1,84,886.0	2,14,836.7	8.9	16.2
SAHI	2,447.3	2,829.9	3,428.4	15.6	21.2	15,755.2	20,867.2	26,242.3	32.4	25.6
Specialized PSU Insurers	1,370.7	1,119.5	1,300.9	-18.3	16.2	13,114.9	15,046.9	15,841.2	14.7	5.3
Total	19,478.0	21,767.8	24,271.4	11.8	11.5	1,98,714.7	2,20,800.0	2,56,920.2	11.1	16.4

(Source: www.careratings.com/uploads/newsfiles/1682598910_Non-Life%20Insurance%20Update%20for%20March%202023.pdf)

All segments have recorded Y-o-Y growth in FY 2022-23. Health insurance premiums have been the primary growth lever of the non-life insurance industry. This has resulted in the segment increasing its market share from 29.5% for FY 2020-21 to 35.3% for FY 2022-23. The health segment has grown by 23.2% in FY 2022-23 compared to 25.4% in FY 2021-22.

In FY 2022-23, the total premium of the Motor insurance segment reached ₹81,291.7 crore, growing at 15.4% as against 4% in FY 2021-22. The Crop insurance premiums witnessed a growth rate of 8.7% Y-o-Y with a total premium of ₹32,015.6 crore compared to ₹29,465.3 crore the previous year. The Fire segment recorded a total premium of ₹23,933.5 crore with a healthy growth rate of 11.1% in FY 2022-23 as against 7% the last year.

The market share of private non-life insurance companies increased to 62% in FY 2022-23 from 59% in FY 2021-22. The private players grew by 2.2x of their public counterparts given their strong market presence and relatively better solvency levels.

Outlook

The insurance industry is expected to maintain its growth trajectory on the back of supportive regulatory landscape and insurance requirements. IRDAI predicts that the Indian insurance market will reach US\$ 200 billion by FY 2027. The insurance market is expected to reach US\$ 222 billion by FY 2026. Premiums generated by India's life insurance industry are anticipated to reach ₹24 lakh crore by FY 2031. The life insurance industry is expected to increase by 14-15% annually for the next three to five years. The growth would be driven by the popularity of health insurance products/schemes, growing demand for motor insurance (Third party and Owner damage) products, rise in per capita/disposable income levels, a greater volume of transactions under segments such as fire, marine, export credit, customized products, especially in motor and health insurance and gradual introduction of new products.

Further, the rapid economic expansion, supported by digital infrastructure and innovation and demographic factors will contribute to the growth of the insurance industry. The Internet of Things (IoT) and telematics are expected to change the insurance sector in the coming years permitting insurance companies to use

Operating income for the year stood at ₹66.84 billion, up by 10.28% against ₹60.61 billion recorded in the previous fiscal. Consolidated PAT (before OCI and Minority Interest) reached ₹15 billion as against ₹13.29 billion the last year, with 12.9% YoY growth. The Company reported consolidated ROE of 16.6% and a ROA of 4.1%.

the data from internet-connected devices to increase operational efficiency. Technology-enabled customization and transparency are expected to increase the demand for insurance in Tier-II and Tier-III cities of India.

Business Review

Manappuram (hereafter referred to as 'Manappuram' or 'the Company') provides financial services through transparent processes and procedures in credit approval and disbursement, as well as prompt, amicable, and adaptable terms of repayment, tailored to the specific characteristics of its clientele. The Company is the most preferred choice of customers due to its easy and quick loan evaluation and disbursements. The Company's established reach and network enable it to serve even the most remote regions of India. It has a strong base in rural and semi-urban areas.

One of the driving forces behind the Company's practices is its focus on the consumers. The Company has a competitive edge due to its robust business model, keen understanding of its clients' requirements and enhanced risk management. Further, the implementation of advanced technology has improved sales productivity, market coverage, channelization, and customer experience.

With a consolidated AUM of ₹355 billion in FY 2022-23, the Company is the second-largest NBFC operating in the gold loan segment, with gold loans (Standalone) accounting for ₹190 billion. It has a strong Pan-India presence through its strong network of 5,232 branches across 28 states and 4 union territories and serves more than 5.09 million active customers.

Business Performance in FY 2022-23

The Company has achieved substantial growth in business volume and profitability and is in a strong position to sustain this growth. The consolidated Assets under Management (AUM) grew by 17.2% YoY to ₹355 billion in FY 2022-23 from ₹303 billion reported in the previous fiscal. Operating income for the year stood at ₹66.84 billion, up by 10.28% against ₹60.61 billion recorded in the previous fiscal. Consolidated PAT (before OCI and Minority Interest) reached ₹15 billion as against ₹13.29 billion the last year, with 12.9% YoY growth. The Company reported consolidated ROE of 16.6% and a ROA of 4.1%.

The Company's core business of gold loans faced challenges arising from the intense price competition among the NBFCs which prevailed for much of FY 2022-23 and impacted our profitability. The gold loan business constituted 67% of the consolidated AUM and the remaining 33% comprised of non-gold businesses such as microfinance, vehicle, housing, and SME finance. The Company's gold loan AUM decreased by 2.1% YoY to ₹197.4 billion as against ₹201.6 billion in the previous year. As of March 31, 2023, the number of active gold loan customers stood at 2.41 million. With an average ticket size of ₹57,500, the Company's gold loan portfolio is extremely resistant to gold price fluctuations. Gold Loan LTV stood at 60% as on March 31, 2023. The Company's gold holdings stood at 60.14 tons in FY 2022-23.

compared to 68 tons last year. The online gold loan (OGL) book represented 50% of the overall gold loan.

The diversification efforts made by the Company were successful. Overall, the non-gold businesses contributed a share of 44.3% to the total loan book of the Company. The automobile industry in India recorded a healthy revival in FY 2022-23, supported by a recovery in economic activities. The Passenger Vehicles (PV) and Commercial Vehicles (CV) segments recorded robust results in FY 2022-23. The Company's Vehicle and Equipment Finance division closed the year with an AUM of ₹24.55 billion against ₹16.43 billion in FY 2021-22, showing a substantial growth of 49.4% YoY.

The Company's microfinance (MFI) subsidiary, Asirvad Microfinance Ltd., continued to be an industry outperformer with an AUM of ₹100.41 billion in FY 2022-23, with a robust increase of 43.4% over ₹70.02 billion reported for the previous fiscal. The Company is rated 'AA-minus stable' by CRISIL, the highest credit rating in the MFI sector. Asirvad delivered a return on equity (ROE) of 16.7% and a return on assets (ROA) of 2.6% in FY 2022-23 and is currently one of India's lowest-cost microfinance loan providers. With 1,684 locations, 15,874 workers, and a presence in 25 states/UTs, Asirvad is the second-largest NBFC MFI in the country. The company's home finance subsidiary, Manappuram Home Finance Ltd., recorded an AUM of ₹10.96 billion in FY 2022-23, a growth of 29.7% against ₹8.45 billion achieved in the previous fiscal.

The total borrowing of the Company on a consolidated basis was valued at ₹285 billion in FY 2022-23. On the liquidity front, we have not faced any issues in raising funds for growth, even at the peak of a liquidity crisis. We do not expect any funding challenges to come in the way of our plans and are comfortably placed with our ALM.

Credit Rating

The credit rating details of the Company as of March 31, 2023 were as follows:

Credit rating Agency	Type of Facility	March 31, 2023		March 31, 2022	
		₹In Million	Rating	₹In Million	Rating
Brickwork	Non-Convertible Debentures	9,506	BWR AA(Stable)	10,030	BWR AA+(Stable)
	Bank Loan Facility	0	Withdrawn	70,000	BWR AA+(Stable)
CRISIL	Bank Loan Facility Long Term	54,500	CRISIL AA/Stable	43,200	CRISIL AA/Stable
	Bank Loan Facility Short Term	15,500	CRISIL A1+	6,800	CRISIL A1+
	Non-Convertible Debentures	46,250	CRISIL AA/Stable	26,750	CRISIL AA/Stable
	Principal Protected Market Linked Debenture	0	Withdrawn	5,000	CRISIL PP - MLD AAr/Stable
	Commercial Paper	40,000	CRISIL A1+	40,000	CRISIL A1+
CARE	PCG DA	0	Withdrawn	1,000	CRISIL AA (SO)
	Bank Loan Facility Long Term	64,900	CARE AA Stable	49,270	CARE AA Stable
	Bank Loan Facility Short Term	45,100	CARE A1+	40,730	CARE A1+
	Non-Convertible Debentures	27,206	CARE AA Stable	19,806	CARE AA Stable
S&P	Commercial Paper	40,000	CARE A1+	40,000	CARE A1+
	Senior Secured Bond	0	0	21,288	BB-/Stable
FITCH	Senior Secured Bond	0	0	21,288	BB-/Stable

The Company recorded financial expenses of ₹21.87 billion in FY 2022-23 and closing AUM increased by 17.2% YoY. Employee expenses increased to ₹14.69 billion from ₹11.25 billion last year. The Company has undertaken various cost rationalization initiatives. Moreover, there is significant operating expense leverage as the Company's new branches mature.

The Company's consolidated net worth in FY 2022-23 increased to ₹96.44 billion from ₹83.68 billion the previous year. The book value per share stood at ₹113.95. Consolidated earnings per share (EPS) for the year stood at ₹17.7 while the capital adequacy ratio (standalone) was maintained at 31.70%. The Company's gross non-performing assets (NPA) was 1.33% and the net NPA position of the standalone entity stood at 1.15%. The Company's total number of live customers in FY 2022-23 stood at 5.88 million compared to 5.09 million in FY 2021-22.

Digital Transformation

The Company has incorporated an enterprise-wide digital transformation journey and has its human and technological capabilities around business outcomes – personalizing customer experiences, improving processes, and building new solutions moving faster to achieve them. The Company is looking to improve its operational efficiency and transform its relationship with customers by utilizing new technologies. The Company is working towards extending the security features of the office wherever employees work, unlocking communication and interaction from anywhere. Digital transformation of a company includes the process of integrating digital technologies into all parts of an organization, such as products, services, or operations, to deliver value to customers. It involves adopting a digital-first approach to all aspects of a business, from its business models to customer experiences to processes and operations. It also is leveraging data and driving intelligent workflows, automation, hybrid cloud and other digital technologies.

Asset Quality

At the time of the initial appraisal for loan price and approval, a customer's risk profile is determined. With its strict review methodology, the Company also conducts periodic portfolio risk assessments. Gross NPA declined from 2.95% in FY 2021-22 to 1.33% in FY 2022-23 and net NPA decreased from 2.72% in FY 2021-22 to 1.15% in FY 2022-23.

Swot Analysis

Strengths

● Proven track record and powerful brand equity

Manappuram has been in the gold lending industry for almost six decades. The Company has developed and continually refined the assessment and underwriting methods for lending against gold jewelry based on its business experience. As an experienced player in the Gold loan market in India for several decades, the Company has been able to garner a substantial amount of consumer confidence and brand equity.

● Portfolio diversification

Manappuram has been steadily diversifying its portfolio to avoid concentration risks. This will hedge the portfolio against adverse movements in gold prices which is the core business function. Gold price face downside risks from an upward interest rate scenario, dollar appreciation and a surge in equity indices. Portfolio diversification into CVs, home loans, microfinance and small corporate loans will help the company reap the benefits of economic growth as the fortunes of these sectors are directly correlated with economic growth. A balanced portfolio also leads to higher investor interest.

● Adequate Capitalization

As of March 31, 2023, the capital adequacy ratio stood at 31.7%, which is significantly more than the regulatory requirement. Stable asset quality, sustained profitability and sufficient capital buffers augur our risk taking capacity in diversification of our portfolios. While asset impairment in gold loans is definitely low, our improved collection efficiency in microfinance and reduction in provisions for the pre-Covid portfolio add to the capital base. Credit cost and delinquency levels in other portfolios are also healthy and manageable.

● Stable asset liability profile and low liquidity risk

More than half of the Company's consolidated borrowings (including off-balance sheet finance via securitization assignment and ECBs) have been from banks and financial institutions with whom we enjoy very high credibility and are reasonably priced. On the asset-liability front, we enjoy positive gaps which lead to comfortable liquidity. We also maintain liquidity coverage higher than the regulatory minimum norms.

● Embracing digital initiatives

We have been embracing digital initiatives in a very big way. For instance, almost 50% of gold loan portfolio are digital loans and we have also made big gains in the digital personal loan space. Taking our digitization efforts, a step further, we have developed a digital super app that brings all products under one roof. We have entered into tie-ups with leading universities to impart training to our employees on major developments in this space.

Weakness / Area of Improvement

● Market Share

Though the company posts 12-15% annual AUM growth, the total assets under management are low compared to the outstanding loans of both banks and NBFCs taken together. Low market share in the lending space, despite having high capital, means sub-optimal utilization of big opportunities that come our way.

● Rising operating expenses

Operating expenses of the company are high vis-à-vis peers due to several factors like cost of training employees and infrastructure-related expenses. Our operating expenses are higher relative to the AUM which is a metric that merits attention.

● Inability to raise public deposits

As the company is not registered as a deposit-taking company, we need to scout for other resources like NCDs or ECBs to fund its assets which exposes us to interest rate volatility. This will have a negative bearing on the company's cost of funds especially in a higher interest rate-high inflation regime. Higher cost of funds will reduce the leeway to disburse loans at lower interest rates to customers.

Opportunities

● Interest rate cycle set to reverse which will lift demand

The interest rate cycle seems to have peaked after RBI hiked the repo rate by 250 bps points. The peak is attributable to low inflation and the possibility of banking system liquidity improving due to the withdrawal of the 2000 series currency. Lending rates are not likely to rise which will stimulate demand and present an opportunity to lend.

● Persistence of the Unorganized Sector

Credit penetration is much lower in India when compared to advanced economies. The vast unorganized sector implies that there is tremendous potential for credit creation. For instance, the organized gold loan market is estimated to be only ₹6 trillion and 90% of it is still unorganized. Similar potential exists in other areas like microfinance. Costs of operations in this sector can be minimized through the co-lending model.

● The government's capex and infrastructure push

The government's capex push which is steadily increasing every year augurs well for the commercial vehicles segment while the urban infrastructure development fund in the budget helps housing demand. Affordable housing is sure to get a boost which presents a great opportunity. Opportunities will also come as overall growth improves consequent upon government spending and job creation.

● Technological Advancements

Technological advances like AI and analytics offer unlimited opportunities. Effective use of analytics enables us to harness the power of data to glean insights about customer behavior and design suitable products while artificial intelligence and automation help reduce the cost of operations. These add directly to the bottom line.

Threats

● Rising competition in the core business of gold loans

All lending institutions including banks and other NBFCs are entering the gold loan space sensing an opportunity. This could impact our profitability and growth.

Attrition

While growth prospects remain positive, customer and employee attrition could adversely impact our growth plans. Meanwhile, as a result of rising competition, there would be pressure on field employees to acquire more clients and avoid client attrition.

Operational hazards from robbery and theft

The threat of robbery and theft, especially in gold loan branches, is something to be dealt with. Though all securities pledged with us are fully insured, such hazards adversely impact the Company's reputation. There are also operational risks arising from frauds and misappropriations which are equally detrimental to the company.

● Geopolitical and domestic developments

Though low inflation and a peak in interest rates are positives, an uncertain global environment is a threat. If geopolitical tensions continue unabated it may revive inflation and supply-side constraints which will dampen domestic growth and demand. Meanwhile, the El Niño weather phenomenon could be a threat to monsoon if it materializes, adversely impacting the rural economy.

Financial Review

The following table illustrates the standalone and consolidated financials of the Company for FY 2022-23, including revenues, expenses, and profits.

Consolidated Results At a Glance (In ₹Billion)

Particulars	FY 2020	FY 2021	FY 2022	FY 2023	% growth
Income from operations	54.65	63.31	60.61	66.84	10.28%
Profit before tax	20.07	23.16	17.84	20.41	14.44%
Profit after tax (After minority interest)	14.8	17.25	13.29	15.00	12.89%
AUM	252.25	272.24	302.61	354.52	17.15%
Net Worth	57.46	73.07	83.68	96.45	15.26%
RoA (%)	5.9	5.61	4.08	4.10	0.54%
RoE (%)	28.4	26.17	16.95	16.60	-2.05%
No. of branches	4,622	4,637	5,053	5,057	0.08%
Total No. of Employees	27,726	30,522	41,396	48,369	16.84%

Standalone Results At a Glance (In ₹Billion)

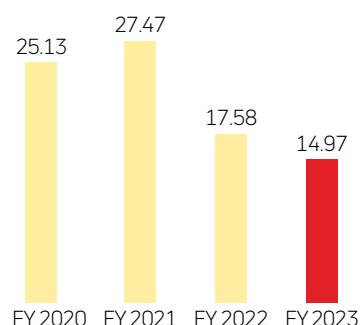
Particulars	FY 2020	FY 2021	FY 2022	FY 2023	% growth
AUM	191.22	205.73	224.13	244.46	9.07%
Gold Loan AUM	169.67	190.77	198.67	190.41	-4.16%
Gold Holding (Tons)	72.39	65.33	67.01	58.00	-13.45%
Live Gold Loan Customers (million)	2.62	2.59	2.37	2.30	-2.92%
Gold Loans Disbursed	1,689.09	2,638.33	1,236.75	1,293.14	4.56%
Capital Adequacy Ratio	21.74	29.02	31.33	31.70	1.18%
Cost of Fund	9.29	9.12	7.50	7.90	5.33%
Gross NPA (%)	0.88	1.92	2.95	1.33	-54.92%
Net NPA (%)	0.47	1.53	2.72	1.15	-57.72%
Number of Branches	3,529	3,524	3,524	3,524	0.00%
CV Loans (AUM)	13.44	10.53	16.43	24.55	49.46%

Key Financial Ratios (Standalone)

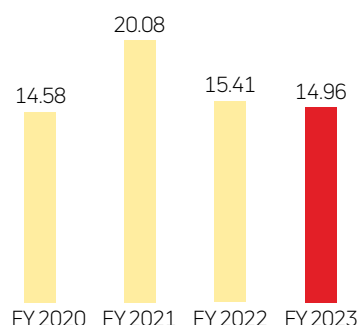
Particulars	FY 2020	FY 2021	FY 2022	FY 2023
Return on Net Worth (%)	25.13%	27.47%	17.58%	14.97%
Basic EPS (after exceptional items)	14.58	20.08	15.41	14.96
Interest Coverage Ratio	2.21	2.32	2.26	2.14
Current Ratio	1.97	2.34	1.68	1.96
Debt Equity Ratio	3.3	2.56	2.26	2.14
Operating Profit Margin (%)	42.54%	46.89%	41.80%	38.92%
Net Profit Margin (%)	32.54%	32.50%	28.44%	26.23%

Detailed explanation of ratios

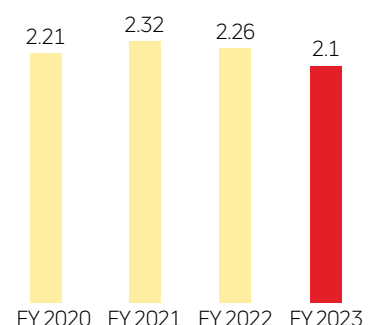
i. Return on Net Worth (%)



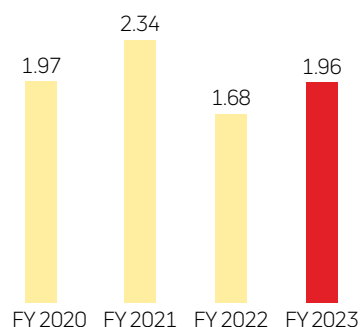
ii. Basic EPS



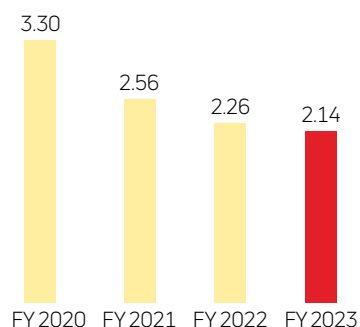
iii. Interest Coverage Ratio (%)



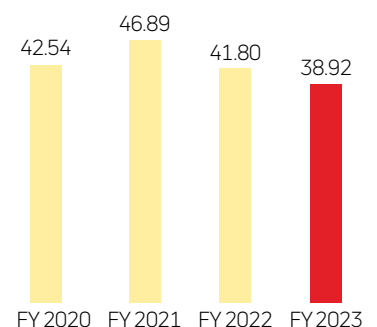
iv. Current Ratio



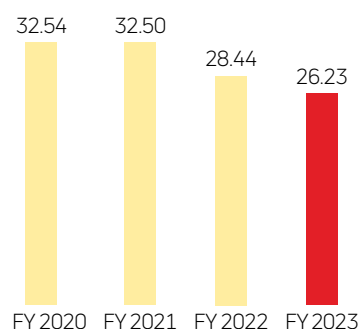
v. Debt Equity Ratio



vi. Operating Income Margin (%)



vii. Net Profit Margin (%)



Risk Management

Risk management has emerged as a major focus area with implications for a company's financial stability in a volatile and dynamic landscape. Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Interest Rate Risk and Reputation Risks are the major risks. Risk management processes ensure efficient risk monitoring to contain these within tolerance limits.

The Board of Directors has effective supervision and oversight of the risk management function of MAFIL. The Risk Management Committee (RMC) governs and reviews all risks integral to MAFIL. RMC also monitors the asset-liability profile, state of impaired assets, IT system vulnerabilities, internal capital adequacy Assessment framework, the impact of stress tests and the risk profile of subsidiaries on a regular basis.

RMC also monitors Business Continuity plans, Cyber security measures and IT risks with the help of an information security team led by the Chief Information Security Officer (CISO) and assisted by reputed external consultants. The Risk Management function headed by the Chief Risk Officer maintains an arm's-length 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 for identifying, evaluating, managing, monitoring and reporting top down and bottom-up risk

The major risks include:

Credit Risk

The Company has a robust credit risk assessment framework which include fair assessment of the collateral, prudential loan-to-value limitations, individual and group exposure restrictions, industry limits, appraisal of creditworthiness of the borrowers based on their own income and family income, demographic profile, their past credit history, indebtedness of themselves and that of their family.

While retail loans across multiple products and segments are managed primarily on a portfolio basis, the small book of a corporate portfolio is managed on an individual basis. The management of credit risk also involves monitoring of exposures based on borrower group, region, and industry. 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 vulnerable to interest rate risk primarily because it lends to customers at set interest rates and for durations that may differ from its financing sources, which carry both fixed and floating interest rates. Interest rates are susceptible to a host of factors such as the monetary policies of the RBI, domestic and global factors and inflation. MAFIL's Gold loan portfolio is relatively insulated from interest rate risk as the average duration of the loans is less than three months. The Company has Board-approved Interest Rate Policy, Liquidity Risk Management Policy, Resource Planning Policy, and Asset Liability Management Policy (ALM Policy). Interest risk and liquidity risks are periodically monitored by the Asset Liability Management Committee (ALCO). The Company also runs stress tests to determine the impact of interest rate fluctuations on its profitability. The Foreign Exchange Risk Management Policy lays

down that all foreign exchange liabilities and assets over ₹10 million must be hedged which is also examined by ALCO and takes stock of forex risks.

Operational Risk

Operational risks arise from failed internal procedures, people and systems, or due to external events. To mitigate such risks, for instance, the Company uses decentralized loan approval technologies to facilitate quick turnaround time. MAFIL has sound internal control mechanisms like separation of roles and duties, reliance on the maker-checker principle, joint custody agreements and planning for contingencies. The securities pledged with the Company are adequately insured against various human and natural hazards. The Company also undertakes risk-based internal audits supplemented by an independent agency to ensure internal controls are in place, apart from a fool-proof disaster recovery plan to deal with contingencies. The Company has a Board mandated robust technology architecture to guard against business disruptions and data security breaches.

At the Periodic Review Meeting (PRM) of senior executives, operational risk occurrences are reviewed, and remedial actions are taken. The Audit Committee of the Board also evaluates and discusses the reports of the internal auditors. The Risk Management Committee of the Board examines effectiveness of operational risk management mechanisms in the company.

The BSI Group (British Standards Institution) UK's national standards organization issued ISO 27001-2013 certification to the Company which testifies the risk management credentials. The Whistleblower Policy for fraud prevention ensures that the perpetrators do not go unpunished.

Liquidity Risk

Liquidity risk arises due to the inadequacy of 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 to regulatory RBI guidelines. MAFIL has sufficient High-Quality Liquid Assets (HQLA) and the LCR is comfortable. The Company also has a sound cash management policy that adheres to the highest compliance standards.

Asset/Security Risk

Asset risks arise due to a possible decline in collateral values. For gold loans, the maximum gold loan LTV is based on one-month moving average gold prices, in accordance with industry standards (as per RBI rules). The Company also guards against potential logistical obstacles during auction process of gold ornaments and follow necessary legal procedures. The Company has also instituted suitable mechanisms to prevent operational risks arising from theft and robbery including a 24 by 7 online monitoring system.

The Company adheres to a prudent LTV range on immovable properties of between 30% and 40% for secured loans that fall under the Micro Loans category. The immovable properties are valued by external appraisers and internal credit managers, and lower of the value is considered for fixing loan amount. Credit monitors, auditors, and the vigilance team independently verify the value of the properties mortgaged as collateral to assure conformity with business policy.

Business Risk

The Company is exposed to Industry Risk and Competition Risk that impacts its bottom line and top line which include externalities like changing macro-economic conditions that merit close tracking and monitoring. In accordance with market trends and practises, the Company has designed customized loan products to increase market penetration. As competition is one of the perceived risks, our dedicated sales teams ensure reduction of turnaround time apart from conceiving a slew of new products.

Regulatory Risk

The Company is fully compliant with various rules framed by RBI, SEBI, NHB and IRDAI and adheres fully to the Fair Practices Code and extant income recognition and asset classification norms. The liquidity risk management policy of the Company aligns fully with LCR norms and has sufficient High-Quality Liquid Assets. The Company is also compliant of Scale Based Regulations and completely satisfies all requirements applicable to a middle layer NBFC. The Company has adopted Internal Capital Adequacy Assessment Process (ICAAP) identifying all material risks. The ICAAP document covering stress scenarios indicates that the Company is adequately capitalized to absorb moderate to worse shocks.

Human Capital Risk

The Company attached significant importance to human capital and has devised various courses and skill-enhancing programs to upskill and reskill them. The Company follows a fair compensation policy in tune with industry peers.

Reputation Risk

The Company has a Reputation Risk Management policy approved by the Board, which defines certain tolerance thresholds for such risk incidents to be frequently evaluated by the Risk Management Committee.

External Risk

MAFIL takes cognizance of external risks arising from various developments. The credit and collection practises of MAFIL have been revised in light of macroeconomic risks like global uncertainties, inflationary concerns and recent episodes of bank failures in major economies like the US and Switzerland.

Human Resource

Human resource has always been the mainstay at Manappuram Group, attracting the best available talent from the market in building new skills through continuous learning and developmental initiatives and enabling an increase in productivity and profitability has empowered employees at Manappuram while moving onto a new trajectory in 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 employee. Manappuram has a dedicated learning & development team led by a Chief Learning Officer to develop training content, and its execution.

Internal Control

The Company has implemented a sufficient system of internal control to preserve all of its assets and guarantee operational excellence. Additionally, the system precisely documents every transaction detail and assures regulatory compliance. Further, the Company employs a staff of internal auditors to ensure that all transactions are correctly authorized and reported. The Board's Audit Committee evaluates the reports. Where required, reinforce internal control systems and initiate corrective actions.

Cautionary Statement

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

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	Manappuram Finance Limited, W-4/638A, Manappuram House, Valapad-680567, Thrissur, Kerala
5	Corporate address	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	2022-2023
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	₹ 169.27 Crores (The paid up capital mentioned on standalone basis for Manappuram Finance Limited.)
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 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 consolidated basis for Manappuram Finance Limited and its subsidiaries, unless otherwise mentioned.

II. Products/services

14. 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 and Insurance Service	Other Financial service	96.36%

15. 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	96.36%

III. Operations

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

Location	Number of plants	Number of offices	Total
National	0	5232	5232
International	0	0	0

17. Markets served by the entity:

a. Number of locations

Location	Total
National (No. of States)	24
International (No. of Countries)	0

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

Not Applicable.

c. A brief on types of customers

Manappuram Finance Limited and its subsidiaries cater to a diverse range of customers with its various financial products and services. Manappuram Finance Limited focuses on providing retail credit products and financial services. They serve a wide range of customers, including retail customers, microfinance borrowers, small and medium-sized enterprises (SMEs), and commercial customers. One of the notable offerings is the short-term gold loan product, which is popular among customers who require immediate funds and may not have access to other formal credit options.

Manappuram Home Finance Limited, a subsidiary of Manappuram Finance, specializes in providing loans to customers in the affordable housing market. They offer loans for home building, extension, purchase, and improvement. This subsidiary primarily targets individuals who are looking for financing options in the affordable housing segment.

Asirvad Micro Finance Limited, another subsidiary of Manappuram Finance, focuses on serving female entrepreneurs whose household income is less than 3 lakhs. It provides microfinance services to empower women entrepreneurs and support their economic growth.

Manappuram Insurance Brokers Limited is an insurance subsidiary of Manappuram Finance Limited. They cater to a section of the general public who do not have insurance coverage for their life, health, vehicle, or property. It offers a range of insurance products to provide financial protection to customers in various aspects of their lives.

Manappuram Comptech and Consultants Limited, a company under the Manappuram group, offers a range of IT products and consultancy services. While it is not directly related to financial services, it serves customers in the IT industry and provides them with technology solutions and consultancy services.

In summary, Manappuram Finance Limited and its subsidiaries cater to retail customers, microfinance borrowers, SMEs, commercial customers, female entrepreneurs with low household income, affordable housing market customers, and individuals seeking insurance coverage or IT products and consultancy services.

IV. Employees

18. 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)	63641	52067	81.81%	11574	18.19%
2	Other than Permanent (E)	119	114	95.8%	5	4.20%
3	Total employees (D + E)	63760	52181	81.84%	11579	18.16%
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:

Not Applicable as Manappuram Finance Limited does not have any Differently abled Employees or workers.

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No.(B)	%(B/A)
Board of Directors	9	2	22.22%
Key Management Personnel	4	2	50%

NOTE: The Details of directors and key management personnel have been provided on Standalone basis for Manappuram Finance Limited.

20. Turnover rate for permanent employees and workers

	2023 (Turnover rate in current FY)			2022 (Turnover rate in previous FY)			2021 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	39.24%	5.44%	44.68%	41.00%	6.17%	47.17%	13.62%	6.45%	20.07%
Permanent Workers	0%	0%	0%	0%	0%	0%	0%	0%	0%

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

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

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% 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 Microfinance 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

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) : Yes
(ii) Turnover (in ₹) : ₹ 6684.04 Crores
(iii) Net worth (in ₹) : ₹ 9644.89 Crores

VII. Transparency and Disclosures Compliances

23. 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)	2023 Current Financial Year			2022 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	39	0		29	0	
Shareholders	Yes	0	0		0	0	
Employees and workers	Yes	6892	223	Pending cases resolved in April month 2023	4233	64	Pending cases resolved in April month 2022
Customers	Yes	9504	156	Pending cases resolved in April month 2023	7381	1315	Pending cases resolved in April month 2022
Value Chain Partners	No	0	0		0	0	
Other (please specify)	No	0	0		0	0	

24. 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 Well being	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 session 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 firm 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 firm 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> <p>The firm's repossession practices and auction processes are transparent and the customers are guided in advance before initiating recovery.</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. It also helps bridge the wealth gap, improve living standards, and increase access to credit, which can drive economic growth and development.	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. The main goal is to penetrate the unbanked areas as well as each and every household.	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. 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	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 <ul style="list-style-type: none"> • 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.	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
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

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)
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 a company's governance and business ethics practices on its stakeholders	<p>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.</p> <p>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.</p> <p>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.</p>	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.	<p>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.</p>	Negative
9	Regulatory Compliance	Risk	Regulatory compliance is of crucial importance as it ensures that firm operate 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 corporation, including fines, legal action, and damage to their brand and customer trust	<p>The firm ensures adherence to all applicable laws and regulations, maintain accurate documentation, conduct regular internal audits, provide training to employees, and engage with regulatory authorities to stay updated on evolving requirements.</p> <p>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.</p>	Negative
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	<p>Manappuram Finance Limited implements a robust risk mitigation approach for fraud management. The firm conducts regular internal audits, establish strong internal controls, employ fraud detection tools, promote ethical behaviour, and provide ongoing training to 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.</p>	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. In Oct 2015, the Company became the first player to launch its Online Gold Loan (OGL) where customers with access to an internet enabled device can avail a gold loan anytime, from anywhere.	<p>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</p>	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)
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
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 reduces carbon emissions. Asirvad Microfinance Ltd, subsidiary in FY 23 disbursed 63% of its loans for agricultural activities. Promoters has set up various green ventures like organic farming, etc.	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.html								
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.					No				
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>In line with our commitment to sustainability, Manappuram Finance Limited has embarked on various initiatives to reduce our environmental and social impact while improving the lives of local communities. Although we are in the initial stages of our ESG adoption, we have set specific commitments, goals, and targets with defined timelines.</p> <p>Environmental Commitments:</p> <ol style="list-style-type: none"> Solar Electrification: We aim to reduce our reliance on purchased electricity by implementing solar electrification systems in our head and branch offices. Electric Vehicle Fleet: We are actively working towards converting our vehicle fleet to electric vehicles, thereby reducing carbon emissions and promoting sustainable transportation. Sewage Treatment: We have initiatives in place to ensure proper sewage treatment, minimizing environmental pollution and promoting responsible water management. Rainwater Harvesting: Our commitment to rainwater harvesting enables us to conserve water resources and reduce our dependency on external water sources. <p>Social Commitments:</p> <ol style="list-style-type: none"> Skill Upgradation: We prioritize the skill development and upgradation of our employees, empowering them to excel in their roles and contribute to their personal growth. Community Development: We actively engage in community development programs and support housing projects to uplift the lives of local communities. Quality Education: We are dedicated to providing quality education and implementing child-centered activity-oriented modern educational approaches that benefit students and enhance their learning experience. Affordable Healthcare: Through our initiative MAcare, we aim to make highly advanced diagnosis and treatment accessible and affordable, especially for marginalized and underprivileged sections of society. Ambulance Service: Our Manappuram Ambulance service provides timely medical assistance and emergency transportation to those in need. Financial Support to Healthcare: We extend financial support to healthcare institutions and individuals facing health ailments, contributing to their well-being and healthcare access. <p>We recognize that these commitments are vital for creating a sustainable future and delivering long-term value to our stakeholders. We are dedicated to continuously improving our ESG practices and performance, aligning them with our broader business goals. As we progress, we will provide updates on our achievements and advancements in our future reporting.</p>								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<p>Manappuram Finance Limited is dedicated to providing comprehensive performance updates regarding our specific commitments, goals, and targets in the forthcoming years. While we are currently in the early stages of our ESG journey, we recognize the importance of transparently communicating our achievements, financial results, and strategic advancements as we navigate the future.</p> <p>As part of our commitment to sustainability, we have set specific commitments and goals to drive positive impact in various areas. However, as of the current reporting period, we do not have specific performance data to share. We assure our stakeholders that we are actively working towards the implementation of our commitments and goals.</p> <p>Our dedication to sustainability remains unwavering, and we are committed to continuously improving our performance and delivering on our commitments. We look forward to sharing our achievements and progress in the future sustainability reports as we track our performance against specific goals and targets.</p>								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 the business responsibility report, I am pleased to highlight Manappuram Finance Limited's (MAFIL) commitment to Environmental, Social, and Governance (ESG) principles and our achievements in these areas.</p> <p>At MAFIL, we recognize the importance of environmental sustainability and compliance with regulations. We have implemented energy-efficient lighting and air-conditioning systems, raising awareness among employees about energy conservation. Embracing technology has helped us reduce paper usage and emissions from travel, while improving operational efficiency. We prioritize the efficient use of materials and water resources, along with proper waste management practices. Notably, we have generated over 53,000 KWH of solar energy, powering our branches with clean and renewable energy. Additionally, our transition from diesel vehicles to electric vehicles demonstrates our commitment to reducing carbon emissions. We have also implemented wastewater treatment and rainwater harvesting systems to conserve water resources.</p> <p>Our focus on social responsibility revolves around our employees, customers, and the community. We prioritize upskilling and reskilling our workforce, providing them with training and resources to enhance their skills and expertise. Through our talent management strategy and the MADU online learning platform, we have provided extensive learning and development opportunities, fostering continuous growth and professional development. Embracing digital technologies empowers our employees, leading to increased productivity and streamlined processes. We are proud of our diverse and inclusive workplace culture, with the percentage of female employees increasing from 18.84% to 21.98% in the past year. Training programs on business policies and responsible practices ensure that our employees are well-versed and adhere to our responsible business principles. Employee welfare is paramount, and we strive to create a safe and inclusive work environment that values diversity and promotes engagement.</p> <p>When it comes to our customers, we aim to provide superior experiences through robust customer relationship management practices and the utilization of digital technologies. Our wide range of borrowing options cater to the diverse needs of our customers. Pioneering initiatives in online and doorstep gold lending have enhanced convenience and safety in transactions. During the challenging times of the pandemic, we remained committed to providing sustained lending support to our customers, understanding the crucial need for financial assistance.</p> <p>In the community, we actively contribute to social welfare. Through our gold lending business, we empower women by providing them with financial opportunities that contribute to their families' economic well-being. We support quality education and create learning environments that promote holistic development. Our initiatives extend to housing support for below poverty line (BPL) families and various community development projects. We are committed to improving healthcare access for marginalized sections of society and promote physical and mental well-being through initiatives such as MAcare Diagnostics. Additionally, we operate ambulances to facilitate preventive healthcare, emphasizing the importance of prompt emergency response.</p> <p>Governance is a core aspect of our operations. We prioritize integrity, accountability, and oversight, fostering a culture of compliance. Our strong internal control mechanisms, overseen by an experienced and diversified Board with a majority of independent directors, promote transparency and accountability. Risk management is a key focus, and we proactively identify, assess, and mitigate risks to safeguard our interests. Customer protection is integral to our practices, and we ensure fair and transparent dealings to enhance customer satisfaction and trust.</p> <p>We are proud of the progress we have made in integrating ESG principles into our business operations. Our achievements in environmental sustainability, employee empowerment, customer satisfaction, and community development reflect our commitment to responsible business practices. As we move forward, we remain dedicated to continuous improvement, setting higher targets, and further enhancing our positive impact on the environment, society, and governance aspects.</p>								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	CSR Committee.								
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, Manappuram Finance Limited has a specified Committee of the Board responsible for decision-making on sustainability-related issues. This committee is known as the CSR (Corporate Social Responsibility) Committee. The CSR Committee plays a crucial role in overseeing and guiding the company's sustainability initiatives. It comprises members of the Board of Directors who bring diverse expertise and perspectives to the table. The committee's primary responsibility is to review, monitor, and provide guidance on various sustainability-related matters, including social, environmental, and governance aspects.</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																			Annually
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																			Annually

	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..										Yes

Deloitte Haskins & Sells LLP has been engaged with the approval of the Board to advise the company on Risk based Internal Audit Function of the Company. They have conducted independent review of the Internal Audit functions of the Company including the Compliance with Policies and codes for the FY 2022-23 and submitted their report to Audit Committee held on 11th May 2023.

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

- 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	BoD have not been provided training on BRSR.		
Key Managerial Personnel	10	<ol style="list-style-type: none"> 1. Training on BRSR Requirements and Company's preparedness towards BRSR Reporting 2. Prohibition of Insider Trading Code of the Company 	100%
Employees other than BoD and KMPs	562	<ol style="list-style-type: none"> 1. Induction programme for All employees 2. ABH training programme for gold loan ABH 3. BRANCH HEAD training programme for gold loan Branch Head 4. AREA HEAD training programme for gold loan Area Head 5. Regional Manager training programme for gold loan Regional Manager 6. Field Zonal managers (FZM) training 7. Gold appraisal training programme 8. Regional head audit & Internal auditors training programme 9. Vigilance training programme 10. MSME training programme 11. Two-wheeler training programme 12. Customer Service training programme 13. Money transfer & DMTS training 14. Softskill training programme 15. EXCEL training programme 16. Leadership training programme 17. CRISIL & Cibil training programme 18. Digital Transformation training 19. Artificial intelligence training 20. Compliance training 20. Elearning course (POSH policy, CSR policy, Social Media policy, Fair Practice Code, KYC policy etc.) 	98%
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 7	Regulatory-Regulation 60(2) of SEBI (LODR) Regulations 2015	₹ 1,06,200/-	Delayed submission of record date intimation	No. Stock exchanges waived the said penalty vide letter dated April 11, 2023.
	Principle 4	Regulatory-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	₹ 17,63,965/-	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	No-Penalty paid on 02-04-2022.
	-	BSE	₹ 11,800 (including GST)	Delay in intimating record date under Regulation 60(2) of SEBI LODR Regulation, 2015	No
	-	BSE	₹ 3,540 (including GST)	Delay in intimating interest payment details under Regulation 57(1) of SEBI LODR Regulation, 2015	No
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

Non-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)
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

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, <https://www.manappuram.com/public/uploads/editor-images/files/32.%20Gift%20Policy.pdf>

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 were no instances disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption against directors and KMPs.

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

There were no instances or 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.

Manappuram Finance Limited is committed to conducting its business operations with the utmost integrity and adherence to ethical standards. We prioritize a strong culture of compliance and transparency within our organization. As part of our robust governance framework, we maintain stringent policies and procedures to prevent corruption and conflicts of interest. We are

proud to state that there have been no instances of fines, penalties, or actions taken by regulators, law enforcement agencies, or judicial institutions related to corruption or conflicts of interest within our organization. This signifies our commitment to upholding ethical business practices and maintaining a clean and responsible corporate environment. Should any potential issues arise in the future, we are fully prepared to take immediate and appropriate corrective action in line with our commitment to maintaining the highest standards of integrity and accountability.

Leadership Indicators

1. 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.

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

Yes. Manappuram Finance Limited has robust processes in place to avoid and manage conflicts of interest involving members of the Board. We recognize the importance of maintaining transparency, fairness, and accountability in all our operations, particularly when it comes to related party transactions.

To address potential conflicts of interest, we have implemented a comprehensive Policy on Related Party Transactions. This policy outlines guidelines and procedures to identify, evaluate, and manage 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.

In addition to the Policy on Related Party Transactions, we adhere to a comprehensive Code of Conduct that sets out ethical standards and principles for all our directors, including the Board members. The code emphasizes the importance of avoiding conflicts of interest and requires directors to act in the best interests of the company and its stakeholders.

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?

Yes.

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

Our major material requirements are office and IT related equipments. Manappuram Finance Limited has various vendor agreements for major suppliers which are in line with prescribed labour and environment standards, and ethical business practices. It may not be possible to ascertain the percentage of inputs that are sourced sustainably. However, the Company prioritize the procurement of materials from local vendors so as to avoid transportation and aimed to give business opportunity to local vendors.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

As a company primarily engaged in the gold business, Manappuram Finance Limited does not have specific processes in place for reclaiming products at the end of their life cycle. However, we acknowledge that waste materials such as paper, plastic, and electronic waste may be generated within our operations.

To address the management of these waste materials, we adhere to applicable regulations and guidelines for responsible waste disposal. We ensure compliance with environmental regulations by partnering with authorized waste management service providers who handle the proper collection, treatment, and disposal of waste materials in accordance with the prescribed standards.

While our primary focus is on the responsible management of waste generated in our operations, we continuously monitor industry best practices and explore opportunities for sustainable product life cycle management. We remain committed to improving our environmental performance and implementing sustainable practices across our operations in line with the evolving needs of our business and stakeholders.

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

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

No. 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.

- 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.

- 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.

- 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.

- 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

- 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	52,067	14,148	27.17%	31,722	60.93%	0	0.00%	0	0%	0	0%
Female	11,574	2,962	25.59%	6,623	57.22%	368	3.18%	0	0%	0	0%
Total	63,641	17,110	26.89%	38,345	60.25%	368	0.58%	0	0%	0	0%
Other than Permanent employees											
Male	114	102	89.47%	102	89.47%	0	0%	0	0%	0	0%
Female	5	2	40.00%	2	40.00%	0	0%	0	0%	0	0%
Total	119	104	87.39%	104	87.39%	0	0%	0	0%	0	0%

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

Not Applicable

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

Benefits	FY-2023 Current Financial Year			FY-2022 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	99.83%	0%	Y	99.81%	0%	Y
Gratuity	40.11%	0%	Y	41.45%	0%	Y
ESI	83.97%	0%	Y	83.25%	0%	Y

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. However, we are committed to promoting inclusivity and ensuring equal opportunities for all individuals.

In recognition of this commitment, we are actively taking steps to address this matter. Manappuram Finance Limited is in the process of conducting accessibility audits of our premises to identify areas that require modification or improvements to meet the accessibility standards set forth in the Act.

Based on the results of these audits, we will develop and implement a comprehensive plan to make our premises more accessible to differently abled employees and workers. This plan will include necessary modifications, such as installing ramps, handrails, accessible washrooms, and other infrastructure adjustments to ensure a barrier-free environment.

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	100%	27.65%	0%	0%
Total	100%	27.65%	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	<p>Yes, Manappuram Finance Limited has a functional Employee Grievance Redressal Policy in place to address the grievances of its employees. The policy aims to provide a mechanism for employees to voice their personal grievances and general complaints through a dedicated grievance cell. Confidentiality is maintained, and employees have the option to submit their grievances anonymously. The company has implemented a module in Dot Net to streamline the grievance registration process.</p> <p>Steps for Reporting of Grievances:</p> <ol style="list-style-type: none"> 1. Submission to Immediate Supervisor: Employees should submit their grievance in writing, including their name, designation, employee number, and details of the grievance, to their immediate supervisor. 2. Acknowledgment by Supervisor: The immediate supervisor should acknowledge the receipt of the grievance, preferably immediately upon receipt. 3. Redressal by Supervisor: The supervisor is responsible for addressing the grievance within a period of two working days. If the employee is satisfied with the response, the grievance is considered resolved at this stage. 4. Escalation to HR Grievance Officer: If the employee is not satisfied with the response from the immediate supervisor or if the matter requires attention/actions at the Head Office level, the employee can submit the grievance, along with any received reply, through the Dot Net Module to the HR Grievance Officer. 5. Acknowledgment by HR Grievance Officer: The HR Grievance Officer will issue an acknowledgement of the receipt of the grievance to the concerned employee within two working days. 6. Departmental Involvement: If the grievance requires clarification, justification, or necessary actions from other departments, the HR Grievance Officer will forward the matter to the respective departments. 7. Redressal and Reply: The concerned department should redress the grievance and provide a reply to the HR Grievance Officer. 8. Grievance Settlement: The HR Grievance Officer will settle the grievance based on the response received from the concerned department. <p>In addition to the Dot Net Module, employees also have the option to inform their grievances via email (grievances@manappuram.com) or by phone (0487-3050135). Manappuram Finance Limited is committed to ensuring a fair and transparent process for employees to raise and address their grievances, promoting a positive and supportive work environment.</p>
Other than Permanent Employees	

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-2023 Current Financial Year					FY-2022 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/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	52067	38327	73.61%	38598	74.13%	39145	31589	80.7%	31862	81.39%
Female	11574	9057	78.25%	9132	78.9%	11015	9291	84.35%	9341	84.8%
Total	63641	47384	74.46%	47730	75%	50160	40880	81.5%	41203	82.14%
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-2023 Current Financial Year			FY-2022 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	52067	15874	30.49%	39145	9017	23.03%
Female	11574	1772	15.31%	11015	1391	12.63%
Total	63641	17646	27.73%	50160	10408	20.75%
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?

Yes, Manappuram Finance Limited acknowledges that there are no occupational health and safety hazards associated with its business operations. 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 we have implemented specific measures to address health and safety concerns, including those related to the COVID-19 pandemic. Our initiatives include:

1. COVID-19 Precautions: We have taken proactive measures to combat the spread of COVID-19, such as promoting vaccination, enforcing the use of masks, maintaining proper sanitation practices, and implementing social distancing protocols.
2. Fire and Safety Drills: We conduct regular fire and safety drills to ensure preparedness and awareness among employees in case of emergencies.
3. Workplace Hygiene and Sanitation: We prioritize proper ventilation, branch hygiene, and sanitation practices to maintain a clean and healthy work environment.
4. Yearly Safety Audit: We conduct periodic safety audits to identify and address any potential safety hazards or risks within our premises.
5. Emergency Preparedness: We have well-marked emergency exits and maintain fully equipped first aid boxes to provide immediate medical assistance if needed.
6. 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, among others.

Manappuram Finance Limited is committed to fostering a safe and healthy work environment, and we continually strive to improve our occupational health and safety practices in line with evolving standards and best practices.

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

Given the nature of Manappuram Finance Limited's business, the direct application of routine and non-routine hazard identification and risk assessment processes may not be applicable. However, we emphasize that hazard identification is an ongoing and continuous process within our organization.

To ensure the safety and well-being of our employees, we have designated employees who are responsible for identifying and assessing potential hazards within their respective areas of work.

Additionally, we maintain a culture of open communication and encourage all employees to report any potential hazards or risks they may encounter in their work environment.

While we may not have a formalized routine and non-routine hazard identification and risk assessment process, we are committed to fostering a safe working environment by empowering our employees to identify and report hazards. We continuously strive to enhance our safety practices and proactively address any risks that may arise in the course of our operations.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Manappuram Finance Limited has processes in place to allow workers to report work-related hazards and to remove themselves from such risks. Especially during the COVID-19 pandemic, we have implemented specific measures to ensure the safety and well-being of our employees.

If a worker identifies a work-related hazard, they are encouraged to report it immediately. We have established a clear reporting hierarchy, whereby employees can initially report the hazard to their respective head of department. In cases where the hazard poses an immediate risk to the worker's health and safety, we empower our employees to remove themselves from the hazardous situation. This ensures that they can prioritize their well-being and avoid potential harm.

At Manappuram Finance Limited, we prioritize the health and safety of our workers. By providing clear reporting channels and allowing employees to remove themselves from work-related hazards, we strive to create a supportive and safe working environment.

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

Yes, the employees and workers of Manappuram Finance Limited have access to non-occupational medical and healthcare services. We prioritize the well-being of our employees and understand the importance of providing comprehensive healthcare support.

For head office employees, we have established Manappuram Healthcare, a group company that offers healthcare services. These services provide access to medical facilities, consultations, and treatments beyond occupational health requirements.

For employees who are eligible for the Employee State Insurance (ESI) scheme, they will have access to healthcare services through ESI insurance. This coverage ensures that employees receive the necessary medical attention and treatment in case of non-occupational health issues.

Manappuram Finance Limited is committed to promoting the health and well-being of our employees. By providing access to non-occupational medical and healthcare services, we aim to support their overall health and contribute to their quality of life.

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-2023 Current Financial Year			FY-2022 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	579	79	Pending case Resolved in April month 2023	929	24	Pending case Resolved in April month 2022
Health & Safety	0	0		0	0	

14. Assessments for the year:

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

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

While there have been no specific safety-related incidents in the business operations of Manappuram Finance Limited, we acknowledge the importance of continuously assessing and addressing risks and concerns related to health and safety practices and working conditions.

As part of our commitment to maintaining a safe and hygienic workplace environment, we conduct internal audits periodically across the group. These audits assess various aspects of health and safety measures, ensuring compliance with applicable standards and regulations. Through these audits, we identify any areas that may require improvement or corrective action to further enhance the well-being of our employees.

Additionally, we have implemented preventive measures and best practices to proactively mitigate potential risks and concerns. This includes regular training and awareness programs on safety protocols, hygiene practices, and emergency preparedness.

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, Manappuram Finance Limited extends a compensatory package in the unfortunate event of an employee's death. We understand the importance of supporting our employees and their families during difficult times. Our compensation package provides monetary support to the family of the deceased employee. This initiative is part of our commitment to prioritize the well-being and welfare of our employees and their loved ones.

Life insurance or any compensatory package in the event of death is not applicable as we do not have workers in our Organization.

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 measures to ensure that they are deducted and deposited by our value chain partners. One of the key measures we have in place is a thorough vendor onboarding process. When onboarding new vendors, we have stringent criteria in place that includes evaluating their compliance with statutory obligations.

By implementing a robust vendor onboarding process, we aim to ensure that our value chain partners share our commitment to compliance with statutory obligations. This helps us maintain transparency, accountability, and adherence to legal requirements across our value chain, promoting a sustainable and responsible business ecosystem.

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 rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

We are pleased to report that during the reporting period, Manappuram Finance Limited had no incidents of high consequence work-related injury, ill-health, or fatalities among our employees/workers. As a result, there were no instances where rehabilitation or placement in suitable employment was required for affected individuals or their family members.

At Manappuram, we prioritize the safety and well-being of our employees and take proactive measures to prevent work-related incidents. Our comprehensive health and safety programs, along with rigorous compliance with relevant regulations and industry best practices, have contributed to maintaining a safe and healthy work environment.

We remain committed to upholding these standards and continuously improving our health and safety practices to ensure the well-being of our workforce and prevent any adverse incidents.

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)

Yes, Manappuram Finance Limited provides transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment. We recognise the value of our employees' skills and experience, we invest significant time and resources in their training and development. Through various training programs, we ensure that our employees stay ahead of the latest trends and technologies in their respective fields. This not only enhances their current job performance but also equips them with valuable skills that make them employable even after retirement or termination.

We believe in supporting our employees' career transitions by providing them with opportunities for continued growth and engagement within our organization or assisting them in finding suitable employment elsewhere. By prioritizing training and development, we strive to empower our employees with the necessary skills and resources to navigate career endings successfully and secure meaningful opportunities in their post-employment journey.

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.

During the reporting period, Manappuram Finance Limited did not identify any significant risks or concerns related to the health and safety practices and working conditions of our value chain partners. As a result, no corrective action plan was necessitated.

While no corrective actions were required during this reporting period, we remain vigilant in our efforts to monitor and assess the health and safety practices of our value chain partners. Our commitment to sustainability drives us to continually review and improve our processes, ensuring the well-being of all individuals involved in our value chain.

Should any risks or concerns arise in the future, we are prepared to take prompt and appropriate corrective actions to mitigate and address them effectively.

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 recognize 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 endeavor. 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 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 consultations 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.

2. 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.

At Manappuram Finance Limited, we recognize the importance of engaging with our stakeholders to gain valuable insights, understand their perspectives, and address their concerns regarding these critical issues.

We actively seek input from various stakeholder groups including employees, customers, communities, regulatory authorities, and NGOs. Through structured consultations, surveys, and feedback mechanisms, we gather their views on environmental and social matters. These consultations help us identify key areas of focus, assess potential risks and opportunities, and align our strategies and policies accordingly.

We have incorporated stakeholder feedback into our environmental and social initiatives, ensuring they are aligned with stakeholder expectations and address pertinent challenges. Based on stakeholder inputs, we have strengthened our commitment to environmental sustainability by implementing renewable energy sources, transitioning to electric vehicles, and adopting water and waste management practices.

Additionally, stakeholders have influenced our social initiatives, such as supporting education, healthcare, community development, and empowerment programs. The feedback received from stakeholders serves as a valuable guide in shaping our CSR strategies and activities. We actively consider their suggestions and concerns to continually improve our performance and contribute positively to society and the environment.

3. 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 committed to engaging with and addressing the concerns of vulnerable and marginalized stakeholder groups. We recognize the importance of understanding their unique needs and working towards creating a positive impact in their lives. Some of the activities undertaken include:

- Conducted surveys and engaged directly with the local community to understand their specific requirements and challenges.
- Collaborated with local representatives, community leaders, and relevant organizations to gain a deeper understanding of the concerns faced by vulnerable and marginalized stakeholder groups.
- Conducted feedback surveys to evaluate the effectiveness of our programs and initiatives targeting vulnerable and marginalized groups.

At Manappuram Finance Limited, we believe in fostering inclusive growth and social development. By engaging with vulnerable and marginalized stakeholder groups, conducting surveys, collaborating with local representatives, and actively seeking feedback, we strive to address their concerns and contribute to their upliftment. We remain committed to creating positive change and working towards a more inclusive and equitable society.

Please refer principle 8 Leadership Disclosure 6 for more details on our CSR projects and interventions to help vulnerable and marginalized groups.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

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

Category	FY-2023 Current Financial Year			FY-2022 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	63641	47937	75.32%	50160	41203	82.14%
Other than Permanent	119	0	0%	108	0	0%
Total Employees	63760	47937	75.18%	50268	41203	81.97%
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-2023 Current Financial Year					FY-2022 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										
Male	52067	24921	47.86%	27144	52.13%	39145	17086	43.65%	22059	56.35%
Female	11574	4541	39.23%	7035	60.78%	11015	4294	38.98%	6721	61.02%
Other than Permanent										
Male	114	0	0%	114	100%	106	3	2.83%	103	97.17%
Female	5	0	0%	5	100%	2	0	0%	2	100%
Workers										
Permanent										
Male	5	0	0%	5	100%	2	0	0%	2	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other than Permanent										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	7	₹ 4,480,000	2	₹ 1,170,000
Key Managerial Personnel	2	₹ 94,916,307	2	₹ 8,468,136
Employees other than BoD and KMP	52170	₹ 295,764	11574	₹ 236,952
Workers	Not Applicable			

Note: The data against Board of Directors and Key Management Personnel is provided on a standalone basis for Manappuram Finance Limited. The data against Employees (other than BoD and KMP) is provided on consolidated basis for Manappuram Finance Limited and its subsidiaries.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Manappuram finance Limited state-wise Internal Complaints Committee (ICC) under Section 4(1) of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. Each ICC has one presiding member, three other members and an external member. Any complaint can be emailed to the presiding officer and the grievance will be redressed by the committee in the appropriate manner within 30 days of receipt of the complaint.

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

	FY-2023 Current Financial Year			FY-2022 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	12	0		13	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	1527	144	The pending complaints have been closed in the beginning of the next financial year.	1941	39	The pending complaints have been closed in the beginning of the next financial year.
Other human rights related issues	0	0		0	0	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Manappuram Finance Limited has established several mechanisms to prevent adverse consequences for complainants in cases of discrimination and harassment. These mechanisms include:

1. Formal Grievance Mechanism: All employees have access to a formal grievance mechanism to confidentially and anonymously report their concerns without fear of retaliation.
2. Ethical Consultation: Employees can seek guidance on ethical issues through explicit means provided by the Code of Ethics and Personal Conduct, Employee Charter - Human Rights Statement, and Disciplinary Action Committee reviews.
3. Whistleblower and Vigil Mechanism Policies: The company has implemented policies to protect whistleblowers and ensure that employees can report suspected violations in good faith without facing adverse consequences.
4. Prohibition of Retaliation: Manappuram Finance Limited explicitly prohibits retaliation against employees who report in good faith any suspected or potential violations of the Code of Ethics and Personal Conduct, including instances of discrimination and harassment.
5. Reporting Procedures: Retaliation is also prohibited for using any of the company's complaint reporting procedures, and employees are protected for filing, testifying, assisting, or participating in any investigation conducted by a government enforcement agency.

The company emphasizes the duty of every employee to report possible violations of the Code of Ethics and Personal Conduct, and it ensures that investigations are conducted in a fair and confidential manner, without adverse impact on employees who raise concerns in good faith. These measures collectively foster a culture of trust, accountability, and transparency, promoting a safe and respectful work environment for all employees.

8. 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.

9. Assessments for the year:

Not Applicable.

10. 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:

Particulars	FY-2023	FY-2022
	Current Financial Year	Previous Financial Year
Total electricity consumption (A)	45756.73 GJ	51298.52 GJ
Total fuel consumption (B)	1368.6 GJ	1324.15 GJ
Energy consumption through other sources ©	192.43 GJ	182.39 GJ
Total energy consumption (A+B+C)	47317.76 GJ	52805.06 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	7.08 GJ/Crore	11.57 GJ/Crore
Energy intensity (optional) – the relevant metric may be selected by the entity		

Note: The information in this disclosure is provided on a standalone basis for Manappuram Finance Limited.

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:

Particulars	FY-2023	FY-2022
	Current Financial Year	Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	97000	70420
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal(in kilolitres) (i + ii + iii + iv + v)	97000	70420
Total volume of water consumption (in kilolitres)	97000	70420
Water intensity per rupee of turnover (Water consumed / turnover)	20.20 KL/Crore	15.43 KL/Crore
Water intensity (optional) – the relevant metric may be selected by the entity		

Note: The information provided in this disclosure is provided on a standalone basis for Manappuram Finance Limited.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not Applicable.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Not Applicable.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Particulars	Unit	FY-2023	FY-2022
		Current Financial Year	Previous Financial Year
Total Scope 1 Emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	95.67	92.56
Total Scope 2 Emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	9087.80	10188.46
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO ₂ e/INR Crore	1.91	2.25
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: The information provided in this disclosure pertains specifically to Manappuram Finance Limited and is presented independently. The calculation of Scope 1 emissions for the company is solely based on fuel consumption from Diesel Generators and company vehicles.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Not Applicable.

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

(a) Total Waste generated (in metric tonnes)

Particulars	FY-2023 Current Financial Year	FY-2022 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.6	0.41
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)	0.6	0.41

Note: The information in this disclosure is provided on a standalone basis for Manappuram Finance Limited.

(b) For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Not Applicable.

(c) For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Not Applicable.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency

9. 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 have implemented effective waste management practices across our establishments. Our focus is on ensuring responsible handling and disposal of waste, particularly electronic waste (e-waste). We strictly adhere to compliance regulations and partner with registered vendors who specialize in the proper disposal of e-waste.

10. 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.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable.

12. 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

- Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Particulars	FY-2023 Current Financial Year	FY-2022 Previous Financial Year
From renewable sources		
Total electricity consumption from renewable sources (A)	192.43 GJ	182.39 GJ
Total fuel consumption from renewable sources (B)	0	0
Energy consumption through other renewable sources ©	0	0
Total energy consumed from renewable sources (A+B+C)	192.43 GJ	182.39 GJ
From non-renewable sources		
Total electricity consumption from non-renewable sources (D)	45756.73 GJ	51298.52 GJ
Total fuel consumption from non-renewable sources (E)	1368.60 GJ	1324.15 GJ
Energy consumption through other non-renewable sources (F)		
Total energy consumed from non-renewable sources (D+E+F)	47125.33 GJ	52622.67 GJ

Note: The information in this disclosure is provided on a standalone basis for Manappuram Finance Limited.

- Provide the following details related to water discharged:

Not Applicable.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- 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.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- Please provide details of total Scope 3 emissions & its intensity, in the following format:

Not Applicable.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable.

- With respect to the ecologically sensitive areas reported at Question 10 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.

- 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:

Manappuram Finance Limited has implemented a range of initiatives and innovative technologies to enhance resource efficiency and reduce its environmental impact. The company has optimized energy consumption by incorporating energy-efficient lighting and air-conditioning systems while raising employee awareness about energy-saving practices. Embracing technology has

allowed them to minimize paper usage, reduce travel emissions, and improve operational efficiency. Manappuram Finance Limited also focuses on efficient use of materials and water resources, promoting responsible consumption practices and implementing water-efficient fixtures. Proper waste management practices, including e-waste disposal through registered vendors, ensure environmental responsibility.

The company's commitment to sustainability is further demonstrated through the generation of solar energy to power branch locations, resulting in over 53,000 KWH of clean energy produced. Moreover, Manappuram Finance Limited is transitioning its fleet from diesel vehicles to electric vehicles, reducing air pollution and carbon emissions associated with transportation. To conserve water resources, the company has implemented wastewater treatment systems and rainwater harvesting techniques.

Manappuram Finance Limited is committed to providing the outcomes of these sustainability efforts in its upcoming financial year. The company recognizes the importance of transparency and accountability in reporting its environmental performance. By sharing the outcomes, Manappuram Finance Limited aims to demonstrate the positive impact of its sustainability initiatives and provide stakeholders with tangible evidence of its commitment to environmental stewardship.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, Manappuram Finance Limited has a comprehensive business continuity and disaster management plan in place. In accordance with international standards, the firm follows the guidelines outlined in the ISO Standard 22301, which is recognized as the global standard for Business Continuity Management Systems. The plan includes a structured approach to managing interruptions and ensuring the uninterrupted delivery of services to customers. The firm conducts Business Impact Analysis and Risk Assessment as part of its Business Continuity Management Systems methodology. The Chief Risk Officer/ Head of Risk Management periodically reviews and revises the BCMS Policy and Procedures Framework to align with ISO 22301, the Good Practices Guidelines of The Business Continuity Institute, UK, and relevant regulatory guidelines.

8. 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.

Given the nature of the business, there were no adverse impact to the environment, arising from the value chain of the entity.

9. 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.

6

- 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	Confederation of India Industry (CII)	National
2	The Federation of Indian Chambers of Commerce and Industry (FICCI)	National
3	Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
4	Finance Industry Development Council (FIDC)	National
5	Association of Gold Loan Financing Companies (India)	National
6	Insurance Brokers Association of India	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.

Not incidents of Anti-competitive conduct.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Manappuram Finance Limited provides gold loans and other financial services, with a strong focus on corporate social responsibility (CSR) and has advocated for a number of public policy positions that would benefit its customers and the wider community.

1. Reforming the gold loan industry: Manappuram Finance Limited has called for reforms to the gold loan industry, including the introduction of a single regulator for the sector and the creation of a national gold exchange. These reforms would help to improve transparency and regulation in the gold loan industry, which would benefit both borrowers and lenders.
2. Promoting financial inclusion: Manappuram Finance Limited is a strong advocate for financial inclusion. The company has worked with the government to launch a number of initiatives to make financial services more accessible to low-income households. These initiatives have helped to improve the lives of millions of people across India.
3. Supporting micro-entrepreneurship: Manappuram Finance Limited is also a strong supporter of micro-entrepreneurship. The company provides loans to small businesses, which helps to create jobs and boost economic growth. Manappuram Finance Limited has also worked with the government to develop policies that support micro-entrepreneurship.

In addition to these specific policy positions, Manappuram Finance Limited is also committed to promoting a number of broader public policy goals, such as poverty alleviation, education, and healthcare. The company believes that these goals are essential for creating a more just and equitable society.

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.

In the current financial year, no projects were required to undergo social impact assessments as per regulatory requirements. However, Manappuram Finance Limited voluntarily engaged the services of the Social Audit Network, India (SAN) to conduct an external audit exercise and assess the impact of its CSR projects. The impact assessment methodology employed by SAN involved a combination of primary and secondary data analysis.

The SAN team conducted field visits to various project areas, including Mukundapuram High School, Ma Geet School, MA Academy, Ma Campus, Ma Care, Housing Projects, SN Trust, and Natika Sports Academy. During these visits, they observed the projects and interacted with stakeholders to gather information. Additionally, the team analyzed survey tools used during the assessment.

Primary data was collected through direct interactions with beneficiaries during the field visits. Focus group discussions and personal interviews were conducted with primary stakeholders, the management team, and staff of the institutions. Secondary data, on the other hand, was sourced from MIS reports and documents shared by the firm.

To ensure comprehensive stakeholder engagement, meetings were held in Thrissur over a period of ten days in June 2023. Furthermore, telephone calls were made to beneficiary groups to gather additional input.

The information presented following disclosure (Question 6 of Leadership Indicators) is based on the findings from the field visits, stakeholder interactions, and analysis conducted by the SAN team. The firm acknowledges the valuable insights provided by the impact assessment process, which helps in assessing and improving the social outcomes of its projects.

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, as we are a financial services business

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. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY-2023	FY-2022
	Current Financial Year	Previous Financial Year
Directly sourced from MSMEs/ small producers	16.44%	28.33%
Sourced directly from within the district and neighbouring districts	50.62%	59.14%

Note: The information in this disclosure is provided on a standalone basis for Manappuram Finance Limited

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):
 Not Applicable as per our response to Principle 8, disclosure 1 of Essential 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)
 Not Applicable.
- (b) From which marginalized/vulnerable groups do you procure?
 Not Applicable.
- (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.
 No corrective actions pertaining to above mentioned parameters was necessitated by Manappuram Finance Limited during the year.

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	Mukundapuram (MPS) and Mageet Schools The objective of the schools is to provide quality education and impart child-centered activity oriented modern education to the new generation using the best available technology enabled pedagogy. The mission of the school is to make good citizens by providing learning environment conducive to all the students so that they can be creative minded in all that they do and at the same time be committed to the development and upliftment of society and aiming at extensive development of the school infrastructure with overall development of the students in academics, sports, technology, and all related areas.	1264 Students (608 Students in Mageet Public School and 656 students in Mukundapuram Public School)	At Mageet Public School, 58% of the students come from families belonging to the Below Poverty Line (BPL) and Middle-class backgrounds, based on their financial status. Additionally, 74% of the students represent the Minority and weaker sections of society, determined by their social status. At Mukundapuram Public School, 81% of the students come from families belonging to the Below Poverty Line (BPL) and Middle-class backgrounds, based on their financial status. Additionally, 89% of the students represent the Minority and weaker sections of society, determined by their social status.
2	Community development programs/Housing projects support etc. The project intended to support the BPL homeless family by means of financial support, construction and renovation of houses. These projects have critical mass to benefit the people across large swathes of land and backwaters. In addition to the above, Manappuram Foundation has implemented a number of community development projects for the benefit of general public through various NGOs.	35+ BPL families benefited through various housing projects and all other community development projects are for the benefit of general public	100%
3	Macare diagnostics MAcare is an ambitious and revolutionary initiative towards "Making the world around us a healthier place." Even a casual analysis of the present healthcare system reveals a large divide between the availability of quality healthcare services and its affordability. The quality healthcare comes at a price that puts it out of the reach of ordinary people. MAcare aims at making highly advanced diagnosis and treatment affordable to general public especially to the marginalized/ underprivileged section of the society. Presently, MAcare's clinics have been launched at Thrissur and Kaloor. With the intention of improving the healthcare initiatives, the company planning to expand the MAcare Diagnostics Centre, Thrissur by launching new specialty & super specialty departments and by installing highly advanced medical equipments. Our objective is to create a healthy community who can avail the best of healthcare services and facilities at the most reasonable and affordable prices.	24002	The facilities are open for general public and majority of the patients belongs to BPL/middle class families and fall under the categories of Weaker sections /Minority communities. The facilities are accessible to the general public, with a majority of the patients coming from BPL/middle-class families, encompassing the weaker sections and minority communities.
4	Students coaching for higher education- CA/entrance To increase the presence of professionals like Engineers, Doctors, Chartered Accountants, and Cost Accountants etc. among the weaker sections of the society, the Manappuram Foundation has set up Academies for Professional Education in 2013. These Academies offers students, hailing primarily from weaker sections are, good quality coaching facilities at very nominal fees. These Academies are equipped with modern facilities like digital library, on-line test facility and seminar halls. There are four centers operationalized for offering such subsidized services.	676 (246 students in Macampus and 430 students in MAacademy)	At Macampus, a notable proportion of the student body comprises individuals hailing from families classified as Below Poverty Line (BPL), amounting to 25% of the total students. Additionally, a significant majority, approximately 65%, of the student population represents members of the Minority and weaker sections of society, discerned based on their social status. At Maacademy, a notable 56% of the student population hails from families who are classified as financially underprivileged and vulnerable within our society. Moreover, an overwhelming 90% of our students represent the minority and weaker sections, as determined by their social status.

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
5	Support to Education Institutions and students	3000 + Students	100%
6	Manappuram Ambulance service	1549 Patients	25% eligible for BPL Concessions
7	Gym, fitness, yoga, swimming pool	2000+ beneficiaries	All these health improvement facilities are readily accessible to the general public, encompassing individuals from diverse communities and backgrounds, at affordable rates. However, it is worth noting that a significant proportion of those availing these services hail from economically and socially disadvantaged segments of society.
8	Skilling for students- MAskill/MA IAM	59 Students (41 Students in MAIAM and 18 Students in MASKILL)	In MAIAM, a total of 41 students were undergoing training, all of whom come from backgrounds belonging to the BLP and middle-class families. It is noteworthy that 91% of these students fall under the categories of minority and socially weaker sections of society, taking into account their social status. At Maskill, there were 18 students undergoing skill development training, all of whom belonged to the BLP and middle-class families. They are also categorized as minorities and socially disadvantaged, taking into consideration their social status.
9	Financial Support to Health care institutions and donations for individuals having ailment etc./Others.	1000+ patients	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.

Manappuram Finance Limited has a robust mechanism for gathering feedback for resolving grievances of its customers. Customer queries and complaints are addressed by employees as well as a dedicated call centre. This dedicated facility has been implemented for imparting information on our products, resolving queries relating to loan account balances, account statements, KYC documentation, etc.

- Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

Not applicable to Manappuram Finance Limited.

- Number of consumer complaints in respect of the following:

	FY-2023 Current Financial Year		Remarks	FY-2022 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	0
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	1019	26	Pending cases resolved in April month 2023	730	66	Pending cases resolved in April 2022
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	1	0		0	0	
Other	8484	130	Pending cases resolved in April month 2023	6650	1248	Pending cases resolved in April 2022

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. <https://www.manappuram.com/public/uploads/editor-images/files/MAFIL-ISMS-POL-DATA%20PRIVACY-2.pdf>

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.

Periodical trainings are imparted to employees to improve the skill set. Dicipinary action are taken it based on the gravity of the cases.

Leadership Indicators

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

www.manappuram.com

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

CSC meeting are conducted with customers at regional level every month. Customers are informed through SMS and Advertisements given on different platform.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Information given through SMS to Customers.

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. Gold Scheme details and other product details are displayed in branches and details are also provided on the website. We collect the feedback through website, SMS and feedback link.

5. a. Number of instances of data breaches along-with impact

Not Applicable.

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

Not Applicable.

Board's Report

Dear Members,

The Board of Directors of Manappuram Finance Limited have pleasure in presenting before you the Thirty First Annual Report of the Company together with the Audited Standalone and Consolidated Statements of Accounts for the financial year ended March 31, 2023.

Financial Highlights

₹ in million

Description	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Gross Income	48,268.58	45,869.97	67,499.47	61,263.14
Total Expenditure	31,205.30	28,372.18	47,088.97	43,427.91
Profit Before Tax	17,063.28	17,497.79	20,410.50	17,835.23
Provision for Taxes/ Deferred tax	4,400.65	4,452.42	5,408.78	4,548.17
PAT before comprehensive income	12,662.63	13,045.37	15,001.72	13,287.06
Other Comprehensive Income	245.42	-113.20	267.18	-81.53
Minority interest	-	-	42.30	3.36
PAT including comprehensive income	12,908.05	12,932.16	15,226.59	13,202.18
Amount available for appropriations (Retained Earnings-Opening balance)	42,592.22	35,134.99	45,718.91	38,135.58
Appropriations:				
Profit for the year	12,662.63	13,045.37	15,069.33	13,295.09
Transfer to statutory Reserve	-2,532.53	-2,609.07	-3,007.73	-2,650.36
Interim Dividend on Equity share	-2,539.18	-2,539.14	-2,619.57	-2,539.14
Adjustment on account of IND AS (Impairment Reserve)	-	-439.93	-	-439.93
Loss on acquisition	-	-	-	-82.32
Utilised during the year	-	-	-	-
Balance carried forward to next year (Closing Balance)	50,183.14	42,592.22	55,160.94	45,718.91

Company's Performance

The Company's gross income for the financial year ended March 31, 2023 increased to ₹48,268.58 million as compared to ₹45,869.97 million in the previous financial year thereby registering an increase of 5.23%. The profit before tax of the Company decreased to ₹17,063.28 million during the year as against ₹17,497.79 million in the previous year. The net profit for the year decreased by 2.93% to ₹12,662.63 million from ₹13,045.37 million in the previous financial year. The Asset Under Management (AUM) was at ₹2,42,022.03 million as at March 31, 2023 as against ₹2,24,127.93 million as at March 31, 2022.

The Company's consolidated AUM grew by 17.20% to ₹3,54,523 million during the year owing to rapid growth in the microfinance (39.70%), housing finance (29.60%) and vehicle finance (49.40%) AUMs. Gold loan AUMs decreased by 2.10% during the year.

1. Diversification of Business

Incorporated in 1992, your Company is operating in the NBFC sector, with diversified businesses and a branch size network of 5232.

The primary objective and increased thrust of our diversification and rebalancing strategy is to emerge as a "diversified NBFC" with at least a 50% AUM being contributed by the non-gold loan business. With this, we aim to reduce our dependence on Gold Loan Assets Under Management (AUM) alone and achieve a comfortable balance between our new lines of business and gold loans.

The Company's strategy is to strengthen both Gold and Non-Gold segments. It is also working on growing its

Gold Loan segment along with other business segments and maintaining its gold loan yield, irrespective of pricing pressures. We aim to achieve a 50-50 mix between Gold Loans and other diversified business segments.

The Company is focusing on serving customers at the bottom of the pyramid through other business segments like affordable housing finance, vehicle and equipment finance, which includes commercial vehicle loans, two-wheeler loans, tractor & car loans; microfinance, SME finance, project and industrial finance, corporate finance and insurance broking. In the last 4-5 years, the Company has made significant progress in each of these new business segments, having steadily scaled up its operations by leveraging its existing customer base of Gold Loans, extensive and growing branch network, and capitalising on the goodwill of Brand Manappuram.

Through the process of diversification, we aim to address several key business paradigms, the prime among which is to enhance regulatory comfort by migrating from a single product NBFC to a multi-product and diversified financial services provider, serving the needs of existing and new customers. Finally, the move on diversification also enables your Company to play contribute towards accelerating financial inclusion by addressing the needs of the unserved and under-served segments of the society.

The Company also improved its credit monitoring, which play a critical role in facilitating responsible lending across the non-gold businesses. By mitigating the risks and ensuring credit quality, we maintain a healthy environment for the Company. The monitoring function in the Company covers 2 stages. One, verification fixed percentage of accounts immediately after the disbursement, and two, verification of risk-based accounts subsequently (for eg., immediate delinquent).

The Credit Monitors conduct 360-degree due diligence of loans randomly selected by National Credit Head of the company. These are verified for any credit/valuation/legal process lapses and informed about to National Credit Head on time. This ensures completeness of documents in the file and nil negligence on any process/policy. This is post-disbursement visit at employment and property of the customers, which is randomly selected by National Credit Head and ensures nil negligence on any process/policy. It ensures overall compliance in credit/operations related works across the branches. These Credit Monitors visit branches frequently and submit the visit report to the National Credit Head.

The Company's credit monitoring policies play a critical role in facilitating responsible lending across the non-gold verticals. By mitigating the risks and ensuring the credit quality of the company, a healthy environment for the company and borrowers is maintained.

Loan underwriting is the comprehensive assessment and evaluation of a borrower's credit worthiness and ability to repay a loan. The underwriting process involves a careful examination of various financial factors such as credit history, income, assets, debt levels and overall financial stability. The importance of this process is risk mitigation, credit quality and regulatory compliance

Underwriting rules, process, and systems are in place for the company. Different verticals have a well-documented underwriting policy which help evaluate the credit worthiness of borrowers, thereby containing credit risk to the maximum. The Company's credit policies for Non-Gold Loan verticals ensure good quality credit underwriting through better credit assessment, financial analysis, collateral evaluation and risk-based pricing.

Credit assessment begins with a thorough examination of the borrower's credit history which includes reviewing credit scores, payment history, outstanding debts and any derogatory marks. The borrower's financial statements are analysed to assess their repayment capacity, considering factors like employment stability, income level and debt-to-income ratio to determine how comfortably the borrower can meet his loan obligations. In collateral evaluation, the value and quality of collateral offered by the borrower to secure the loan is assessed through risk-based pricing methodologies to determine if the interest rates and loan terms offered are decided. Higher risk borrowers will have higher interest rates to compensate for increased likelihood of default of and lower risk borrowers can have favorable rates and terms.

Improved loan underwriting policies also play a critical role in facilitating responsible lending and providing with valuable insights to make informed decisions regarding loan approvals terms and interest rates. By mitigating risks, ensuring credit quality and adhering to regulatory requirements, the Company's underwriting policy helps in fostering a healthy environment for the company and its borrowers.

In the financial services industry where multiple entities offering a slew of products co-exist, retaining existing customers and acquiring new customers has become the key to success. The changing demographic profile of customers in India, with 58% of these aged between 18-35 years, is another decisive factor as it becomes very important to understand their tastes, preferences, and behavioural patterns to design products customised as per their needs.

MAFIL's CRM is embedded in various business functions such as lending and customer service to ensure that customers' needs are at the forefront of all the business processes. MAFIL believes that customer satisfaction, customer loyalty and customer retention add to the

overall profitability and efficiency of the organisation. Retained customers significantly bring down marketing and promotional cost as satisfied customers also bring in more customers through referrals and word of mouth publicity.

MAFIL has developed a robust CRM with a clear overview of customer profile facilitated by business intelligence and analytics. The CRM dashboard provides Relationship Managers an overview of customers' history, status of credit facilities, due dates for servicing loans, outstanding customer service issues, among other things. Such data helps MAFIL in effective management of collection, lead generation and its ultimate conversion to sales.

The CRM team maintains a close relationship with its borrowers, which facilitates collection of their instalments on the due date. The relationship helps MAFIL maintain delinquencies in the Non-Gold verticals at low levels and can be considered amongst the best in the industry. Relationship with customers has also facilitated more cross-selling opportunities and has helped increase collections from borrowers who had earlier defaulted on their loans.

Today, the Non-Gold businesses contribute 44.3% to the Total AUM. Gold Loan contributes the remaining 55.7%. During the year under review, the Company's Total AUM stood at ₹ 354,522.57 million vis-à-vis ₹ 302,608.16 million in FY2022.

Among the business segments, Microfinance AUM grew from ₹ 70,021.83 million in FY2022 to ₹ 100,408.93 million in FY2023. Vehicle and Equipment Finance and Onlending Business ended the year with an AUM of ₹ 24,551.40 million (compared to ₹ 16,431.60 million in FY2022) and ₹ 10,048.22 million (vis-à-vis ₹ 315.59 million in FY2022), respectively. Manappuram Home Finance Limited, the Company's housing subsidiary, ended the year with an AUM of ₹ 10.95 billion, compared to ₹ 8.45 billion in the earlier year. The other business verticals of the Company include Payments business, SME business and fee-based services, including Forex and Money Transfer.

Vehicle & Equipment Finance

The vehicle finance portfolio is about ₹24551.40 million spread across 281 locations in 23 states as of March 31, 2023. The preowned commercial vehicles portfolio is ₹13,150 million and new commercial vehicles are of 701 million with 23,413 contracts. The two-wheeler finance portfolio is of ₹4,256 million with 1,06,227 contracts, Car finance portfolio is of ₹5017million with 15422 contracts and other vehicle loans make up a portfolio of around ₹1,428 million. The business is supported by robust pre-screening methodologies and credit assessment for a healthy portfolio mix.

- Market is bullish towards commercial vehicle as in the budget 2023 a lot of emphasize has been

given on building of the infrastructure. Focus on warehouse and logistic infrastructure to result in higher demand for Small Commercial Vehicle & Heavy Commercial Vehicle.

- Used car market growing faster in tier 1 & 2 cities and rural area because of emission norms are changing in metro cities due to increase in pollution and Govt. restrictions on old vehicles in metros. This will continue to be so in the coming years. According to a study, up to Financial Year 2025 used car market share will be 70% in non-metro and 30% in metro.
- NBFC's have close to 60% market share in tractor financing space followed by pvt banks taking the remaining 38% market share. PSU banks have the remaining 2% share. Average loan size is increasing to ₹0.5 Million from ₹0.4 Million earlier and average IRR in new tractor is @ 14%.
- The India Two-Wheeler Market is expected to grow at a CAGR of around 3% during the forecast period 2022-2028.

MSME and Personal Loan Business

MSMEs are an important sector for the Indian economy and have contributed immensely to the country's socio-economic development. It not only generates employment opportunities but also works together towards the development of 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. Simultaneously we started Micro Home Loans and Personal Loans to provide affordable loans to the MSME customers. Accordingly, within a short period, we went ahead and scaled up the business to new geographies like Tamil Nadu, Karnataka, and 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.

Interestingly, we started this new line of business without recruiting anyone from the market with prior experience in MSME lending. Instead, the employees were selected from our home-grown gold loan employees based on their contact with the relevant micro-markets, and after assessing their aptitude to handle this new line of business. We also chose to explore a different path by recruiting fresh youngsters as field sales representatives for the purpose of interfacing with quality MSME borrowers.

We were confident that MSME lending would be one of the major growth areas for us given that entrepreneurship at the grassroots is taking off in a big way. To serve a broader

range of customers, now we started to offer a wider range of loan products across different categories – health care industry loans, small-scale industrial finance, food industry loans, restaurant finance etc. Most MSMEs were faced with an acute cash crunch, and they needed immediate liquidity to tide over the situation. The disruptions gave us an excellent opportunity to serve these MSMEs by speedily catering to their urgent requirement of 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. We disburse fully secured loans only for business purposes, and the maximum loan amount was limited to ₹5 Million for shops and establishments. We have a range of products as follows:

- Loan to Business/ Service Providers.
- Loan against Property (Micro Mortgage).
- Financing home improvements.
- Personal Loan

Perhaps the most important factor in any lending business is its asset quality, and how successful you are in holding down non-performing assets (NPAs). An important factor that enabled us to maintain good asset quality is our use of novel methods for loan appraisal. Before sanctioning any loan, we thoroughly analyze the repayment behavior of the applicant. It helps us to assess the credibility and financial status of the borrower and that is taken to their credit score. After the loan is disbursed, we provide our customer with user friendly online payment options like Google Pay, Paytm, PhonePe etc. so that loan repayments can be made easily, thus improving our collections. Further, we have established collection and customer relations teams to exclusively cater to MSME borrowers and they have played a crucial role in holding down our cheque bounce rate to below 4 per cent, and the Gross NPA level to well below 1.5 per cent despite the severe challenges of the pandemic.

Fee-Based Services Including Forex and Money Transfer

Business overview

We have an Authorized Dealers Category-II license by the RBI, and engage in providing solutions for fast, easy and safe money transfer up to ₹0.05 Million without the need for a bank account. Our services include transfer to both India and abroad.

Key Developments, FY 2022-23

Our Company's fee-based services include money transfer, foreign exchange, and depository services. We facilitate fast, easy, and safe money transfer and the customer does not require a bank account for an amount of up to ₹0.05 Million subject to compliance with applicable RBI norms. We assist in the exchange of currency for purposes as permitted under the Foreign Exchange Management Act (FEMA). Our Company is an Authorized Dealer (AD)

Category 2 license holder from RBI. In December 2017, Manappuram Finance Limited received RBI's license to act as the Indian Agent for Western Union Money Transfer. We also act as sub-agents to the Indian representatives of other companies providing money transfer inward remittance. Following are the highlights of our fee-based services: -

- Tie up with Eight 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 ₹105 Million per month.
- We have 23 active sub-agents for Western Union business who contributes about ₹16.5 Million of the business per month.

Payments Business

It was in March 2017 that Manappuram Finance Limited received RBI's authorization to issue prepaid payment instruments (payment wallet) and went on to launch the MAKash wallet. A mobile wallet is a way to carry cash in digital format that promotes the country's cashless payments initiative. Customers can load money into the wallet using a credit card, debit card. Alternatively, they can walk into any of the MAFIL branches across India and load cash into the wallet without any extra cost. With over one lakh customers, MAKash has registered steady growth. The wallet registers an average of 19,508 transactions per annum valued at about ₹125.5 Million. Customers can avail the assistance of MAFIL Branches to create the wallet and conduct transactions. The following services are available with MAKash Online and Offline modes:

- Phone Recharge & DTH: With money loaded in your MAKash wallet, it takes just seconds to make phone and DTH recharges.
- Bill Payments: Pay all your bills across categories via MAKash in no time and avoid late payment charges.
- Transfer money to Bank: You can Load money from your Credit card/ Debit Card and send it to any bank account in India, any time.

State of Affairs of Our Subsidiaries

Asirvad Micro Finance Limited (AMFL)

Asirvad Microfinance Limited ("AMFL/ Company") was formed with the intention of providing financial access to the underserved through the formation of a commercially viable business. The Company has successfully started in Tamil Nadu and is incorporated under the Companies Act,

1956 on 29th August, 2007. Access to financial services is perhaps one of the most important requirements of any household across the world and in turn leads to access to other services and consequently better standard of living. AMFL has obtained NBFC License from the Reserve Bank of India on 14th December 2007. Started forming groups from 15th December 2007, and first lending operations with effect from 21st January 2008. The Company's Vision is "Small loans, Big dreams."

In February 2015 Manappuram Finance Limited took over the Company with the stake of 85%. After the takeover, AMFL was able to leverage its parent's credit worthiness. It got better access to bank finance at significantly lower cost and expanded to new geographies like Madhya Pradesh, Chhattisgarh, Punjab, Haryana, Chandigarh, Jharkhand, Bihar, West Bengal, and Uttar Pradesh the portfolio touched ₹ 10,000 million AUM (Asset Under Management) by end of 2015 -16.

Performance of the Company

The company was able to grow its business substantially in the first full year of operations after its takeover. The net profit for the year ended March 31, 2016, has gone up to ₹239.6 Million. Fiscal year 2016-17 was overall a good year for AMFL as it was able to grow its business substantially to end the year with an AUM of nearly ₹18,000 Million on an 80% increase compared to the year ago.

MFI Loans

Currently, the Company has a presence in 23 states and 2 union territories. The Company's AUM stands at ₹100,408.9 Million (MFI AUM - ₹92,972.1 Million) and it represents a significant accomplishment. The total centres are 3,25,274 which includes 1206 branches with 29 Lakh active members. The single-point objective of the Company is to make a valuable contribution towards the lives of our customers, and we made it a point to stand strong with them even during the tough pandemic days by introducing new loan products. AMFL is determined to serve the customers keeping their best interests in mind.

MSME Loan

MSME Business commenced in the month of July 2019. The loan products, process and people focus on enhancing the economic output of customers. It caters to the "Missing Middle" segment largely comprising of small businesses like Kirana Shops, Small Manufacturing units, Agri and Allied trading etc., The non-traditional methods of income assessments not only have given good results but are also well appreciated by customers. All MSME loans are backed with land and building as collateral. Total number of branches are 25, and the AUM is ₹363.9 Million.

Gold Loan

A new loan product called "Gold Loan" was launched in Odisha and West Bengal on March 10, 2021. This was

introduced with a key objective to help customers on-going business capital for income generation activity. Thereby, so far Asirvad has launched 461 branches of Gold Loan in Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Telangana, Uttar Pradesh & West Bengal.

The Company offers progressively higher loan amounts at higher price points through different Gold loan schemes with different interest rates. Asirvad is intensely looking to expand business. As a Company, AMFL believes in the power of technology and over the years have adopted various innovations such as Loan Management System (LMS) and usage of DigiPay and other digital platforms for payment, with many more initiatives in the pipeline. Automation has enriched the lives of both employees and customers without compromising on the quality of work done. AMFL is constantly looking for ways to improve knowledge and skills of employees and, based on this consideration, the Company has introduced the Learning Management System to create awareness, knowledge, and vigilance.

Manappuram Home Finance Limited (MAHOFIN)

MANAPPURAM HOME FINANCE LIMITED (MAHOFIN), a wholly owned subsidiary of Manappuram Finance Limited, started operations in January 2015 and focuses on affordable housing loans and aims to cater to the needs of mid-income to the low-income group. The housing finance business registered 29.64 per cent growth in its AUM in Fiscal 2023, posting a CAGR of 16 per cent in the past five years. It reached an AUM of ₹10957.70 million as on March 31, 2023. Currently, there are 66 branches across 12 states. The southern region contributes the largest share of the loan portfolio. Considering the increasing urbanisation and the rise of tier II and tier III cities, the Company is also planning to cover nearby states and locations.

Positioned as an affordable home finance company, target customers are the self-employed from the unorganised sector and others lacking access to credit facilities from mainstream financial institutions. The Company offers two products - Home Loans and Loans Against Property. The average ticket size of a Home Loan is about ₹0.67 million, and for the LAP segment, it stands at about ₹0.60 million.

As a part of digitisation, the Company has introduced the "Mobile-Customer Acquisition System" (mCAS) for faster processing of loan applications and "Mobile Collect" (M-Collect) for speeding up the collection process.

The Company is looking to diversify funding sources and in October 2019 it succeeded in raising about ₹943.19 million by a public issue of NCDs. The portfolio faced minimal delinquencies with GNPA held at 1.87%. The Company has a capital adequacy ratio around 33.13% (well above the regulatory requirement).

Manappuram Insurance Brokers Limited (MAIBRO)

Manappuram Insurance Brokers Limited (MAIBRO) a licensed Insurance Broker with (Insurance Regulatory and Development Authority of India) began its journey in the year 2006. Being a direct insurance broker licensed by Insurance Regulatory and Development Authority of India (IRDAI) for doing life and non-life business the growth of the company was steady. Company during the year was recognised among the 10 best insurance broking startup 2023, for its innovative, technologically driven digital insurance platform "MaSuraksha". Masuraksha is an innovative e-commerce portal operated by Manappuram Insurance Brokers.

As an IRDAI-licensed direct insurance broker, the company primarily deals with Life and General Insurance products in the retail segment. Two-wheeler, automobile, health, term, investment plans, shopkeeper policy, homeowners policy, personal accident insurance, critical sickness policy, trip and hospital cash policy were among the product segments provided. The company's success mantra has been its intelligent after-sales support, which guides consumers through the insurance process. In the portal, there is access granted to agents (POSP), who can then sell different policies to clients via a separate POSP login module. The customer service team is available 24 hours a day, seven days a week. The smooth customer purchase journey, prompt claim support, prompt renewal, and other service support had been significantly aiding the company's growth.

Company due to its extensive knowledge of changing consumer requirements and the numerous insurance options available in the market offered products as per the customers requirement. Customers can choose the best product after comparing it to other options. We supplied contact centres or chat support whenever customers needed it. Manappuram Insurance Brokers was supported by a team of seasoned people who are continuously on the lookout for ways to provide timely service delivery. A full-service claims support team was also available to help with claim settlement.

Furthermore, customers had access to help 24 hours a day, seven days a week where they will receive a response within a few hours. Since the portal was in its early stages, the company was constantly working towards introducing new features and services. To generate the required innovation, cutting edge technologies like AI and block chain technology were combined. Because cyber security is critical, Manappuram had already adopted precautions similar to those of an insurance firm.

The Company ended the fiscal year 2022-23 at ₹1625.8 million of total business of which new business was of ₹1412.1 million in the fiscal. Company during the year served 1.062 million customers. MAIBRO achieved a net

profit of ₹ 31.5 million in FY 2022-23 vs ₹ 33.31 million in FY 2021-22 and is constantly in a thrive to achieve new heights by focusing to digitalise the solicitation process.

Company had over 8500 Point of sales Agents who were working PAN India and helped in penetration of Insurance Products among all sectors of people. Company supported families during the difficult hours and has been able to successfully settle 95% of claims reported.

Manappuram Comptech and Consultants Limited

Manappuram Comptech and Consultants Limited (MACOM), another subsidiary of your company, concluded the year with total revenue of ₹407.30 million. The Company's revenue portfolio has grown by ₹103.09 million. The company provides audit and taxation services, as well as core IT services, to meet a variety of market needs, such as application development for digital personal loans, loan management solutions, microfinance solutions etc. During the year, MACOM has successfully completed cloud migration of the parent company and has provided oracle-based cloud platforms to other fellow-subsidiaries. The company built a name for itself during the year by producing totally android-based apps for EMI collection, customer and agent collection, and so on. MACOM's net profit was ₹34.27 million in FY 2022-23, compared to INR 18.25 million in FY 2021-22, and the company is prepared to take off from here. MACOM has successfully achieved ISO 27001:2013 Information Security Management Systems Certification.

2. Subsidiaries Performance

Your Company holds 97.60% equity shares of M/s. Asirvad Microfinance Limited, 100% equity shares of M/s. Manappuram Home Finance Limited, 100% equity shares of M/s. Manappuram Insurance Brokers Limited and 99.81% of Manappuram Comptech and Consultants Limited as on March 31, 2023.

Asirvad Microfinance Limited

Gross Income of the Company as on March 31, 2023 is ₹17,592.76 Million as compared to ₹13,996.99 Million (₹14118.89 reinstated Gross Income) for the year ended March 31, 2022 and Profit After Tax is ₹2,181.30 Million for the year ended March 31, 2023 as compared to ₹134.32 Million (₹152.56 reinstated PAT) for the year ended March 31, 2022.

Manappuram Home Finance Limited

Gross Income of the Company as on March 31, 2023 is ₹1657.41 million as compared to ₹1226.07 million for the year ended March 31, 2022, and Profit After Tax is ₹194.69 million for the year ended March 31, 2023 as compared to ₹72.11 million for the year ended March 31, 2022. AUM of the Company as on March 31, 2023 is ₹10957.70 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 insurance products of 35 insurance companies through new portal and all companies offline.

Gross income of the Company for the year ended March 31, 2023 stood at ₹121.9 million as compared to ₹113.26 million for the year ended March 31, 2022 and Profit After Tax for the year ended March 31, 2023 is ₹31.5 million as compared to ₹33.31 million for the year ended March 31, 2022.

Manappuram Comptech and Consultants Limited

Manappuram Comptech and Consultants Limited's gross income for the financial year ended March 31, 2023 is ₹409.76 million, compared to ₹307.07 million for the year ended March 31, 2022, and profit after tax for the year ended March 31, 2022, is ₹26.62 million, compared to profit of ₹13.27 million for the year ended March 31, 2023.

Salient features of financial statements of the Company's subsidiaries in Form AOC-1 and highlights of the performance of subsidiaries are annexed with the Directors' Report as Annexure - I

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 2022-23, 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, 2023 stands at ₹88,106.29 million

4. Debenture Redemption Reserve

Pursuant to notification issued by Ministry of Corporate Affairs on August 16, 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, 2023 availed various credit facilities from 27 banks, 1 NBFC (Bajaj Finance), NABARD and International Finance Corporation (IFC).

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). 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 Listing Regulations, 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. That the accounting policies as mentioned in note no.1 to no.7 to the Standalone financial statements and note no.1 to no.8 to the Consolidated financial statements have been selected and applied consistently and judgments and estimates have been

made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit of the Company for the year ended on that date;

- 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 2022-23.

10. Meetings of the Board

During the financial year 2022 - 23, 8 (Eight) 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 criteria as mentioned in Section 149 of the Act and SEBI LODR. Your Company has also received undertaking and declaration from each director on fit and proper criteria in terms of the provisions of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("RBI NDSI Master Directions, 2016").

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.

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 Committee of the Board in compliance with the provisions of Section 178 of the Act. The Policy on Board composition and compensation is annexed to this report as Annexure - II and also hosted on the website of the Company at <https://www.manappuram.com/public/uploads/editor-images/files/BOARD%20Composition%20May%202023%20%281%29.pdf>

14. Particulars of Loans, Guarantees or Investments

The loan made, guarantee given, or security provided in the ordinary course of business by a NBFC registered with the Reserve Bank of India are exempt from the applicability of the provisions of Section 186 of the Act. 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.10,11,20,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 2022 - 23 with related parties under Section 188 of the Act were in the ordinary course of business and on 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 - III and also made available on the Company's website at <https://www.manappuram.com/public/uploads/editor-images/files/MAFL-RPT%20Policy-Revised.pdf>

16. Dividend

Four interim dividends at the rate of 0.75 paise per equity share were declared during the financial year 2022-23 on May 18, 2022, August 04, 2022, November 12, 2022, and February 03, 2023.

An aggregate of ₹3.00 (Rupees Three Only) per equity share, amounting to 150% of the paid-up value of the shares was paid by the Company during the financial year 2022-23.

The Dividend Distribution Policy as per the SEBI LODR is made available on the Company's website at <https://www.manappuram.com/public/uploads/editor-images/files/Dividend%20Distribution%20policy%20%28formatted%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 annexed to this report as Annexure - IV.

18. Risk Management Policy

The Company has a Board of Directors approved Risk Management Policy 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 the various risks faced by the Company and advises the Board on risk mitigation plans. Elements of risk identified by the Board are mentioned in the MDA part of the annual report.

The Board has appointed a Chief Risk Officer as the asset size of the Company is above ₹50 billion with a tenure of One year subject to re-appointment by the Board every financial year.

Risk Management policy may be accessed on the Company's website at the link: <https://www.manappuram.com/public/uploads/editor-images/files/No.2-ERM%20Policy.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/public/uploads/editor-images/files/CSR%20policy%28%29.pdf>

The Corporate Social Responsibility initiatives taken by the Company during the financial year 2022-23, are detailed in

the Report on corporate social responsibility activities and the same is annexed to this report as Annexure - V.

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 From Subsidiaries

Mr. V P Nandakumar, Managing Director & Chief Executive Officer, has not received any remuneration or commission from any of the subsidiaries of the Company during the financial year-2022-23.

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 M/s. Manappuram Finance Limited during the Financial Year 2022-23.

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 April 27, 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 September 10, 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, there was no fraud reported by the Statutory Auditors to the Audit Committee or Board of Directors of the Company under Section 143 the Act.

Secretarial Audit

The Board appointed M/s. KSR & Co. Practicing Company Secretaries LLP, to conduct a Secretarial Audit for the financial year 2022-23. Secretarial audit report for the year ended on March 31, 2023 as provided by M/s. KSR & Co. Practicing Company Secretaries LLP, Indus Chambers, Ground Floor, No.101, Government Arts College Road, Coimbatore - 641018, is annexed to this Report as Annexure - VI. 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. For FY 2021 - 22, a system audit was conducted by Deloitte Touche Tohmatsu India LLP. The areas audited were, inter alia, user access management, patch management, business continuity and disaster recovery, data protection, and the information security management system framework. The audit revealed no major observations.

MAFIL has engaged PricewaterhouseCoopers (PwC) to conduct an IS audit for FY 2022-23. The scope of the audit covers the effectiveness of the policies, IT systems, adequacy of internal controls, the effectiveness of BCP and DR, compliance with legal and statutory requirements, and the security testing of critical applications. IS Audit for FY 2022-23 is in progress.

24. Directors and Key Managerial Personnel

The Board of Directors of the Company is duly constituted, and none of the directors of the Company is disqualified under the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015

Mr. Blangat Narayanan Raveendra Babu (DIN: 00043622), Non-Executive Non-Independent Director, Ms. Sutapa Banerjee (DIN: 02844650), Independent Director, & Mr. Gautam Ravi Narayan (DIN: 02971674), Non-Executive Non-Independent Director had resigned from the directorship of the Company with effect from May 18, 2022, July 04, 2022 and April 04, 2023 respectively. The Board of Directors of the Company had appreciated the guidance and contribution on various matters made by Mr. Blangat Narayanan Raveendra Babu, Ms. Sutapa Banerjee, and Mr. Gautam Ravi Narayan during their tenure as Directors of the Company.

The Board of Directors of the Company based on the recommendation of the Nomination, Compensation and Corporate Governance Committee at their meeting held on September 23, 2022, has appointed Ms. Pratima Ram (DIN: 03518633) as Woman Independent Director of the company subject to the approval of Members of the company for a period beginning from September 23, 2022 to April 01, 2024 in the casual vacancy caused due to the resignation of Ms. Sutapa Banerjee (DIN: 02844650). Thereafter, on 10th December 2022, the members of the company passed Special Resolution through Postal Ballot for appointment of Ms. Pratima Ram (DIN: 03518633) as Woman Independent Director of the company for a period beginning from September 23, 2022 to April 01, 2024.

The Board of Directors of the Company, based on the recommendation of the Nomination, Compensation and Corporate Governance Committee at their meeting held on September 23, 2022, has appointed Adv. Veliath Pappu Seemanthini (DIN: 07850522) as additional director (Non-Executive) of the Company, to be re-classified as an 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"), Articles of Association of the Company and subject to the approval of Members of the company. In the said meeting the Board further decided to appoint Dr. Sumitha Nandan (DIN: 03625120) as an Additional Director (Executive) of the Company with effect from January 01, 2023 and recommended to the Members for the appointment of Dr. Sumitha Nandan as Whole-time Director of the Company for a period of five years with effect from January 01, 2023. Thereafter, on February 03, 2023 the members of the company passed Special Resolutions through Postal Ballot for the appointment of Adv. Veliath Pappu Seemanthini as a Non-Executive Independent Director of the Company to hold office for a term of five consecutive years with effect from December 23, 2022 to December 22, 2027, not subject to retirement by rotation and Dr. Sumitha Nandan as a Whole-time Director of the Company to hold office for a term of five consecutive years with effect from January 01, 2023, liable to retirement by rotation.

Mr. Sekaripuram Ramanath Balasubramanian (DIN: 03200547), Non-Executive Non-Independent Director of the Company, will retire by rotation at the ensuing annual general meeting (the 'AGM') and, being eligible, offers himself for re-appointment. In this regard, the Board of Directors of the Company, based on the recommendation of Nomination, Compensation and Corporate Governance Committee, recommended to the Members for re-appointment of Mr. S.R Balasubramanian (DIN: 03200547), as Non-Independent Non-Executive Director of the Company by way of ordinary resolution. Hence, the proposal will form part of the notice of the 31st AGM, and the information about the Director seeking his re-appointment as per Para 1.2.5 of the Secretarial Standards on General Meetings (i.e., SS - 2) and Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 has been given in the notice convening the 31st AGM.

There was no change in Key Managerial Persons of the Company during the financial 2022-2023 except for the re-appointment of Mr. V P Nandakumar (DIN: 00044512) in the annual general meeting of the company held on August 25, 2022 as Managing Director and Chief Executive Officer of the Company with effect from July 28, 2022 up to March 31, 2024, and the appointment of Dr. Sumitha Nandan (DIN: 03625120) by way of postal ballot held on February 03, 2023 as a Whole-time Director of the Company to hold office for a term of five consecutive years with effect from January 01, 2023.

25. Share Capital

The issued, subscribed, and paid-up Equity Share Capital as on March 31, 2023 was ₹1,692.79 million, consisting of 846,394,729 Equity Shares of the face value of ₹2 each, fully paid-up. There was no change in the Share Capital during the year under review. As on March 31, 2023, 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 2022-23.

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 2022-23 the Company has not accepted deposits as per Chapter V of the Act.

The Company has no unclaimed deposit as at March 31, 2023.

27. Compliance with NBFC Regulations

Your Company has generally complied with all the regulatory provisions of the Reserve Bank of India applicable to

Non-Banking Financial Company - Systemically Important Non-Deposit taking Company. 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, 2023, stood at 31.70% as compared to 31.33% as on March 31, 2022, 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, 2023, improved to 31.70% as against 31.01% as on March 31, 2022. Your Company's overall gearing (Debt/ Tangible Net-worth) as on March 31, 2023, improved to 2.14 as against 2.26 as on March 31, 2022.

The Tier 2 ratio as on March 31, 2023, was Nil as against 0.32% as on March 31, 2022.

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, Adverse Remarks, Reservations by statutory Auditors in the Independent Auditors Report and secretarial auditors in the Independent 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 35 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 June 16, 2015 are provided in Note 36 of the Standalone Financial Statements. Further, the details are annexed to this report as Annexure - VII and also made available on the Company's website at <https://www.manappuram.com/investors/annual-reports.html>

A certificate from M/s. 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/public/uploads/editor-images/files/whistle%20blower%20policy%20May%202023%20%282%29.pdf>

Further, there were no complaints reported during the financial year 2022-23.

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

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

The Company has put in place, well defined and adequate Internal Control System, and Internal Financial Control (IFC) mechanism commensurate with size, scale, and complexity of its operations to ensure control of entire business and assets. The internal audit policy has been upgraded as Risk Based Internal Audit Policy based on the RBI Circular - RBI/2020-21/88 (Ref. No. DoS. CO. PPG. / SEC.05/11.01.005/2020-21) dated February 03, 2021 and functioning of internal audit is also realigned as per the policy. The functioning of controls is regularly monitored to ensure their efficiency in mitigating risks. A comprehensive internal audit department functions in-house to continuously audit and report gaps if any, in

the diverse business verticals and statutory compliances applicable.

During the year, Internal Financial Controls were reviewed periodically by the management and Audit Committee. Key areas were subject to various statutory and internal audits to review the adequacy and strength of IFC followed by the Company. As per the assessment, Controls are strong and there are no major concerns. The internal financial controls are adequate and operate effectively to ensure orderly and efficient conduct of business operations.

Your Company has an independent internal audit function which carries out regular internal audits to test the design, operations, adequacy, and effectiveness of its internal control processes and to suggest improvements to the management. The Board of Directors of your Company also appointed M/s. Deloitte, to provide co-sourced internal audit services to assist the Management of the Company in the appraisal of its internal control functions, recommend improvements in processes and procedures and surface significant observations and recommendations for process improvements. Their observations along with management response are periodically reviewed by the Audit Committee and the Board and necessary actions are taken.

35. Listing with Stock Exchanges

Your Company confirms that it has paid the Annual Listing Fees for the financial year 2022-23 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 under review, there were seven (7) 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 2022-23.

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, 2023, was as follows:

Name of Rating Agency	Securities/ Instruments/ Loans, Credit Facilities, and other Borrowings	Ratings
BRICKWORK	Non-Convertible debentures	BWR AA (Stable)
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+

39. Details of Auctions Held During the Year 2022-23

Additional disclosures as required by RBI NDSI Master Directions, 2016:

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, 2022	8,13,792	36,151.34	8,655.91	44,807.25	41,865.87
March 31, 2023	1,98,782	7,721.21	1,886.58	9,607.79	9790.01

Note: No sister concerns participated in the auctions held during the financial year ended on March 31, 2022 and March 31, 2023.

40. Particulars of Employees and Related Disclosure

The particulars of employees and related disclosures are annexed herewith as Annexure - VIII 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 - IX

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

DIN: 01633893

Place: Valapad

Date: May 12, 2023

Annexure I

STATEMENT CONTAINING 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 Companies (Accounts) Rules, 2014 - Form No. AOC - 1)

PART - A

Sl. No.	Name of the subsidiary	Date of becoming subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
₹ Million															
1	Asirvad Micro Finance Limited	2014-15	-	-	626.40	14812.41	101832.66	101832.66	2036.55	17151.95	3107.16	925.85	2181.31	-	97.60%

PART - B

Financial Performance highlights of ASIRVAD MICRO FINANCE LIMITED

(₹Million)

Sl. No.	Particulars	Financial Year Ended on March 31, 2023	Financial Year Ended on March 31, 2022
1	Gross Income	17,592.76	14,118.90
2	Less: Total Expenditure	14,485.60	13,908.38
3	Profit Before Tax	3,107.16	210.52
4	Profit after Tax	2,181.31	152.57
5	Total Comprehensive Income	2,200.04	185.96

The operational highlights of the Company are as follows:

During the year, the company had its operations in 23 States & 2 UTs. There are 24 branches for MSME vertical. Company has total of 461 branches for their foray into Gold Loans.

Gross Loan Portfolio was at ₹1,00,408.93 Million.

Head Count of 15874 employees.

Client base had increased to 3.25 million across 1489 (Including MFI branches in gold loan branches counting- 283) branches in 26 states (from 2.53 million across 1,204 branches in 22 states) in respect of micro finance loans.

Total disbursements during the year were at ₹192485.76 million.

Asirvad Micro Finance Limited has ensured compliance to all guidelines stipulated by Reserve Bank of India for the Microfinance Industry.

CARE has maintained the grading of the Company to "MFI 1", the highest in the industry. The bank loan rating is also re-affirmed as CRISIL AA-/Stable outlook By CRISIL

The Company has debt credit ratings as follows:

Credit Rating Agency	Instrument	Rating
CRISIL	Bank Loan	CRISIL AA-/Stable outlook (Reaffirmed)
CRISIL	Long term -NCD	CRISIL AA-/Stable outlook (Reaffirmed)
CRISIL	Long term subdebt	CRISIL AA-/Stable outlook (Reaffirmed)
CRISIL	Commercial Paper	CRISIL A1+ outlook (Reaffirmed)
CRISIL	Long Term Principal Protected Market Linked Debentures	CRISIL PPMLD AA-/Stable outlook (Reaffirmed)

The Capital Adequacy Ratio was 19.66% as on March 31, 2023 as against the minimum capital adequacy requirement of 15% stipulated for NBFC MFIs by Reserve Bank of India.

Total Income of the Company as at March 31, 2023 is ₹17592.76 million. Profit After Tax as at March 31, 2023 is ₹2181.31 million.

Assets Under Management (AUM) of the Company as at March 31, 2023 is ₹1,00,408.93 million.

Annexure I

**STATEMENT CONTAINING 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 Companies (Accounts) Rules, 2014 - Form No. AOC - 1)

PART - A

Sl. No.	Name of the subsidiary	Date of becoming subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
₹ Million															
1	Manappuram Comptech and Consultants Limited	30 th March 2019	-	₹	52.70	99.25	241.72	241.72	0.05	407.30	34.27	7.65	26.62	Nil	99.81%

PART - B

Financial Performance highlights of MANAPPURAM COMPTech AND CONSULTANTS LIMITED

(₹Million)

Sl. No.	Particulars	Financial Year Ended on March 31, 2023	Financial Year Ended on March 31, 2022
1	Gross Income	409.76	307.07
2	Less: Total Expenditure	375.49	288.83
3	Profit Before Tax	34.27	18.25
4	Profit after Tax	26.62	13.27

The Company generated total revenue of ₹407.30 million from its activities in the financial year ended on March 31, 2023, compared to INR 304.21 million in the financial year ended on March 31, 2022.

Total other income was ₹2.46 million, down from INR 2.86 million in the fiscal year that ended on March 31, 2022.

The Company's gross income for the year ended March 31, 2023 was INR 409.76 million, up from INR 307.07 million the previous year, and its profit for the year ended March 31, 2023 was ₹34.27 million, down from ₹18.25 million the previous year.

After adjusting for taxes, the profit for the year was INR 26.62 million, compared to ₹13.27 million in the previous financial year.

Annexure I
**STATEMENT CONTAINING 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 Companies (Accounts) Rules, 2014 - Form No. AOC - 1)

PART - A

Sl. No.	Name of the subsidiary	Date of becoming subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
₹ Million															
1	Manappuram Insurance Brokers Limited	January 01, 2016	-	-	15.70	16.02	62.99	31.26	17.38	12013	41.65	10.14	31.51	0	100

PART - B

Financial Performance highlights of MANAPPURAM INSURANCE BROKERS LIMITED

(₹Million)

Sl. No.	Particulars	Financial Year Ended on March 31, 2023	Financial Year Ended on March 31, 2022
1	Gross Income	121.86	113.26
2	Less: Total Expenditure	80.20	67.96
3	Profit Before Tax	41.65	45.29
4	Profit after Tax	31.51	33.31

The Net Worth of the Company as on March 31, 2023 stood at ₹31.72 millions against Net Worth of 81.78 millions as on 31st March 2022. The revenue from operations of the Company during the F.Y. ended March 31, 2023 increased compared to the previous financial year. Revenue stood at ₹120.13 millions, which is 10% higher compared to revenue of ₹109.14 million as of previous financial year 2021-22. Total Expense of the Company increased by 19% from ₹67.96 millions as on March 31, 2022 to 80.20 millions on March 31, 2023. There was an decrease in profit after tax by 5% from ₹33.30 millions as at the year ended March 31, 2022 to ₹31.51 millions as at the year ended March 31, 2023.

Annexure I

**STATEMENT CONTAINING 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 Companies (Accounts) Rules, 2014 - Form No. AOC - 1)

PART - A

Sl. No.	Name of the subsidiary	Date of becoming subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
₹ Million															
1	Manappuram Home Finance	March 12, 2014	NA	NA	2000	364.45	12069.60	12069.60	-	1657.41	259.17	64.48	194.69		100%

PART - B

Financial Performance highlights of MANAPPURAM HOME FINANCE LIMITED

(₹Million)

Sl. No.	Particulars	Financial Year Ended on March 31, 2023	Financial Year Ended on March 31, 2022
1	Gross Income	1,657.41	1226.07
2	Less: Total Expenditure	1,398.24	1126.98
3	Profit Before Tax	259.17	99.09
4	Profit after Tax	194.69	72.11

The Company has 19769 Loan Accounts as on March 31, 2023. Gross Loan Portfolio stood at ₹ 10,957.70 million. Total disbursement during the year 2022-23 was ₹ 4400.2 million.

Company has also ensured compliance to all the guidelines stipulated by the National Housing Bank for the Affordable housing finance industry. The Company had total staff strength of 1524 Employees as at March 31, 2023.

Ratings assigned by credit rating agencies and migration of ratings during the year.

Instrument	Credit rating agency	Ratings assigned
Loan Term Bank Facilities	CARE Rating	CARE AA- Stable
Loan Term Bank Facilities	CRISIL	CRISIL AA- Stable
Non convertible debentures	CARE Rating	CARE AA- Stable
Market Linked debentures	CARE Rating	CARE PP MLD AA- Stable
Commercial Paper	CRISIL	CRISIL A1 +

Annexure II

POLICY ON BOARD COMPOSITION AND COMPENSATION

(Last reviewed by the board on 12th May 2023)

We, at Manappuram, believe that the corner stone of best governance practices is the board composition. We also believe that the synergy of versatile individuals with diversified skillsets at the board level has contributed a lot in bringing this Company into its present heights. Therefore, our commitment to have a competent and highly professional team of board members leads us to put in place a policy on identification and retention of eminent personalities 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) 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** - 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 woman Independent Director.
- 1.3 The Independent Director to be appointed on the board shall not hold Directorships in more than 7 listed companies.
- 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: 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.
- 1.8 Experience : Candidates to be successful professionals having spent considerable length of time in their chosen

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.

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; Suggestions from existing members of the Board from 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 2 candidates for each position to the NRC for further process.
- 1.11 Tenure: Initial term of 3 or 5 Years at the discretion of the Board subject to renewal for a second term as per the existing laws
- 1.12 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.
- 1.13 Considering the need for professional experience in managing the affairs of Company, at least one of the directors shall 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 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, 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 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 or 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 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 Further, the Board of the Company shall ensure that there is no conflict arising out of their independent directors being on the Board of another NBFC at the same time.³
- 3.5 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
- 3.6 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.

³A timeline of two years is provided with effect from October 01, 2022 to ensure compliance with these norms.

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

- 4.1 The Independent Directors appointed in the Company will have a tenure of 3 to 5 years as may be decided by the Board. They can be re-appointed 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 performance of each Independent Director and other non-Executive Directors.
- 5.2 The 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 The 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 taking into account 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 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

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.
- 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 in the best interest of the Company.

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

9. The Compensation policy applicable for KMPs.including Wholetime Dirctors and Senior Management personnel is attached as Anndure A

III) Applicability of Laws/ regulations/ guidelines

Change 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 extend applicable and the amended provisions will take effect from the date of Change in the underlying laws/ regulations or guidelines.

IV) Applicability of the policy

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

V) 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 III

POLICY ON DETERMINATION OF RELATED PARTIES AND DEALING WITH RELATED PARTY TRANSACTIONS (“RPT POLICY”)

(Incorporating amendments upto February 03, 2023)

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 applicable¹.

“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 24³ 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 01st April, 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;
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.

Sl. No	Type of transactions	Conditions
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
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 from the related party need not be the reason to do the transaction

Annexure IV

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 replaced a part of the Chilled Water Type Air Conditioning Unit with the latest technology VRF Type AC unit in Head Office in December 2022, resulting in reduction of Electrical Energy Consumption to the tune of 6000 Units of electricity in the 3 months of 2022-23

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 2022-2023, we have saved Conventional Electrical Energy to the tune of 63560 Units (KWh) equaling ₹702914/- due to Solar Plant installed in previous years.

iii. the capital investment on energy conservation equipment:

Total capital Investment ₹1679075/- (Rupees Sixteen Lakh Seventy-Nine Thousand Seventy-Five Only).

B. Technology Absorption

(i) the efforts made towards technology absorption:

Our Company has emerged as a trailblazer in the NBFC landscape, driven by an unwavering commitment to technology absorption. Through the establishment of a centralized software application, we have positioned ourselves at the forefront of innovation. Our nationwide branches operate seamlessly online, accessing centrally hosted applications via a robust wide-area data network. Currently, we are enhancing network connectivity, revamping applications, and integrating cutting-edge information security and cloud technology. Our business model is firmly rooted in technology, seeking to minimize

reliance on manual tasks. By harnessing the transformative power of Robotic Process Automation (RPA), we foster wider inclusion, achieve cost-effectiveness, enhance credit quality, and deliver faster turnaround times compared to traditional lending models.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution:

The adoption of technology has unlocked a plethora of benefits for our organization. Our products have witnessed remarkable improvements, exemplifying our commitment to excellence. Moreover, the integration of technology has yielded substantial cost reductions throughout our operations. This newfound efficiency has propelled innovation, enabling the development of new and groundbreaking products that cater to the evolving needs of our esteemed clientele. Through strategic partnerships along the value chain, encompassing lead generation, customer onboarding, underwriting, credit/loan disbursement, and collection, we have achieved unparalleled efficiency in our operations. Leveraging the ubiquity of mobile and smartphone usage, we seamlessly connect with customers of varying income levels throughout the lending cycle. Additionally, the incorporation of robotic process automation (RPA) has streamlined operational workflows, resulting in heightened productivity, improved accuracy, and significant cost savings.

(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 2022-23

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	88.43

Annexure V

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 ₹ 471.0 million (Including ongoing projects) through the MF during the fiscal 2022-23 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.	Ms. Sutapa Banerjee*	Chairperson - Independent Director	5	1
2.	Adv. V R Ramachandran**	Chairperson - Independent Director	5	5
3.	Mr. V P Nandakumar	Member - Managing Director	5	4
4.	Mr. Abhijit Sen	Member - Independent Director	5	5
5.	Mr. S R Balasubramanian***	Member - Non-Executive Non-Independent Director	5	0
6.	Adv. V P Seemandini****	Member - Independent Director	5	0

* Ceased to be chairperson and member of the Committee due to resignation as Independent Director effective July 04, 2022

** Redesignated as chairperson of the Committee effective July 05, 2022

*** Appointed as a member of the Committee effective March 24, 2023

**** Appointed as a member of the Committee effective March 24, 2023

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 follows this report and also can be accessed at <https://www.manappuram.com/public/uploads/editor-images/files/Social%20Impact%20Assessment%20FY%202021-22.pdf>

5. (a) Average net profit of the company as per sub - section (5) of section 135: ₹ 19,279.00 million
- (b) Two percent of average net profit of the company as per sub - section (5) of section 135: ₹ 385.58 million
- (c) Surplus arising out of the CSR projects or programmes or activities of previous financial years: Nil
- (d) The amount required to be set off for the financial year, if any: Nil
- (e) Total CSR obligation for the financial year [(b) + (c) - (d)]: ₹ 528.75 million (including opening unspent of ₹ 143.16 million)

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 371.79 million
- (b) Amount spent in Administrative Overheads: Nil
- (c) Amount spent on Impact Assessment, if applicable: ₹ 0.648 million
- (d) Total amount spent for the Financial Year [(a) + (b) + (c)]: ₹ 372.44 million
- (e) CSR amount spent or unspent for the Financial Year: See below the table

Total Amount spent for the Financial Year (in Million)	Amount Unspent (in Million)				
	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 (In ₹ million)	Date of transfer	Name of the Fund	Amount	Date of transfer
372.44	13.14	28.04.2023	Nil	NA	NA

- (f) Excess amount for set off, if any: Nil (See below the table)

Sl. No.	Particular	Amount (in ₹ Million)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	385.58
(ii)	Total amount spent for the Financial Year	372.44
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(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)]	Nil

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 (In ₹ million)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (In ₹ million)	Amount Spent in the Financial Year (In ₹ million)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (In ₹ million)	Deficiency, if any
					Amount (in ₹ million)	Date of Transfer		
1.	2019-20	-	-	-	Nil	NA	Nil	NA
2.	2020-21	63.0	3.2	3.2	Nil	NA	Nil	NA
3.	2021-22	140.0	140.0	96.0	Nil	NA	43.9	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 - 15 Nos. (Fifteen)

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 (In ₹ million)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	Various capital assets including infrastructure developments Address : Mukundapuram Public School, Kallamkunnu Road, Nadavaramba P O, Thrissur District, Kerala - 680 661	680 661	April 1, 2022 to March 31st, 2023	24.81	CSR00027373	Mukundapuram Educational & Cultural Society	MECS Complex, Kallamkunnu Road, Nadavaramba P O, Thrissur District, Kerala - 680 661

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 (In ₹ million)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
2	4 Houses constructed /renovated for homeless BPL people Address : Multiple locations across Kerala	NA	April 1, 2022 to March 31st, 2023	0.50	NA	Various Individual beneficiaries	Multiple locations across Kerala
3	Construction of a floor for foster home Address : Sreenarayana Sevika Samajam, sreenarayana Giri, Thottumugham, Aluva, Kerala- 683105	683105	17th December 2022	1.00	CSR00008313	Sreenarayana Sevika Samajam	Sreenarayana Sevika Samajam , sreenarayana Giri, Thottumugham, Aluva, Kerala- 683105
4	Construction of Sports Gallery Address : Christ educational and chairtable society , Christ Monastery, Irinjalakuda North , irinjalakuda , thrissur, Kerala-680125	680125	07th February 2023	1.18	CSR00029634	Christ educational and charitable society	Christ College(Autonomous), Christ Nagar, Irinjalakuda, Kerala 680125
5	Four wheeler scooters to BPL physically challenged people Address : Mr Suku K A, Karutha Parambil House, Thottipal P O, Thrissur - 680310	680 310	06th July 2022	0.04	NA	Mr Suku K A	Karutha Parambil House, Thottipal P O, Thrissur - 680310
6	Infrastructure of Community Kitchen Address : Conventional Center, Opposite Bus Stand, Proposed Pinarayi, Thalassery - Irikkur Rd, Pinarayi, Kerala 670649	670649	31st March 2023	6.30	NA	Pinarayi Gramapanchayath, Dharmadam constituency (Public Authority)	Pinarayi Grama Panchayat Office, halassery - Irikkur Rd, Pinarayi, Kerala 670649
7	Sewage Treatment Plant for Peringottukara Dialysis center Address : Peringottukara Association UAE Chapter Thanniyam, Peringottukara P O, Thrissur Kerala- 680565	680565	31st January 2023	1.5	CSR00014994	Peringottukara Association UAE Chapter	Peringottukara Association UAE Chapter Thanniyam, Peringottukara P O, Thrissur Kerala- 680565
8	Construction of Police Aid Post Address : Guruvayoor West Nada, Guruvayoor , Thrissur , Kerala- 680101	680101	31st March 2023	0.07	NA	Temple Police Station, Guruvayoor	Temple Police Station, Melpathur Road, South Nada, Thrissur, near Guruvayur Temple, Guruvayur, Kerala 680101
9	Generator donated to Sevabharathy for the benefit of underprivileged senior citizens Address : Sevabharathy Irinjalakuda, XXVI/305, Near Koodalmanikyam Temple, Irinjalakuda Kerala-680121	680121	17th March 2023	0.44	CSR00012090	Sevabharathy Irinjalakuda	Sevabharathy Irinjalakuda, XXVI/305, Near Koodalmanikyam Temple, Irinjalakuda Kerala-680121
10	5 Computers donated to Polytechnic College, Mala for promoting Quality education Address: K karunakaran Memorial Model Polytechnic College, Mala (Managed by IHRD, A govt. of Undertaking) Kallettukara, Mala, Thrissur District- 680 683	680 683	21st March 2023	0.20	NA	K.Karunakaran Memorial Model Polytechnic College Mala (An education institution under IHRD)	Kallettumkara P.O., Mala, Thrissur District. Pin – 680 683
11	Water Treatment plant provided to the Governement School, Chamakkala Address: Government Mappila Higher Secondary School, Chamakkala P O, Thrissur, Kerala – 680 687	680 687	05th May 2022	0.03	NA	Government Mappila Higher Secondary School	Government Mappila Higher Secondary School, Chamakkala P O, Thrissur, Kerala – 680 687
12	Medical Instrument and digital equipment to Community Health Center, Valapad for promoting quality healthcare Address : Community Health Centre, Valapad, Kerala 680567	680567	16th August 2022	0.13	NA	Community Health Centre, Valapad	Community Health Centre, Valapad, 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 (In ₹ million)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
13	Construction of Police Aid post at Moovattupuzha Address : Kacherithazhath, Thottumkalpeedika, Muvattupuzha, Kerala 686661	686661	30th June 2022	0.25	NA	Moovattupuzha Corporation	Municipal Office, Muvattupuzha Old Bridge Rd, Thottumkalpeedika, Muvattupuzha, Kerala 686673
14	Houses constructed for homeless BPL families of Valapad Gramapanchayath (Project Vision Valapad) Address : Multiple locations in Valapad Gramapanchayath	680567	23rd September 2022	13.02	NA	Various Individual beneficiaries	Multiple locations in Valapad Gramapanchayath
15	various capital assets in the form of infrastructures, educational accessories & devices, diagnostic machineries, medical equipment and other capital assets including lease hold improvements for promoting quality education, quality healthcare, preventive healthcare and rural development projects. Address : various units of Manappuram Foundation located at Valapad, Thrissur, Palakad & Kaloor	NA	April 1, 2022 to March 31st, 2023	161.84	CSR00004545	Manappuram Foundation	V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680567

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

The amount that remains unspent is pertaining to the ongoing project and the same has been transferred to Corporate Social Responsibility Unspent Account. There were procedural delays in getting permission from statutory authorities to complete the projects which led to extending the projects more than one year. The amount transferred will be spent within a period of 3 years.

SOCIAL IMPACT ASSESSMENT

CSR Initiatives of Manappuram Finance Ltd (MAFIL)

Report Prepared By

Social Audit Network of India

1. BACKGROUND AND INTRODUCTION

Corporates have a crucial role to play in promoting the holistic well-being of communities. Corporate Social Responsibility (CSR) programs have the power to create a significant social impact by addressing the various needs of the community. By focusing on the holistic well-being of the community, organizations can contribute to the overall development of the community and promote social welfare. They also help in promoting sustainable development. CSR programs also have the bandwidth to engage with stakeholders effectively to understand their needs, concerns, and aspirations and develop initiatives that are aligned with their expectations. Further, these programs can create a positive image and reputation as such organizations are perceived as socially responsible and are likely to be trusted by stakeholders, including customers, employees, and investors. Hence, it is imperative that organizations work towards developing robust CSR programs.

Manappuram Finance Ltd

Manappuram Finance Ltd (MAFIL) is a non-banking financial company (NBFC) based in India. It was founded in 1949 by V.C. Padmanabhan in Valappad, Thrissur district of Kerala. The company began as a small pawnbroking business and has since grown to become one of the largest gold loans NBFCs in India, with over 4,600 branches across 28 states and 4 union territories.

Manappuram Foundation

The Manappuram Foundation (MF) is the corporate social responsibility (CSR) arm of Manappuram Finance Ltd (MAFIL). It was established in 2008 with a vision to create a sustainable and inclusive society. The Foundation focuses on initiatives in the areas of education, healthcare, environment, and community development.

CSR initiatives of MAFIL

The initiatives of MAFIL include projects aimed at creating a positive impact on society. Overall, in 2021-22, MAFIL was committed contributing towards the sustainable development of the communities it operates in within the following three areas.



2. Objective

MAFIL approached the Social Audit Network (SAN), India to carry out a Social Impact Assessment of all of its CSR programs conducted during the year 2021-22. The implementation partner Manappuram Foundation carried out the programme, spending a total of ₹ 15,03,04,139 (Approx Rupees 15.03 Crores). Support was given for three key thematic areas including.

- Promotion of Quality education (Rupees 8.24 Crores)
- Promotion of Quality Health care (Total (Rupees 5.73 crores)
- Rural Development and Community Health Promotion (Rupees 1.07 crores)

This study details the overall impact of the program, which was made available to approx 51,274 people between Apr 2021- Mar 2022. The study aims to determine how much the use of the aforementioned assistance has aided the stakeholders in achieving the goals of MAFIL. This assessment's goal is to understand the impact of the CSR program's applicability, usefulness, efficacy, sustainability in order to make recommendations for long-term implementation plans.

3. Scope

The scope of the Social Impact Assessment is from Apr 2021 to Mar 2022. The overall scope of the SIA was to assess the results of the projects, both intended and unintended, on social, economic, and cultural aspects: This component involved evaluating the impact of all the CSR programs on various social, economic, and cultural aspects. This included looking at changes in employment opportunities, income levels, access to basic services, cultural practices, and social norms, among other things. All projects above ₹ 1 crore only were assessed.

4. Methodology

The Social Impact Assessment was coordinated by Ms. Neeta N K, a Social Auditor. Ms. Latha Suresh, Director of Social Audit Network, India mentored and guided her through the course of the study. The team had a detailed round of discussions with the program staff based in Valappad, Thrissur and Kochi. A field survey was conducted over a period of five days in early Apr 2023 to all the key program areas. This stage primarily involved program site visits, interviews (one-to-one and telephonic) and review of documents and data already available with MF. The assessment further employed the following methodologies

- Visit to the program sites.
- Key informant surveys.
- Secondary data desk review.
- Structured telephonic interviews with the beneficiaries.
- Evaluation of the primary data given by the team.

Further, an assessment was done to elucidate whether the project results were aligned with MAFIL'S CSR expectations. This included examining the project's goals, objectives, and targets like relevance, impact, accessibility, affordability, acceptability, availability, community engagement.

5. Program Overview

The CSR programs conducted by MAFIL were as follows.

KEY PROJECTS	AREA OF WORK	SUPPORT PROVIDED
Improvement of educational facilities of Schools (MPS & Mageet)	Promotion of Quality education	4,83,07,555
Improvement of educational facilities		2,35,58,292
Educational support and scholarship		1,05,48,090
Improvement of Health facilities (MAHIMA, Mafit, Mayoga, Ambulance, Macare)	Promotion of Quality Healthcare	5,55,58,572
Expansion of Manappuram Ambulance Service		15,63,000
Other Community, Health and Social Welfare activities	Rural Development & Health Promotion	1,07,68,630
Total Support		15,03,04,139

i. Overall Funds Supported

In all, support to the tune of ₹ 15,03,04,139 (Approx ₹ 15.03 crores) was provided. A major proportion of these expenses (48%) was allocated towards improving the infrastructure and facilities within the

schools and academies. Additionally, 38% of the support was provided to improve the health facilities.

ii. Overall Reach

In all, 51,274 beneficiaries were supported through the one-year CSR programs funded by MAFIL.

6. Project-Wise Impact

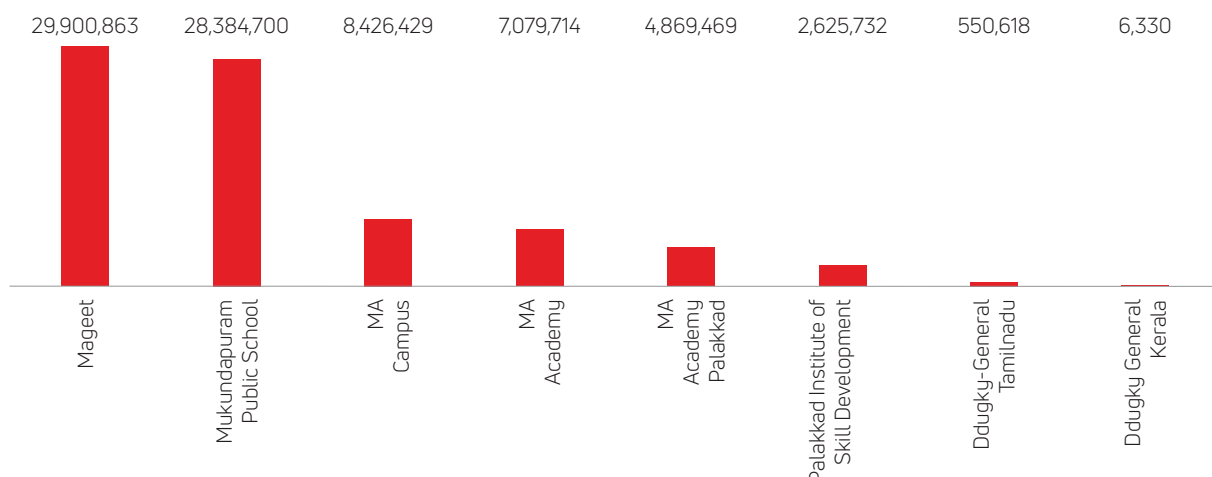
I. Promotion of Quality education

Education in rural areas can be challenging due to various factors such as limited infrastructure, lack of qualified teachers, and low socio-economic status of the population. However, providing quality education in rural areas is crucial for the development of the community and the country. To provide the community members with holistic development, MAFIL's intervention in education entails improving access to high-quality institutions of learning, not only for academic engagement but also to build a varied spectrum of activities to enrich students both physically and intellectually.

MAFIL and MF have established schools and academies in semi urban and rural parts of Thrissur, thereby making education accessible to more children. Additionally, an existing school in Mukundapuram was upgraded to significantly improve the quality of education. The projects were conceived keeping in mind that rural areas often struggle to attract qualified teachers. Hence, recruiting and training tutors who are committed to working in rural areas was the key agenda to address these challenges. Since technology can be a valuable tool for education, providing access to resources and online learning opportunities, it was leveraged to help bridge the gap between rural and urban education.

Through these strategies, MAFIL strived to make quality education in rural areas accessible, thereby providing more opportunities for children to learn and contribute to their communities. The break-up of the amount spent for all the education initiatives is given in the table below. The DDUGKY projects were not assessed as part of this report.

Education Support



a. Mukundapuram Public School and MA Geet

Mukundapuram Public School (MPS) is a renowned co-educational English medium school located in Thrissur, Kerala. The school was established in 1993 with the aim of providing quality education to children from rural areas of Thrissur. MPS is affiliated with the International General Certificate of Secondary Education (IGCSE), which is a globally recognized curriculum that prepares students for higher education and employment opportunities worldwide. The school offers education from kindergarten to class XII, with a focus on providing a holistic learning experience to its students. The curriculum at MPS is designed to be comprehensive and well-rounded, with a strong emphasis on academic excellence and extracurricular activities. The school offers a range of subjects, including languages, sciences, mathematics, social studies, and the arts, to help students develop their knowledge and skills in various fields.

Manappuram Geetha Ravy Pvt School, located in rural Thrissur, Kerala, is a co-ed school offering the Montessori, and CBSE syllabus. The Montessori method is focused on hands-on, individualized learning. This approach is often used in early childhood education and emphasizes self-directed learning and exploration. The CBSE curriculum is a nationally recognized education system in India that prepares students for competitive exams and higher education. It is a more traditional approach to education that emphasizes academic rigor and discipline. By offering both Montessori and CBSE curricula and integrating technology into the classroom, Manappuram Geetha Ravy Pvt School provides a diverse range of educational opportunities to its students. This approach may be especially beneficial in rural areas where educational resources can be limited.

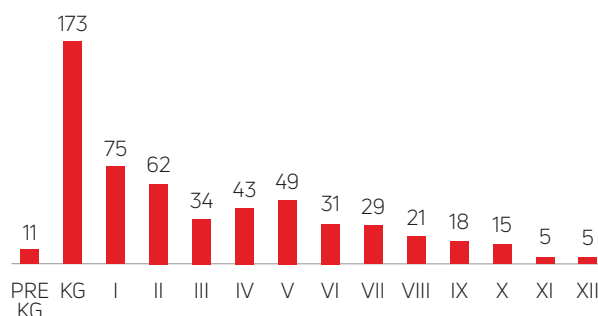
Both Mageet Public School and Mukundapuram Public School share a common goal of providing students with a child-centred, activity-oriented, modern education that emphasises on modern technology and quality infrastructure. All the students are envisaged to thrive in the supportive environment provided by the schools. Through discounts and scholarships, the institutions place a strong emphasis on reaching out to even the most vulnerable groups in society.

i. Overall Reach

• Mukundapuram Public School

Mukundapuram Public School has a total of 571 students who are enrolled in different grade levels, starting from Pre-KG up to Std 10. Slightly over half of the students (about 51%) are girls. The vast majority of the students (over 90%) come from middle-class families. Among the student population, 184 pupils (32%) are in the KG and Primary classrooms. In contrast, there are only 10 students who are currently studying in classes 11 and 12, which is a comparatively small number as shown in the accompanying graph.

Class Strength -MPS (2021-22)



• MA Geet

With solely Montessori instruction available for the KG classes, the school initially operated as a Montessori Centre with around 26 students. There were two Montessori batch offerings in 2016. By 2019, MA Geet had 240 students and was one of the few CBSE schools in Valappad Panchayat that was affiliated with the NCERT board. The number of students at the school increased exponentially, reaching over 340 in the years 2021–2022. Today, the school conducts classes for 10th Std Students. Girls comprised 43% of the total number of students.

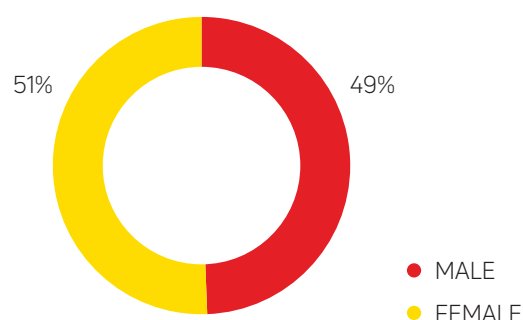
ii. Performance

• MPS

The academic performance of MPS was excellent with all the children clearing their exams in the year 2021-22. More than 90% of the students scored at least 80 marks out of 100.

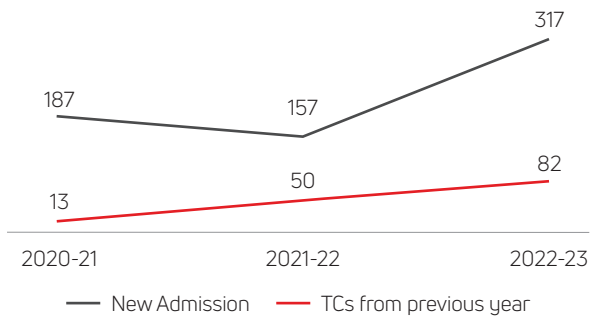
Sl No	Year	No of Students	Pass %	55-60	60-70	70-80	80-90	90-100
1	2014	19	100%	–	3	8	7	1
2	2015	20	100%	1	1	4	9	5
3	2016	22	100%	–	2	13	4	3
4	2017	22	100%	–	3	6	9	4
5	2018	18	100%	–	1	7	6	4
6	2019	21	100%	–	1	9	6	5
7	2020	19	100%	1	2	5	7	4
8	2021	22	100%	–	–	3	11	8
9	2022	15	100%	–	2	5	1	7

Gender- Based Break Up of Students (Ma Geet)



• **Ma Geet**

Performance - MA Geet



iii. **Field Observations**



• **MPS**

- **Curriculum:** The school offers classes from Nursery to Class XII and follows a curriculum that emphasizes both academic and co-curricular activities. The academic programs at the school are designed to provide a strong foundation in all major subjects and prepare students for the ICSE board exams.
- **Extra-Curricular Activities:** Apart from academics, the school also focuses on the overall development of its students by providing opportunities for participation in a wide range of co-curricular activities such as robotic lab, music, dance, art, and various clubs and societies.
- **Infrastructure:** The school has a well-equipped library, computer lab, science labs, and other facilities to support the academic and co-curricular activities of the students.
- **Faculty:** The faculty at Mukundapuram Public School is highly qualified and experienced, and the school has a student-teacher ratio of around 30:1.
- **Academic Record:** The school has a good track record of academic and co-curricular achievements with over 100% pass percentage.
- **Training for differently-abled:** The school consciously provides support to slow learners and

differently-abled children. They undertake special guidance and training in accordance to the special needs of the learners by engaging a qualified and experienced counsellor to take charge of students with learning difficulties.



• **MA GEET**

- **Early Childhood Development:** The school focuses on the holistic development of a child, including physical, emotional, and cognitive development. By providing early childhood education, Montessori schools can help children develop their full potential at an early age, setting them up for success in their later years. This is being done by MA Geet.
- **Child-centred Learning:** The school is known for its child-centred approach to education, which allows children to learn at their own pace and according to their interests. This approach can help foster a love of learning and help children develop a strong sense of self-esteem and confidence.
- **Development of Life Skills:** MA Geet, through its Montessori program emphasizes the development of life skills, including independence, self-discipline, and problem-solving skills. These skills are essential for success in all areas of life.
- **Community Development:** The school serves as a hub for community development, bringing together parents, teachers, and community members to support the education and development of children. This can help build stronger communities and promote social cohesion.
- **Access to Quality Education:** In rural areas, access to quality education is limited. MA Geet has provided children with an opportunity to receive quality education that would not otherwise be available to them.
- Overall, establishing and upgrading the MA Geet school in a rural area like Valappad has significant benefits for children, communities, and the society at large. The school has helped promote early childhood

development, child-centred learning, the development of life skills, community development, and access to quality education.



iv. Feedback from staff

- **MPS**
 - The availability of resources in the school has been a great asset for us teachers. The school's computer labs, library, and science labs are well-stocked and up-to-date, providing students with a comprehensive education.
 - Upskilling oneself involves significant financial and time expenditures. We encourage our teachers to continuously focus on improving their abilities.
- **MA Geet**
 - The school's infrastructure enables a collaborative approach to teaching. With large common areas and well-equipped meeting spaces, teachers can collaborate on lesson plans and teaching strategies, improving the quality of education delivered to students.
 - The school's infrastructure is an asset in promoting extracurricular activities. From a well-equipped activity room to a swimming pool, students can explore their interests outside the classroom, helping to build a well-rounded education.

v. Testimonials from Parents

- **MPS**
 - "Our child has thrived at this school. The teachers are knowledgeable, caring, and provide individualized attention to each student. We appreciate the strong emphasis on character education and community service."
 - "We are very impressed with the school's commitment to academic excellence. Our child has been challenged to reach their full potential, and we appreciate the use of innovative teaching methods to engage students."
 - "The school's extracurricular activities and clubs have been a great way for our child to explore their interests and develop new skills. However, we would appreciate an emphasis on providing a well-rounded

sports ground and facility." "I am impressed with the quality and maintenance of the school's facilities. The classrooms are clean and well-equipped with modern technology, making it easier to engage students in learning."

- **MA GEET**

- "The school's focus on creating a safe and inclusive learning environment has been invaluable for our child. She feels supported and valued, and we appreciate the efforts to promote diversity and cultural understanding."
- "We are content with the communication from the school, including regular updates on our child's progress and opportunities to connect with teachers and administrators. It has been a very positive experience for our family."

vi. Highlights

- **MPS**
 - With a majority of its students coming from middle-income families and backgrounds, the institute caters to students from all walks of life and offers them with a platform comparable to that provided by other private institutions like Don Bosco and St Johns.
 - The school is especially important since children from this community would not have had access to quality infrastructure and highest standards of education if it had not been for MAFIL's support.
- **MA GEET**
 - Montessori Training: The Montessori programs offer a unique educational experience that can benefit students in rural areas. This type of learning environment encourages students to be independent and creative thinkers, which can be especially beneficial in rural areas where students may not have access to the same resources as their urban counterparts. In a Montessori classroom, teachers are able to tailor their instruction to the individual needs of each student. This can be especially helpful for students in rural areas, where there may be fewer resources. The Montessori classes run by MA Geet earned special mention from parents and the public for its ability to transform the way teaching is delivered.
 - Sports Infrastructure and extra- curricular activities: "There is an impressive range and variety of sports facilities at this school. From a well-maintained field nearby to a modern swimming pool, the school provides students with the resources they need to develop their athletic abilities. These facilities not only promote physical activity and health but also help to develop teamwork, leadership, and other important life skills. The school's commitment to providing a comprehensive education that includes extracurricular activities such as sports is appreciated."

vii. Gaps and Recommendations

• MPS

- The lack of sports grounds in schools can have a significant impact on the physical health and wellbeing of students. Without adequate sports facilities, students may have limited opportunities to engage in physical activity, which can lead to a sedentary lifestyle, obesity, and other health problems.



• Ma Geet

- It is advised to open up communication with parents, particularly those from all socioeconomic groups, in order to boost their participation in various school-related activities. A more comprehensive plan for contact at regular periods must be developed.

b. MA CAMPUS AND MA ACADEMY

i. About the academies

• MA Campus

The CA-Foundation, CA-IPCC (Intermediate Course), CA-Final, and CMA courses are the focus of the Manappuram Campus of Professional Education (Ma Campus). The centres in Valappad and Thrissur currently offer these courses.



• MA Academy

The Manappuram Academy for Admission Coaching (MAEC) was founded in May 2015 with the goal of assisting children from low-income families with preparation for the admission exams for engineering and medical schools. A significant coaching facility will be built in Kerala. The Academy offers the following different programmes.

- +1 and +2 Tuition - 1-Year Programme for Children in 11th and 12th Std. carried out online.
- 1 year of entrance preparation for NEET and JEE;
- NEET and JEE repeater courses.
- Foundation Course - Two-Month Crash Course 5.5 hours each day for NEET and JEE
- Bridge programme - a 45-day programme for Class 10 graduates. 55.5% of the day

i. Overall Reach

• MA Campus

Batch	No. of Students	APL	BPL	No. of Girls	No. of Boys
CA Foundation	17	13	4	7	10
CA Intermediate	12	7	5	8	4
CMA Foundation	3	1	2	0	3
CMA Intermediate	28	19	9	23	5
CMA Final	4	3	1	3	1
CS Executive	5	4	1	3	2
Total	69	47	22	44	25

• MA Academy

Sl. No	Course Name	2020-2021	2021-2022
1	Plus One Tuition cum Entrance	18	47
2	Plus Two Tuition cum Entrance	17	32
3	Crash Course (National Eligibility cum Entrance Test)	19	10
4	Crash Course Kerala Engineering Architecture Medical	33	17
5	Repeater	14	8
Total		101	114

ii. Performance

• MA Campus

- All the students who qualified for CMA were placed (4 Manappuram Finance, 1 in Manappuram IT, 1 in Ashirwad Microfinance, 1 in Manappuram Foundation).
- 6 Students from ICAI Chapter, Thrissur and 3 from Lakshya, joined the Institute for CA Foundation (Repeaters Batch).

- 1 student who cleared group 1 in the CMA Final exam was placed with SAUD BAHWAN GROUP, Oman

- MA Academy**

Sl. No	Course Name	Drop out	Pass Percentage
1	Plus One Tuition cum Entrance	10	100%
2	Plus Two Tuition cum Entrance	8	100%
3	Crash Course NEET	10	Approximately 50%
4	Crash Course KEAM		Approximately 80%
5	Repeater	0	100%

iii. Field Observations

- MA Campus**

- Presence of Competitors:** Only a very small number of similar academies, such as the local chapters of the CA, ICWA ACS, and MA Campus, are present.
- Accessibility to high-quality upskilling:** This is made possible to the needy by offering the courses at a lower price than other centres, and all students are given an equal chance to improve their life and income by obtaining a professional degree.
- Infrastructure:** The classrooms and facilities available are of very high standards. The rooms are large, well-ventilated, and well-lit.
- Opportunities for students:** to gain their articleship certification are also provided. More than 80% of those who enrol for the program attempt their exams. Over 8 students cleared the exam and got placement within MAFIL itself.
- Library and Reading Spaces:** The space provided also houses a library and digital online materials. These supportive solutions provide students with the necessary guidance and support to understand the concepts and principles of accounting, taxation, and other related topics.

- MA Academy**

- The academy's location makes it accessible to a large number of underprivileged children from marginalised societies who may receive the necessary coaching to pass their entrance exams.
- Based on the students' financial, socioeconomic, and demographic profiles, the coaching centre also provides scholarships, which can range from 25% to full scholarships (and even up to 50%, 75%, and 100%).
- The impact of academic coaching programs in rural areas is immense. These programs provide students with the necessary knowledge and guidance to pursue their dreams of becoming an engineer or doctor.

- The Academy provides a great opportunity for students in rural areas to gain access to quality education and guidance that is usually only available in urban areas.

- The entrance coaching programs also provide students with the necessary resources to prepare for the exams. This includes access to study materials, practice

iv. Perception Mapping

- MA Campus**

The perception and happiness levels of parents of students who attend CA/CS classes usually depending on several factors such as the quality of education provided, the success rate of the institute, the teaching methodology, and the fees charged. However, some potential factors that increase their perception and happiness levels were:



- Quality of education:** Parents generally thought that quality education for their children was provided at MA Campus, which can help them succeed in their careers. Because the institute seemingly provided high-quality education that helps the aspirants achieve their academic goals, the parents were happy with their decision to enrol their children in the institute.

- Success rate of the institute:** The success rate of the institute in terms of the number of students who pass the CA/CS exams was not found to be a major significant factor in determining the perception and happiness levels of parents. If the institute has a high success rate, parents are likely to be satisfied with their choice of institute. This was not a major determining factor.

- MA Academy**

- Teaching methodology:** The teaching methodology employed by the institute can also play a significant role in determining the perception and happiness levels of parents. Since the institute provides interactive and engaging classes that help students understand the concepts better, parents were satisfied with their child's learning experience.

- **Affordability:** The fees charged by the institute was found to be a significant factor in determining high levels of perception and happiness levels of parents. Since the institute charges reasonable fees and provides value for money when compared to similar providers in the vicinity, the parents were satisfied with their investment in their child’s education. The need for reasonably priced courses like those that MA Academy offers is also indicated by the parents and community.

v. Highlights

- **MA Campus**
 - **Industry-Oriented Education:** MA Campus is known for its focus on industry-oriented education and hands-on learning. The institution has tie-ups with various industry partners to provide students with internships and job placements.
 - **Reputation:** MA Campus is a well-regarded institution in Kerala, known for its focus on practical education and strong industry partnerships.
 - **Qualified Staff:** Each member of the teaching staff is a qualified professional with a minimum of three years’ experience. Subjects that are thought to be more difficult or demanding are taught by senior personnel who have more degrees of experience.
 - **Modern Campus:** The institution has a modern campus with state-of-the-art facilities and resources, including a library, computer labs, and reading facilities.
- **MA Academy**
 - **Prized Faculty:** The faculty consists of experienced professionals and academics who bring a wealth of knowledge and expertise to the classroom.
 - **Additional Support:** In addition to academic programs, MA Academy also offers various skill development courses and training programs to help students improve their confidence stay competitive in the job market.

vi. Gaps and Recommendations

- **MA Campus**
 - **Need for Hostel Facility:** For students hailing from other districts and towns, a separate hostel facility for boys and girls would help increase the number of admissions.
 - **Need for Campus Drives:** A small number of pupils are enrolled given the popularity of the MAFIL brand. The figures might also reflect the rigorous admissions process used initially. Although the total pass rate may increase as a result, it may have an adverse effect on student income. Campus drives could be organised to boost enrolment.

- **MA Academy**
 - **Need for counselling:** Since most of the students are in their late teens, they seem to be easily distracted and are prone to falling into the trappings of adolescence including low self-esteem, poor sense of self- confidence and inability to deal with adversities.

c. Manappuram Institute of Skill Development



The development of one’s skills is crucial for every Indian youth. With over 300 million young people, India has one of the largest youth populations in the world. However, a sizable portion of its populace lacks the skills required to work in the industry. As a result, specific skill-based training is essential for raising India’s employability rate. Skill enhancement programs for rural students can have a significant impact on their lives. These programs can help rural students gain the skills and knowledge they need to succeed in the modern world. By providing access to education and training, these programs can help rural students gain the skills they need to find meaningful employment and pursue higher education.

i. About

MISD is the skill development arm of MF. Manappuram Foundation is a training partner of Kudumbshree (State Poverty eradication Mission, Govt. of Kerala) for implementing the Deen Dayal Upadyaya Grameen Kaushlya Yojana (DDU GKY) Scheme and also an empanelled training partner of Kerala and Tamilnadu SRLM(State Rural Livelihood Mission)

ii. Overall Reach

During the time period, over 96 students took place in the training program for Hotel Management. Two papers were taught (Food and Beverage, Front-Office). Over 91 students wrote either one of the exams. The details of students who were placed was not documented and hence, details of the placement percentage were not captured at the time of the audit.

Field Observations



- **Infrastructure:** To promote successful learning, multimedia and audio-visual technology was provided in every air-conditioned classroom. The classrooms were thoughtfully created to encourage as much engagement as possible between the trainer and the learners.
- During the time of the audit, the centre was closed. Hence, only the rooms were inspected. The centre was well equipped and had a computer lab with cutting-edge PCs, multimedia systems, high-bandwidth internet connectivity, and campus-wide Wi-Fi that gives students access to all the most recent standard software packages they need for their academic careers.

iii. Feedback from staff

iv. Highlights

- The Manappuram Institute of Skill Development (MISD) places a strong emphasis on discovering and supporting varied young talent that may spark local innovation, economic development, and social well-being.
- There is strong emphasis on bridging the opportunity gap between young people and the labour market.
- The skill-building programmes have been updated to reflect the current demands of the market and to conform to National Occupation Standards (NOS) and the National Skill Qualification Framework (NSQF).

v. Gaps and Recommendation

- Increased student enrolment is required, and additional marketing efforts must be made to do this.
- More possibilities for crash courses might be made available to increase intake in skill development.
- Establishing sufficient employer relationships is advised in order to give candidates a choice of options with regard to salary, industry, job profile, location, brand, etc. Many times, job hopefuls do not want to pursue positions with unreliable employers, inconvenient locations, or unspecified kind of work, among other reasons.
- Documentation needs to be strengthened

d. Mobile Phone Distribution

i. About

The COVID-19 pandemic has forced many schools to switch to remote learning. Providing students with mobile phones during this time was understood to be a sustainable option to ensure that children did not lose access to quality education.

ii. Overall Reach

In all, MAFIL provided mobile phones worth ₹ 81,02,098 to many needy students. 1237 mobiles were purchased in all. Average cost for one mobile is ₹ 6550.

iii. Impact

Providing mobile phones to students during the COVID-19 pandemic had several benefits, some of which are listed below:

- **Remote learning:** With the closure of schools due to the pandemic, many students have had to resort to remote learning. Providing mobile phones helped the students access online classes, educational resources, and communication with teachers, which can help ensure that their education is not disrupted.
- **Improved connectivity:** Mobile phones helped students stay connected with their peers, teachers, and mentors. This improved their mental well-being by reducing feelings of isolation and loneliness.
- **Access to information:** Mobile phones helped the students access reliable information related to the pandemic, such as updates on health guidelines, safety measures, and vaccination schedules. This can help them make informed decisions about their health and safety.
- **Improved communication:** The mobiles provided helped improve communication between students, teachers, and parents. This can help ensure that students receive timely feedback on their work, and parents can stay informed about their children's progress.

Overall, providing mobile phones to students during the COVID-19 pandemic can have a significant impact on their education, mental well-being, and personal safety. It can also help ensure that they have access to reliable information and communication channels during these challenging times.

iv. Impressions

- The effectiveness of providing students with mobile phones during the pandemic for studying depends on a variety of factors, including the type of phone, the student's access to reliable internet, and the type of educational content being accessed. Mobile phones can be a valuable tool for students, allowing them to access educational content, stay connected with their peers, and stay organized. However, there are some

drawbacks to using mobile phones for studying, such as the potential for distraction and the limited screen size. For students who have access to reliable internet, mobile phones can be a great tool for studying. Students can access educational content such as online lectures, videos, and articles, as well as take advantage of apps and websites that can help with organization and studying.

- The efficiency of providing students with mobile phones during the pandemic for studying depends on several factors. First, the type of phone and its capabilities must be considered. For example, if the phone is not capable of running the necessary applications for studying, then it may not be as effective as a more advanced device. Additionally, the student's access to the internet and other resources must be considered. If the student has limited access to the internet or other resources, then the phone may not be as effective for studying. Finally, the student's familiarity with the device and its features must be considered. If the student is not comfortable using the phone for studying, then it may not be as effective as it could be. All these considerations were met through this program.

v. Highlights

- The social impact of providing students with mobile phones during the pandemic for studying can be both positive and negative. On the positive side, mobile phones can provide students with access to online resources that can help them stay connected to their teachers and classmates, as well as access to educational materials and apps. This can help ensure that students stay on track with their studies and can help bridge the digital divide between those who have access to technology and those who don't.

vi. Feedback

The perception and happiness levels of students on being provided with mobile phones during the COVID-19 pandemic usually vary depending on various factors such as their age, socioeconomic background, and access to technology. However, some potential benefits that may increase their perception and happiness levels were thrown light on by over 50 students that we spoke to.

- **Improved access to online education:** All of them mentioned that providing mobile phones helped them access online educational resources and attend virtual classes, which can help ensure continuity of education during the pandemic. This can contribute to their perception and happiness levels as they can continue learning and stay connected to their teachers and classmates.
- **Increased communication and social connection:** Mobile phones helped over 90% students stay

connected with their friends, family, and teachers, which can reduce feelings of isolation and loneliness that may arise from social distancing measures. This can contribute to their perception and happiness levels as they can maintain social connections despite the pandemic.

- **Enhanced access to information:** Mobile phones helped over 95% of the students with access to accurate and up-to-date information on the pandemic, such as health guidelines and vaccination schedules. This can help them make informed decisions about their health and safety, which can contribute to their perception and happiness levels.
- **Improved safety and security:** Over 85% mentioned that mobile phones can be used to call for help in case of emergencies, which can help increase students' sense of safety and security. This can contribute to their perception and happiness levels as they feel more secure knowing they have a means of communication in case of an emergency.

e. Summary of Education programs

The impact of quality education and access to educational services in a rural area can be far-reaching and long-lasting. Schools and training institutions can provide a safe and nurturing learning environment for student, as well as access to quality education and resources that may not be available in the home, particularly in areas like Valappad, rural Thrissur and Mukundapuram. It can also provide a sense of community and belonging and create a platform for social and economic development. By upgrading the infrastructure in the schools and training institutes, MAFIL and MF have been successful in the following.

- **Improved Quality of Education:** English-medium schools tend to provide better quality education than schools that teach in regional languages. English is a global language and proficiency in it can open up new opportunities for students in terms of higher education and employment. The schools are few of the English- medium schools in rural Thrissur, thereby providing rural students with access to quality English education.
- **Increased Access to Education:** In rural areas, access to quality education is limited. Establishing and upgrading the institutes and schools has provided students with an opportunity to receive quality education that would not otherwise be available to them.
- **Bridging the Urban-Rural Divide:** The availability of quality education in rural areas can help bridge the urban-rural divide by providing rural students with the same opportunities as their urban counterparts. This can help reduce migration to urban areas in search of better educational opportunities.



- **Boosting Economic Development:** Access to quality education can have a positive impact on economic development by providing students with the skills and knowledge they need to succeed in a globalized

economy. This can lead to the creation of new jobs and opportunities for growth in rural areas and has been achieved through the academies and campus.

- **Promoting Social Mobility:** Quality education can help promote social mobility by giving students from disadvantaged backgrounds the tools they need to succeed. This can help break the cycle of poverty and provide students with a pathway to a better future. MF has laid the foundation for this through its education initiatives.

In summary, establishing the schools in rural areas of Thrissur, MAFIL and MF have helped provide significant benefits for students, communities, and the economy. These schools can help improve access to quality education, bridge the urban-rural divide, and promote economic and social development.

i. **Education Project: Overall Rating of MPS and MA Geet (Scale of 1-5 (1 being very bad, 2 being bad, 3 average, 4 good and 5- very good))**

Themes	Line Item	MPS	Ma Geet
Infrastructure	Adequate classrooms that are ventilated and of appropriate size	5	5
	Functional and well-stocked Library	5	5
	Adequate sports facilities	3	5
	Open playground and area to gather	3	5
	Labs for practical learning	5	5
Curriculum	Are appropriate curriculum/ subjects taught,	5	5
	Appropriate teaching methodology used	5	5
	Are pedagogical methods adopted	5	5
Faculty	Qualified to handle the curriculum	5	5
	Have adequate experience	5	5
	English communication skill fluency	3	4
	Adept at using tech while teaching	5	5
	Ability to build a rapport with students	5	5
Student-Teacher Ratio	Adequate number of teachers for students	5	5
Academic performance	Satisfactory results of board/other exams	5	5
Extra-Curricular Activities	Dance, Music	5	5
	Sports Facilities	3	5
	Communicative English and Drama	5	5
Safety Measures	Availability of CCTV cameras	5	5
	Trained security personnel and Emergency response systems	5	5
Fee Structure	Is the fee structure affordable (Value for money)	5	5
	Can it be afforded by the downtrodden?	3	3
	Are other amenities being provided	3	3
Parent - School Relationship	PTA robust	5	5
	Open Communication Channels	5	5
Accreditation/Recognition:	Quality assurance from CBSE, IGCSE, NSDS via accreditation	5	5
Alumni	Functioning and involved Alumni Network	3	3
Student Satisfaction Level	Peers and Program	5	5
	Infrastructure	5	5
	Teachers Engagement and teaching	5	5
TOTAL RATING		4.53	4.77

ii. Education Project: Overall Rating of MA Campus, MA Academy and MISD (Scale of 1-5 (1 being very bad, 2 being bad, 3 average, 4 good and 5- very good))

Themes	Line Item	Ma Campus	Ma Academy	MISD
Infrastructure	Adequate classrooms, ventilated, of appropriate size	5	5	5
	Functional and well-stocked digital library	5	5	5
	Space for study/reading room	5	5	5
	Area for congregation	5	5	5
Curriculum	Are appropriate curriculum/ subjects taught,	5	5	5
	Appropriate teaching methodology used	5	5	5
	Pedagogical methods adopted	5	5	5
Faculty	Qualified to handle the curriculum	5	5	5
	Have adequate experience	5	5	5
	Subject Matter Expertise	5	5	5
	Adept at counselling	4	4	4
	Ability to build rapport	5	5	5
Student-Teacher Ratio	Adequate number of teachers	5	5	5
Academic performance	Satisfactory results of exams	4	3	2
Extra-Curricular Activities	Job skills	5	5	1
	Communication Skills	4	4	2
	Interview skills	5	5	2
Safety Measures	Availability of CCTV cameras	5	5	5
	Trained security personnel and Emergency response systems	5	5	5
Fee Structure	Is the fee structure affordable (Value for money)	5	5	5
	Can it be afforded by the downtrodden	5	5	5
	Are other amenities being provided	5	5	2
Parent - Institute Relationship	Parent Engagement	2	2	2
	Open Communication Channels	2	2	2
Accreditation/Recognition:	Quality assurance from other bodies via accreditation	5	5	5
Alumni	Functioning and involved Alumni Network	1	1	1
Student Satisfaction Level	Peers and Program	2	2	2
	Infrastructure	5	5	5
	Teachers Engagement and teaching	5	5	2
TOTAL RATING		4.45	4.41	3.86

II. Promotion of Quality Healthcare

One of the ways that companies can fulfil their CSR obligations is by implementing health programs that benefit the community.

The CSR health programs that MAFIL and MF implemented are as follows:

MAFIL has set up health clinics called MA Care within Thrissur and Kochi. These health facilities provide multi-specialty healthcare services (OPD), pharmacy services, diagnostic services, vaccinations, and first aid etc.

Further, MAFIL provides ambulance service to their employees and the community. This can help to ensure that

everyone has access to high-quality emergency medical transport services when they need it.

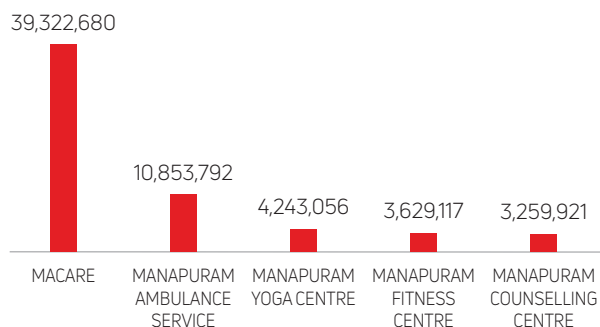
Through MA Fitness Centre and MA Yoga, the organization helps to provide wellness programs to promote healthy lifestyles among the community.

MAFIL also implements mental health programs and ancillary services like physiotherapy, ENT programs etc. This is done to its centre called MA Mahima which provides counselling services, mental health training, and resources for stress management.

By implementing these health programs, MAFIL has helped to improve the health and well-being of the community while also fulfilling their social responsibility obligations.

The break-up of the amount spent to make this possible is given in the table below.

Healthcare Support



a) Ma Care Diagnostics and Super Specialty Clinic



i. About the Clinic

This is a healthcare facility located in Thrissur, a city in the Indian state of Kerala. The clinic provides a range of diagnostic and medical services to patients, including consultations, diagnostics, and treatments. Some of the services offered at MA Care Diagnostics & Super Speciality Clinic include:

- **Diagnostic services:** The clinic offers a range of diagnostic services, including laboratory tests, radiology services, and imaging studies such as X-rays, ultrasounds, and CT scans.
- **Medical consultations:** The clinic has a team of experienced doctors and healthcare professionals who offer medical consultations to patients. They provide expert advice and treatment plans for various health conditions.
- **Superspecialty services:** MA Care Diagnostics & Super Speciality Clinic provides specialized services in areas such as cardiology, neurology, gastroenterology, and pulmonology.

- **Preventive healthcare:** The clinic offers preventive healthcare services such as health check-ups, pharmacy services, vaccinations, and screening tests for various health conditions.

i. Overall Reach and Performance



In all 48,3165, investigations were conducted during the time period. During the period of study, 19,432 investigations were conducted in Kalloor centre and 24,916 patients underwent investigations in Thrissur. Of them, 65% received radiology services. 49% of the patients were from the Kalloor Centre and 51% were from Thrissur

ii. Field Observations

- In general, semi-rural communities can benefit greatly from having a multi-specialty health clinic with a lab. It can give the local population access to medical services, all-encompassing treatment, preventive care, convenience, and economic advantages. MA Care enabled this to happen.
- MA Care has established a reputation and gained goodwill in the community in only a short period of time. The OPD rooms are well-equipped with the necessary infrastructure to provide the services.
- The facility has provided quality medical treatment at a lower cost, making care accessible to most people. the platform provided has helped patients from other districts access quality services at a low cost.
- The staff concur that without the support from MAFIL, it would have been challenging to deliver care at the level now expected.
- A significant component of providing quality care is prompt investigation and diagnosis. The Government of India's India Action Plans and UN SDG 3 and 5

seek to promote outstanding health and well-being while eliminating inequities. MA Care is focused on care provision to provide increased service delivery. By paying for investigations, MA Care has been able to provide many patients with high-quality, affordable healthcare while lowering out-of-pocket costs.

iii. Feedback from staff

- **Quality Care Delivery:** The right equipment in a unit constantly improves the efficiency of its employees. It aids in reducing the time spent detecting health issues and delivering quality care. The support provided by MAFIL via medical equipment, diagnostic lab etc has helped us in performing better.
- Without the support from MAFIL and MF, we will not be able to meet the needs of the hospital.

iv. Feedback from Patients

- **Affordable Cost:** All the patients have praised the effectiveness of the services provided. The patients interviewed said that one of the primary reasons they came to the hospital was because the fees were significantly lower than those at other private hospitals.
- The reputation (97%) and affordability (86%) were primary reasons patients seek treatment at MA Care.
- Everyone surveyed expressed satisfaction with the services offered when asked about their interactions with the facility.
- All respondents agreed that workers were friendly and treated them with respect.

v. Highlights

- **Convenience:** Patients who would otherwise need to travel great distances for medical care now have that option thanks to the MA Care multi-specialty health clinics with lab facility. Patients may seek medical attention more frequently as a result of the time and money savings provided by this.
- **Economic benefits:** The multi-specialty health centre also have economic advantages for the neighbourhood because they have supported local companies and created jobs, which can help the region's economy grow as a whole.
- **Timely Investigations:** A key component of providing high-quality care is prompt inquiry and diagnosis. The Government of India's India Action Plans and UN SDG 3 and 5, which aim to promote outstanding health and well-being, are in line with MA Care's focus on care providing to ensure increased service delivery.

vi. Gaps and Recommendations



- The real capacity of the hospital is fewer than the number of patients who are admitted to the hospital at any given moment. More efficient use of the area is required.
- Front-Office staff require a detailed orientation on the facilities and services provided by the centres.

b) MA Mahima

i. About the Clinic

Mahima Counselling Centre is a counselling centre located in Valappad, a town in the Thrissur district of Kerala, India. The centre provides counselling services to individuals and families, with a focus on mental health and emotional well-being. The services offered at the centre are designed to help individuals cope with a wide range of emotional, psychological, and behavioural issues.

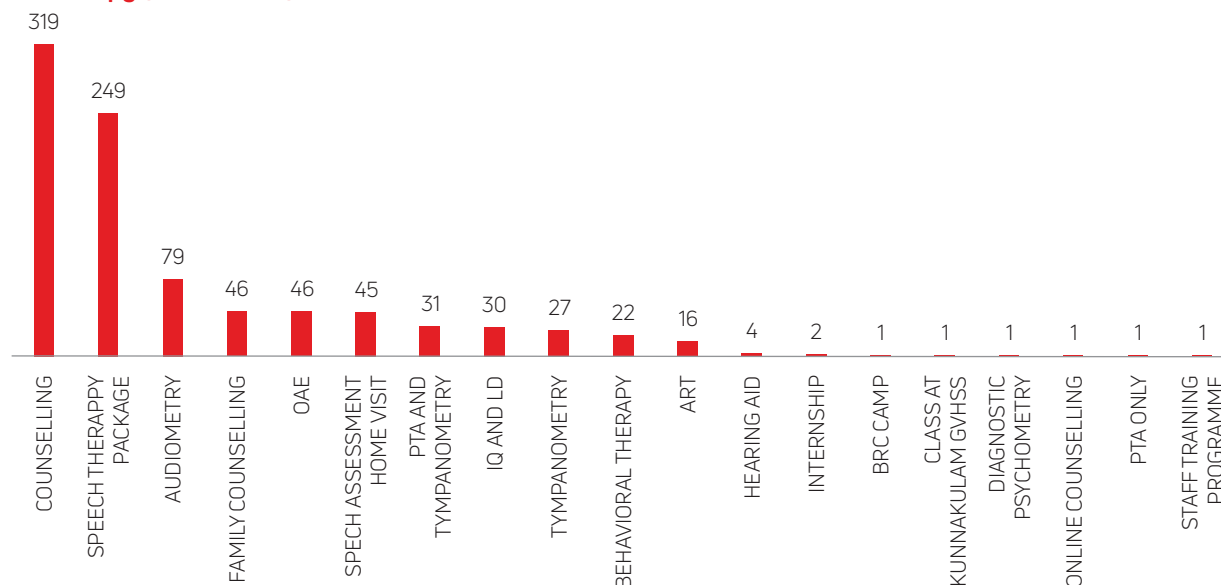
The counselling services offered by Mahima Counselling Centre are tailored to meet the unique needs of each individual client. Some of the common issues addressed by the centre include anxiety, depression, stress, grief and loss, relationship problems, family issues, and addiction. The centre also provides support for individuals dealing with trauma, abuse, and other forms of emotional distress.

At Mahima Counselling Centre, clients can expect to receive professional and compassionate care from experienced counsellors. The centre employs a team of qualified counsellors who are trained in a variety of therapeutic approaches, including cognitive-behavioural therapy, solution-focused therapy, and mindfulness-based therapy. The counsellors work collaboratively with clients to develop individualized treatment plans that are tailored to their unique needs and goals.

ii. Overall Reach and Performance

923 patients were seen during the time-period. The break-up of the same is as follows.

Type of Therapy (Ma Mahima)



iii. Field Observations



- The centre offers a range of services, including individual counselling, couples counselling, family counselling, and group therapy. The services are provided by trained and experienced counsellors who use a variety of therapeutic techniques and approaches to help clients address their concerns and achieve their goals.
- The centre also provides support and guidance for issues related to academic and career choices, as well as personal development and life skills. The counsellors work with clients to identify their strengths, interests, and goals, and help them to develop strategies for achieving success in their chosen areas.
- Mahima Counselling Centre is committed to maintaining strict confidentiality and privacy for its clients, and provides a safe and non-judgmental space for individuals to share their concerns and seek guidance.

- Overall, the centre is a reputable institution in the Valappad area, offering quality counselling services to those in need.

iv. Feedback from staff

- The counselling services at Mahima Counselling Centre are provided in a safe, confidential, and non-judgmental environment. Clients can trust that their privacy and confidentiality will be respected, and that they will be treated with compassion, empathy, and understanding. The centre is committed to providing affordable counselling services to all individuals and families in need, regardless of their financial situation.

v. Feedback from Patients

- **Affordable Cost:** All the patients have praised the effectiveness of the services provided. The patients interviewed said that one of the primary reasons they came to the hospital was because the fees were significantly lower than those at other private hospitals.
- The reputation (97%) and affordability (96%) were primary reasons patients seek treatment at MA Care.
- Everyone surveyed expressed satisfaction with the services offered when asked about their interactions with the facility.
- All respondents agreed that workers were friendly and treated them with respect.

vi. Highlights

- **Improved access to mental health services:** Rural areas often have limited access to mental health

services, with few mental health professionals and resources available. Counselling centres can bridge this gap by providing accessible and affordable services to those in need.

- **Stigma surrounding mental health:** In rural areas, there may be a greater stigma attached to seeking mental health services. The Centre provides a safe and non-judgmental space for individuals to seek help without fear of stigma or discrimination.
- **Unique challenges of rural life:** Rural life can present unique challenges such as isolation, lack of social support, and economic hardship. The centre provides support and guidance to individuals dealing with these challenges and help them develop strategies for coping and resilience.
- **Prevention and early intervention:** The centres also play an important role in prevention and early intervention for other disabilities. By providing early ENT screening, physiotherapy, occupational therapy, etc and support to individuals and communities, the centres help to easily identify and treat health issues before they become more severe.
- Overall, the counselling centre in the rural area of Valappad is crucial for promoting mental health and well-being in these communities. It provides a valuable service to individuals who may not have access to other mental health resources and can help to reduce the stigma surrounding mental health in rural areas.
- **Cultural competence:** The centre is more culturally competent and responsive to the needs of the local community. By understanding the unique cultural, social, and economic factors that affect the local population, staff have been able to provide more effective and relevant services.
- **Collaboration:** The centre often collaborates with other local organizations and healthcare providers to provide a comprehensive network of services. By working together like ENT screening, physiotherapy etc, MA Care is able to provide a range of resources to meet the needs of the community.

vii. Gaps and Recommendations

MA Care

- The real capacity of the hospital is fewer than the number of patients who are admitted to the hospital at any given moment. More efficient use of the area is required.

- Front-Office staff require a detailed orientation on the facilities and services provided by the centres.

MA Mahima

- Can provide counselling sessions for students from MA Academy.
- Network of doctors and hospitals need to be expanded.

c. MA Yoga and MA Fit



i. About

MA Yoga

Manappuram Yoga Centre is a yoga centre located in India that offers various yoga classes and workshops for people of all ages and levels of experience. The centre aims to promote the physical, mental, and spiritual well-being of individuals through the practice of yoga. The centre offers a variety of yoga classes such as Hatha Yoga, Ashtanga Yoga, Vinyasa Yoga, and Pranayama. The classes are conducted by certified and experienced yoga instructors who provide individual attention to each student and guide them through the practice of yoga.

MA Fitness Centre

The Fitness Centre by MAFIL is a one of its kind types of gym in Valappad. Clients can exercise at the Manappuram Fitness Centre with the help and direction of qualified instructors. The Fitness Centre caters to all fitness-related training for people to stay fit and offers a full range of cutting-edge, branded fitness equipment, among other things.

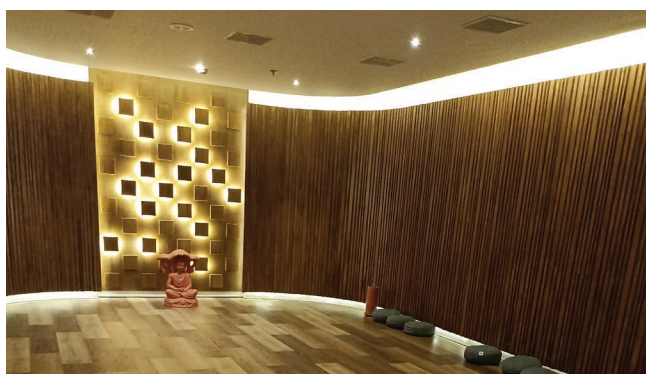
Sl No	Date	Unit Name	Type of camps	No of Beneficiaries	Place of activity	Reamark
1	03-01-2022	MAYOGA THRISSUR	YOGA DEMO CLASS	110	THRISSUR	YOGA DEMO CLASS
2	09-02-2022	MAYOGA THRISSUR	YOGA AWARENESS CLASS	30	DELED SN COLLEGE IRANJILAKUDA	YOGA AWARENESS CLASS
3	08-03-2022	MAYOGA THRISSUR	WOMENS DAY PROGRAM	40	THRISSUR	WOMENS DAY PROGRAM AT MAYOGA
Total				180		

iii. Field Observations



MA Yoga

- **Space:** The yoga centre has enough space for people to move freely without feeling cramped or overcrowded. The space is well-ventilated and well-lit, with enough room for yoga mats, props, and other equipment.
- **Comfort:** The centre has comfortable seating areas for people to relax before or after class. The temperature is neither too hot nor too cold, to facilitate a comfortable and relaxing experience.
- **Aesthetics:** The decor of the centre are soothing and calming. Earthy colors, natural materials, and soft lighting create a warm and inviting ambiance. Plants and natural elements also help create a connection to nature.
- **Music:** Soft, soothing music create a calming atmosphere that enhances the yoga experience.
- Apart from regular yoga classes, Manappuram Yoga Centre also conducts workshops on topics such as stress management, meditation, and mindfulness. These workshops are designed to help individuals manage their daily stress and lead a balanced life.



MA Fit

- **Provide Flexible Membership Options:** Rural areas may have limited public transportation, and many women may have work and family responsibilities. Providing flexible membership options, such as extended hours, online training, and affordable pricing, will make it easier for women to access and use the gym.

- The programmes are created to appeal to all demographics and physical fitness levels. An individualised assessment is the first step in creating a programme of exercise that is specifically tailored to all levels of fitness.
- Clients typically receive support from trainers, who help you with safe equipment use, good technique, and logging and tracking progress. Additionally, personal exercise programmes that are evaluated each month.

iv. Feedback from clients

MA Yoga



- "I have been practicing yoga at this centre from the beginning, and I am blown away by the facilities. The yoga studio is spacious, clean, and well-equipped, with mats and props provided. I would highly recommend this yoga centre to anyone looking for a top-notch facility to practice yoga."
- "I have been practicing yoga for many years and have visited many different yoga centres, but this one stands out from the rest. The facilities are modern and well-maintained, with ample space for practicing different types of yoga. The atmosphere is calming and serene, and the staff is knowledgeable and attentive. I always leave feeling rejuvenated and refreshed after a session at this centre."
- "This yoga centre is truly exceptional. The facilities are state-of-the-art, with a wide range of equipment and amenities to support a well-rounded yoga practice. The teachers are highly experienced and dedicated, and the community of practitioners is warm and welcoming. I have seen significant improvements in my physical and mental health since joining this centre, and I would recommend it to anyone looking to deepen their yoga practice."
- "I have been practicing yoga at this centre for several months now, and I am thoroughly impressed with the facilities. The studio is spacious and airy, with plenty of natural light and a peaceful atmosphere. I appreciate the variety of classes offered, from restorative yoga to more challenging vinyasa flows. Overall, this is a fantastic yoga centre with excellent facilities that I would highly recommend to anyone."

MA Fit

- The equipment is top-quality, and the trainers are skilled and attentive.
- "I live in a rural area and was pleasantly surprised to find such a high-quality gym in my community. The facilities are modern and well-maintained, with a wide range of equipment to support a full-body workout.



- The trainers are knowledgeable and attentive, and the classes are varied and challenging. I appreciate the friendly, community-oriented atmosphere of this gym and would highly recommend it to anyone looking to improve their fitness in a rural area."
- "This gym is a hidden gem in our rural community. The facilities are clean and spacious, with a range of equipment to support strength training, cardio, and functional fitness. The trainers are approachable and supportive.

v. Highlights

MA Yoga

- **Lack of access to healthcare:** In many rural areas, access to healthcare facilities is limited. Yoga can be an effective way to improve the health and well-being of individuals, especially those who are unable to access conventional healthcare.
- **Stress and mental health issues:** The fast-paced and stressful lifestyle of urban areas is also seeping into semi-urban and rural areas. Yoga can be an effective way to manage stress and prevent mental health issues such as anxiety and depression.
- **Physical fitness:** Lack of physical activity and unhealthy lifestyles are also becoming common in semi-urban and rural areas. Yoga can be an effective way to improve physical fitness and prevent lifestyle diseases such as diabetes and obesity.
- **Empowerment of women:** Women in semi-urban and rural areas often have limited access to opportunities

for self-development and empowerment. Yoga can be a tool for empowering women and promoting gender equality. This is being

- **Cultural preservation:** Yoga is an integral part of India's cultural heritage. Promoting the practice of yoga by MA Yoga Centre in semi-urban and rural areas can help preserve and promote India's cultural heritage.

MA Fitness



- **Knowledgeable and Friendly Staff:** Hiring friendly and knowledgeable staff can make a big difference in creating a welcoming environment. Staff members are trained to understand the specific needs of clients in semi-urban areas and be able to provide personalized support and advice.
- **Offer Variety of Workout Programs:** Women in rural areas may have different fitness goals and interests compared to women in urban areas.

vi. Gaps and Recommendations

- Lack of readily available documentation. Needs more monitoring.
- The Yoga centre can conduct more camps to bring in more number of admissions.
- The gym can be provided to local sports professionals for training during lean hours.

d. Ambulance Services



i. About

By transporting underprivileged and underprivileged members of society to the hospital in a timely manner, the ambulances helped to save their lives. In order to offer patients with the necessary medical care until they arrive at the hospital, the ambulance was furnished with ICU beds, an oxygen concentrator, and other basic amenities. In order to raise awareness and publicise the availability and usage of ambulances as well as their availability to disadvantaged and marginalised parts of society, a fully equipped call-centre style hotline number was circulated.

ii. Field Observations

The ambulance is kept in top shape and is well-maintained. All the SOPs are being followed and the equipment are in functional condition. Following the pandemic, the ambulance however is not being used the way it used to and therefore now has to expand its scope. MF needs to tie up with hospitals to support the ongoing requirements

- The organization has tied up with a couple of hospitals and primary health centres. The ambulance also works with communities at the village level. The organization has also formed a band of frontline workers who engage with the patients on a regular basis. This ensures that their needs are identified on time and the support is given on a timely basis.
- Accessibility of facilities, services, and information is essential to ensure response. Through this program, MAFIL has helped contribute to improved health infrastructure of the community.



iii. Feedback and Testimonials

- "When my father had a heart attack in our small rural town, the ambulance arrived quickly and the paramedics were professional and knowledgeable. They stabilized him and transported him to the nearest hospital, which was over an hour away. Thanks to their quick response and expertise, my father made a full recovery." - Mary, rural resident

- "Living in a remote area, we were always worried about emergency medical services. But when my husband had a serious accident on our farm, the ambulance arrived within 20 minutes of our call. The paramedics were incredibly skilled and compassionate, and they took him to the hospital quickly. We are so grateful for their service and dedication." – Venu.
- These dedicated professionals work long hours in challenging conditions, often facing difficult terrain and weather. Their commitment to serving our community is truly inspiring." -Narayanan, resident of Valappad
- "I recently had to call an ambulance for my elderly mother who lives in a small town. The paramedics were so kind and patient with her, and they took the time to explain everything to me. They stayed with us until she was safely transported to the hospital, and even followed up with us afterwards to make sure she was doing okay. We are so lucky to have such caring and skilled professionals serving our rural area at such a low-cost." – Bindu, rural resident

iv. Highlights

- Caters to underserved, underprovided sections of society: The patients supported hail from lower-economic backgrounds. However, since the income certificates and background verification of their actual income of all the beneficiaries is not done in detail, it is unclear if only those in need are catered to. All the beneficiaries are receptive of the services provided.
- By enabling patients to get at hospitals on time and receive the care they needed, the ambulance provided helped save lives. The most impacted were the most deserving and impoverished members of society who used the services the most and were hence the ones who were saved. Due to this, the mortality and co-morbidity rates may have significantly decreased.
- The ambulance team is trained to deal with emergency situations. The driver and relevant authorities for the ambulance were reachable via the hotline number.

v. Gaps and Recommendations

- **Data Management:** A more robust and rigorous data management process needs to be in place. Data of some of the beneficiaries is outdated.
- **Increase Uptake of Ambulance facility:** Measures to be adopted to ensure that the ambulance is put to good use given the reduced caseloads. The ambulance can either be attached to nearby hospitals to ensure seamless services or used to conduct awareness drives in a more rigorous manner.

- **Enhanced corporate reputation:** CSR programs in healthcare can improve a company’s reputation, as it shows that the company is committed to improving the health and wellbeing of the communities it serves.

III. Rural Development and Community Health Projects

a. Housing



i. About

The community’s largest areas of work from 2021 to 22 were related to the home development project. Prior to the intervention by MAFIL and MAFND, the beneficiary’s status was appalling, according to the analysis of the papers and interactions with the implementing agency. For instance, all of the homes were in dilapidated conditions and were not pucca dwellings. For individuals helped by the programme, the demand for secure housing was discovered to be urgent. The International Lions Club Charter and a local lions club aided with the housing project.

ii. Overall Reach

The project includes the Construction of 3 houses for BPL beneficiaries from Valappad, Kannur and Malayatoor. The project has been initiated as the result of a Survey analysis done by the Socio-Economic Unit Foundation, TVM – a Kerala Government accredited agency

iii. Field Observations

The Project contributed to the following

- **Improved quality of life:** Providing a house to the poor can significantly improve their living conditions, which can help improve their quality of life.
- **Safety and Security:** It provided them with a safe and secure place to live, protects them from harsh weather conditions, and offer privacy and comfort.
- **Enhanced health and well-being:** Poor living conditions can lead to various health issues, such as respiratory problems and water-borne diseases. By providing houses to the poor, the risk of such health issues can be reduced, leading to better physical and mental health.

iv. Feedback from beneficiaries

- All the beneficiaries mentioned that they felt secure, proud and relieved that they did not have to pay monthly report.
- All those spoken to mentioned that their confidence and self-esteem levels since they moved to the new place.
- The support from MAFIL and MF was important for them to proceed with building the houses, according to the beneficiaries.
- The construction of the houses was complete and the houses were predominantly in good, pucca condition.

v. Highlights

- **Boost to the local economy:** Constructing houses can create job opportunities for local people, such as construction workers, contractors, and suppliers. This can help boost the local economy and create a positive ripple effect in the community.
- **Reduced homelessness:** Providing houses to the poor can help reduce homelessness and improve social stability. It can also help break the cycle of poverty by providing a stable and secure living environment that can help the poor access education, healthcare, and employment opportunities.



- **Improved social standing:** Owning a house can help the poor gain social standing and self-respect, which can help improve their mental well-being and confidence.

Overall, constructing houses for the poor as part of CSR can have a significant impact on the quality of life, health, and well-being of the poor. It can also have positive economic and social impacts on the community.

b. Food Kit

The COVID-19 pandemic has had a significant impact on food insecurity worldwide. Lockdowns, economic disruptions, and supply chain challenges have led to a sharp increase in the number of people facing hunger and malnutrition. To address food insecurity during COVID-19,

governments and organizations have implemented various measures, such as food aid programs, cash transfers, and support for local food systems. However, more needs to be done to ensure that everyone has access to nutritious and affordable food during this crisis and beyond. MAFIL aimed to do this by distributing food packets.

i. The Need

- The pandemic has affected food insecurity in several ways. First, many people have lost their jobs or seen their income decrease due to lockdowns and economic downturns. This has made it difficult for them to afford food, particularly in areas where food prices have risen.
- Second, school closures have disrupted access to school meals, which many children rely on as a primary source of nutrition. This has particularly affected low-income families and vulnerable children.
- Third, the pandemic has disrupted global food supply chains, leading to shortages and price spikes for certain foods. This has affected both developed and developing countries, with the latter being particularly vulnerable to food insecurity.

ii. Highlights

The Covid food packet support has had a significant social impact, particularly for vulnerable individuals and communities affected by the pandemic. Here are some features of its social impact:

- **Reducing food insecurity:** The Covid food packet support has helped to reduce food insecurity among individuals and families affected by the pandemic. This has helped to alleviate hunger and ensure that people have access to the basic necessities of life.
- **Supporting vulnerable populations:** The food packets have been distributed to vulnerable populations, such as low-income households, the elderly, and those with pre-existing health conditions. This has helped to ensure that these populations have access to nutritious food, which is crucial for their health and well-being.
- **Strengthening community bonds:** The distribution of food packets has been carried out by various community organizations, volunteers, and government agencies. This has helped to strengthen community bonds and foster a sense of unity and solidarity during a time of crisis.
- **Reducing the spread of Covid-19:** The food packets have helped to reduce the need for people to leave their homes to purchase food, thereby reducing the risk of transmission of Covid-19. This has helped to protect vulnerable individuals who are more susceptible to the virus.
- **Boosting morale:** The food packet support has provided a sense of hope and relief to individuals and

families affected by the pandemic. It has helped to boost morale and provide a sense of security during a time of uncertainty.

iii. Summary

In summary, the Covid food packet support has had a significant social impact, providing vital support to vulnerable individuals and communities affected by the pandemic.

c. Health Facility Upgradation via Medical Support, Covid-Kit, Ventilator



Access to quality healthcare for people living in the areas was important. Here are some reasons why it was necessary in the program areas.

- **Improve infrastructure:** Many government health centres in rural areas lack basic facilities such as proper water supply, electricity, and sanitation. Renovation and restoration can help improve the infrastructure of these centres, making them more functional and efficient.
- **Increase availability of healthcare services:** Renovating and restoring health centre in rural areas can increase the availability of healthcare services in these areas. This can help reduce the burden on urban healthcare facilities and ensure that people in rural areas have access to quality healthcare.
- **Encourage healthcare-seeking behaviour:** The availability of well-maintained health centres can encourage people living in rural areas to seek healthcare when they need it. This can help prevent illnesses from becoming severe and reduce the likelihood of complications.
- **Create employment opportunities:** Renovation and restoration of government health centres in rural areas can create employment opportunities for people in these areas. This can help improve the local economy and reduce poverty.
- **Improve overall health outcomes:** Improved access to healthcare services can improve overall health outcomes in rural areas. This can help reduce the

prevalence of diseases, improve life expectancy, and promote a healthier population.

- Overall, the renovation and restoration of government health centres in rural areas is crucial for improving access to quality healthcare and promoting better health outcomes for people living in these areas.

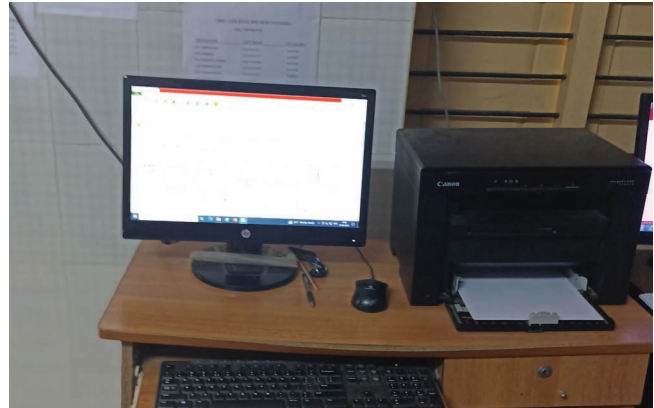
i. Providing Washing Machines



The project entailed provision of washing machines to government hospitals, which has several benefits, some of which are listed below:

- **Improved hygiene:** Washing machines can help ensure that hospital linens, including bedsheets and towels, are washed regularly and to a high standard. This can help prevent the spread of infections and illnesses within the hospital.
- **Increased efficiency:** By providing washing machines to government hospitals, the process of washing linens can become more efficient, with larger volumes of linens being washed in less time. This can help ensure that hospitals have a sufficient supply of clean linens to use for patients.
- **Cost-effective:** Providing washing machines to government hospitals can be a cost-effective solution compared to outsourcing laundry services. It can also reduce the risk of lost or damaged linens, which can add to the cost of providing healthcare services.
- **Improved patient comfort:** Clean and fresh linens can help improve the comfort of patients, which can help promote healing and recovery. Patients are more likely to feel positive and comfortable in a hospital that provides clean linens and a hygienic environment.
- **Better staff morale:** Adequate linen supply can improve staff morale, as they can focus on providing quality care instead of worrying about inadequate supplies of clean linens. This can help improve staff retention rates and overall job satisfaction.

ii. Donation of Desktops/PCs



Providing computers for data entry to government hospitals can have several benefits, some of which are listed below:

- **Improved accuracy and efficiency:** Data entry can be a time-consuming and tedious task, and manual data entry can lead to errors. Providing computers for data entry can help improve the accuracy and efficiency of this process, which can lead to better patient care.
- **Better data management:** Computers can help store and manage large amounts of data efficiently, which can help hospitals keep track of patient information, treatment history, and other important data. This can help improve the quality of care provided to patients.
- **Improved communication:** Computers can help facilitate communication between different departments within the hospital, making it easier for healthcare professionals to collaborate and share information. This can help improve the overall efficiency of the hospital.
- **Enhanced decision-making:** Having access to accurate and up-to-date data can help healthcare professionals make informed decisions about patient care. This can help improve the overall quality of care provided to patients.
- **Cost-effective:** While there may be an initial cost associated with providing computers for data entry, it can be a cost-effective solution in the long run. The time saved by healthcare professionals can be redirected to patient care, and the availability of accurate data can help reduce the risk of costly errors.

iii. Hospital Renovation

- Spending on several factors such as the quality of the work done, the level of cleanliness and hygiene, and the availability of necessary medical equipment and facilities. However, some potential benefits that patients may experience from the renovation and restoration of government hospitals are:
- **Improved hygiene and cleanliness:** Renovation and restoration work can improve the overall cleanliness and hygiene of the hospital. This can help reduce the risk of infections and illnesses for patients, which can contribute to their overall satisfaction with the hospital.

- **Upgraded medical equipment and facilities:** Renovation and restoration work can also involve the upgrade of medical equipment and facilities in the hospital. This can help improve the quality of care provided to patients, which can lead to better health outcomes and increased patient satisfaction.
- **Enhanced patient experience:** Patients may also have a more positive experience in a renovated and restored hospital. The hospital may have a more welcoming and comfortable environment, which can contribute to their overall satisfaction with the care they receive.

vi. **Overall Rating of Health Projects MA Care, MA Mahima, MA Yoga, MA Fit and Ambulance (Scale of 1-5 (1 being very bad, 2 being bad, 3 average, 4 good and 5- very good))**

	Housing	Food Kit	Medical Support	Covid Kit	Ventilator	Hospital Renovation	Others
Need for program	5	5	5	5	5	5	5
Availability of similar service providers	5	5	5	5	5	5	5
Beneficiary Selection	5	5	5	5	3	3	5
Beneficiary Receptivity	5	5	5	5	5	5	5
Caters to underserved, underprovided sections of society	5	5	5	5	5	5	5
Aligns to aspirations of beneficiaries	5	5	5	5	5	5	5
Alignment with Organization's vision and mission	5	5	5	5	5	5	5
Alignment to UN SDG	5	5	5	5	5	5	5
Alignment Govt Programs	5	5	5	5	5	5	5
Increased access	5	5	5	5	5	5	5
Achievement of targets	5	5	3	5	3	5	5
Adherence to timelines	5	5	5	5	5	5	5
Support delivery of services	5	5	5	5	3	5	5
Improved independence	5	5	5	5	3	5	5
Ratio of Support provided to overall need	5	5	5	5	3	5	5
Affordability	5	5	5	5	5	5	5
Helps reduce dependence	5	5	5	5	5	5	5
Improved Socio-Economic Conditions	3	3	3	3	3	3	5
Continued access to support	5	5	5	5	3	5	5
Sustainability after giving the support	5	5	5	5	5	5	5
Organization capacity to continue support	5	5	5	5	5	5	5
Adapting to evolving needs of beneficiaries	5	5	5	5	5	5	5
Sustained interest of the beneficiaries	5	5	5	5	5	5	5
Creating networks to ensure continuity	5	5	5	5	5	5	5
Community involvement	5	5	5	5	5	5	5
Increased self-confidence, pride and boosts morale	5	5	5	5	5	5	5
Reducing barriers	5	5	5	5	5	5	5
Increased aspirations	5	5	5	5	5	5	5
AVERAGE SOCIAL IMPACT RATING	4.93	4.93	4.86	4.93	4.52	4.86	5.00

Gaps and Recommendation

- **MPS**
 - Sports grounds in schools can have a significant impact on the physical health and well-being of students. Without adequate sports facilities, students may have limited opportunities to engage in physical activity, which can lead to a sedentary lifestyle, obesity, and other health problems.
- **Ma Geet**
 - It is advised to open up communication with parents, particularly those from all socioeconomic groups, in order to boost their participation in various school-related activities. A more comprehensive plan for contact at regular periods must be developed.

- **Ma Campus**
 - Need for Hostel Facility: For students hailing from other districts and towns, a separate hostel facility for boys and girls would help increase the number of admissions.
 - Need for Campus Drives: A small number of pupils are enrolled given the popularity of the MAFIL brand. The figures might also reflect the rigorous admissions process used initially. Although the total pass rate may increase as a result, it may have an adverse effect on student income. Campus drives could be organised to boost enrolment.
- **Ma Academy**
 - Need for counselling: Since most of the students are in their late teens, they seem to be easily distracted and

are prone to falling into the trappings of adolescence including low self-esteem, poor sense of self-confidence and inability to deal with adversities.

- **MISD**
 - Increased student enrolment is required, and additional marketing efforts must be made to do this.
 - More possibilities for crash courses might be made available to increase intake in skill development.
 - Establishing sufficient employer relationships is advised in order to give candidates a choice of options with regard to salary, industry, job profile, location, brand, etc. Many times, job hopefuls don't want to pursue positions with unreliable employers, inconvenient locations, or unspecified kind of work, among other reasons.

Alignment with UN SDG

The framework for achieving a better, more sustainable future for everybody is found in the Sustainable Development Goals (SDG). They deal with issues like poverty, inequality, climate change, environmental degradation, peace, and justice, as well as other worldwide problems we confront. Through the programs, MAFIL have been able to achieve five of the seventeen SDGs of the United Nations.



GOAL 1 Through their education programs and skill development initiatives, Manappuram Finance Ltd aims to prepare young students for the future by equipping them with the necessary skills and knowledge to succeed in their careers. Additionally, the company's efforts in providing job opportunities via its organizations have contributed towards reducing unemployment rates in the area



Goal 3 ensures to safeguard everyone's health and well-being at every stage of life. As self-esteem, self-confidence, social well-being, and family satisfaction levels rise as a result of improved access to education, well-being is also promoted. To achieve this goal, Manappuram Foundation has also implemented a range of health programs from multi-specialty clinics to a counselling centre, a yoga centre and gym that are designed to improve the health and well-being of the local community. Programs like hospital upgradation and ambulance provision are aimed at addressing the health needs of different communities and promoting healthy behaviours.



Goal 4 Quality education - Manappuram Finance Ltd's education CSR initiatives have played a significant role in promoting inclusive and equitable quality education for all, and in contributing to the achievement of UN SDG 4. By providing access to education, quality infrastructure, scholarships, vocational training, and digital education, Manappuram Finance Ltd is helping to create a more equitable and prosperous society for all.



Worldwide, 129 million girls are out of school. Only 49 per cent of countries have achieved gender parity in primary education. At the secondary level, the gap widens: 42 per cent of countries have achieved gender parity in lower secondary education, and 24 per cent in upper secondary education. In developing nations like India, the situation is even more stark. By creating a more inclusive and equitable education system, MAFIL's projects are helping to address the issue of gender inequality and promote access to education for all. They are contributing to the achievement of UN SDG 4, which aims to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



GOAL 8: Manappuram Finance Ltd's CSR initiatives have contributed to the achievement of UN SDG 8 by promoting sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all. By providing job opportunities, equipping individuals with job skills, and hiring local talent, they are helping to create a more equitable and prosperous society.



Manappuram Foundation's CSR programs have contributed to reducing inequalities and promoting access to education, which is essential for building a more equitable and prosperous society. By creating a level playing field, providing access to education, health and rural development, and bridging the urban-rural divide, Manappuram Foundation is helping to

ensure that all individuals, regardless of their socioeconomic status or background, have the opportunity to succeed and thrive.

MAFIL's partnerships with government and non-govt organizations and funding bodies demonstrate their commitment to achieving UN SDG 17 and their dedication to working collaboratively with others to promote sustainable development and ensure access for all.



GOAL 11 Manappuram Finance Ltd has been instrumental in creating sustainable communities in and around Valappad by uplifting locals and ensuring that facilities are available to them. By providing support and resources to the local community, the organization is helping to reduce dependency on outside sources and promote self-sufficiency. Moreover, by providing access to essential facilities such as education, healthcare, and infrastructure, Manappuram Finance Ltd is promoting the creation of inclusive and sustainable communities. The organization's initiatives have helped to improve the standard of living in the area, making it more attractive for individuals to live and work in.



GOAL 16 Manappuram Finance Ltd's CSR initiatives have contributed significantly to the achievement of UN SDG 16. By promoting access to equity, good governance, capacity building, and peace, the organization is helping to create a more just, peaceful, and equitable society.



Goal 17 - MAFIL's partnerships in collaboration with various arms of the government, panchayat level bodies, non-govt organizations, other charitable organizations and bodies like Lions Clubs demonstrates its commitment and dedication to working with partners to promote sustainable development for all, thereby achieving the United Nation's SDG 17

Conclusion

CSR programs can have a positive impact not only on individuals but also on their families and communities. By providing resources and support, these programs can help improve development indices such as education, health, and economic opportunities. MAFIL has provided a platform for the community to improve their well-being by befitting from its CSR programs.

Furthermore, the lasting humanitarian footprint left behind by such programs is invaluable. By investing in the development of communities, MAFIL can help create a positive cycle of growth and progress that benefits everyone. As individuals and families become more self-sufficient and empowered, they can in turn contribute to the growth and development of their communities, creating a ripple effect that can last for generations.

Such initiatives can have a significant impact on the lives of people in need, while also creating a brighter future for everyone.

Annexure VI

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2023

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

To,
The Members,
Manappuram Finance Limited
IV/470A (Old), W638A (New),
Manappuram House,
Valapad, Thrissur,
Kerala – 680 567.

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 on 31st March, 2023 in a manner that provided us reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

On the basis of our verification of documents, books, papers, minutes, 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 the Audit, we hereby report that in our opinion, the Company has, during the period covered under the Audit as aforesaid, 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 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 and the Rules made there under 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 there under.
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowing (ECB).
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
 - a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - b) Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021
 - c) 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;
 - 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) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 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) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
- (vii) We have also examined compliance with the applicable clauses of the following:
 - a) the Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.
 - b) Listing Agreement for debt securities entered into with BSE Limited in respect of privately placed non-convertible debentures issued by the Company.

(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;

We further report that

The Board of Directors of the Company is duly constituted with the proper balance of Executive Director, Non-Executive Directors, Women Director and Independent Directors. The changes made to the composition of the Board of Directors was duly carried out in compliance with the provisions of the Act.

Adequate notice and detailed notes on Agenda were given to all Directors at least seven days in advance to schedule the Board Meetings. There exists a system 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. We understand that there were no dissenting members' views requiring 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 during the period covered under the Audit, the Company has made the following specific actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, referred to above:

- a. The Company has raised an amount of ₹ 1870 Crores by issue of Redeemable Non-Convertible Debentures (NCDs) on private placement basis, in one or more series/ tranches.
- b. The Company has not raised any debt through a public issue.

For **KSR & Co Company Secretaries LLP**

Dr. C.V. Madhusudhanan

Partner

(FCS: 5367; CP: 4408)

UDIN: F005367E000295580

PR No: 2635/2022

Date: 12th May, 2023

Place: Coimbatore

To
The Members,
Manappuram Finance Limited
IV/470A (Old), W638A (New),
Manappuram House,
Valapad, Thrissur,
Kerala – 680 567.

Our Secretarial Audit Report of even date of **Manappuram Finance Limited** (CIN: L65910KL1992PLC006623) hereinafter called “the Company”) is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We had conducted our audit by examining various records and documents including minutes, registers, certificates and other records received through electronic mode as enabled by the company. We state that we have not done a physical verification of the original documents and records. The management has confirmed that the records provided to us for audit through electronic mode are final, true and correct.
3. Further, our audit report is limited to the verification and reporting of the statutory compliances on laws / regulations / guidelines listed in our report and the same pertain to the Financial Year ended on 31st March, 2023.

4. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report 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: F005367E000295580

PR No: 2635/2022

Date: 12th May, 2023

Place: Coimbatore

Annexure VII**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: Nil
Money realized by exercise of options under ESOS 2016 during the FY 2022-23: Nil
- (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: 40,000 (Forty Thousand) no. of Equity Shares.

Annexure VIII

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 Year 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 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 2022-23	Ratio of remuneration of each Director/KMP/to median remuneration of employees
1.	Mr. V P Nandakumar (MD & CEO)	6.04	674.82
2.	Mr. B N Raveendra Babu (Director)	NA	NA
3.	Mr. Shailesh J Mehta (Chairperson)	48.08	39.78
4.	Mr. P Manomohan (Director)	0.89	12.75
5.	Adv. V R Ramachandran (Director)	8.21	16.52
6.	Ms. Sutapa Banerjee (Director)	(76.88)	3.66
7.	Mr. Abhijit Sen (Director)	5.73	20.05
8.	Mr. Harshan Kollara (Director)	(2.50)	16.23
9.	Mr. Gautam Ravi Narayan (Director)	NA	NA
10.	Mr. S R Balasubramanian (Director)	28.24	10.94
11.	Ms. Pratima Ram	NA	5.65
12.	Adv.V.P.Seemandini	NA	2.83
13.	Dr. Sumitha Nandan	NA	3.28
14.	Ms. Bindu A L (CFO)	19.74	49.48
15.	Mr. Manoj Kumar V R (CS)	(19.80)	12.98

* Mr.B N Raveendra Babu, stepped down as Non-executive Non-Independent Director of the Board with effect from 18.05.2022.

** Ms.Sutapa banerjee, stepped down as Non-executive Independent Director of the Board with effect from 04.07.2022.

*** Ms.Pratima Ram (DIN-03518633) has been appointed as Non-executive director of the Board w.e.f 23.09.2022 and vide Postal ballot Results dated 10.12.2022, shareholders approved the Appointment of Ms.Pratima Ram as Non-Executive Independent Director w.e.f.23.09.2022

**** Adv. Veliath Pappu Seemanthini (DIN: 07850522) has been appointed as Non-Executive Director (Independent) of the Board w.e.f 23.12.2022 and Shareholders vide postal ballot results daate 03.02.2023, approved the appointment of Adv. Veliath Pappu Seemanthini (DIN: 07850522) as Independent Non-Executive Director of the Board w.e.f 23.12.2022.

***** Dr.Sumitha Nandan (DIN:03625120) has been appointed as Additional Director (Executive) of the Board w.e.f 01.01.2023 and the Shareholders vide Postal Ballot Results dated 03.02.2023, approved the appointment of Dr.Sumitha Nandan (DIN:03625120) as Executive Director of the Board w.e.f 01.01.2023.

***** Mr.Gautam Ravi Narayan, Stepped down as director of the board of the company with effect from 04.04.2023.

- i. The median remuneration of employees of the Company during the financial year 2022-23 was ₹0.28 million.
- ii. In the financial year, there was an increase of 6% in the median remuneration of employees.
- iii. There were 31,928 permanent employees on the rolls of Company as on 31st March, 2023
- iv. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e., 2022-23 was 24.72% whereas the increase in the managerial remuneration for the same financial year was 9.41%.
- v. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, and other Employees

TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE FINANCIAL YEAR 2022-23

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
1	V.P. NANDAKUMAR (MD & CEO)	MD & CEO	M.sc CAIIB (Part-I), PGDFT (IIFT)	69	MD & CEO	29.00%	31	15-07-1992	186.25	Officer, Nedungadi Bank	No
2	BINDUJAL	PRESIDENT	Chartered Accountant	49	Chief Financial officer	0.01%	25	15-06-1998	13.66	Mohandas & Associates Chartered Accountants, Audit Assistant	No
3	RAJUN	EXECUTIVE VICE PRESIDENT	Chartered Accountant	43	Executive Vice President Analytics and Business Review	Nil	18.5	15-12-2004	10.79	C Seshadri Nandan FCA, Audit Assistant	No
4	KAMAL. P. PARMAR	SENIOR VICE PRESIDENT	MBA	53	HOD- VEF	Nil	8.76	21-10-2014	6.71	Regional Collection Manager - Fullerton India Credit Company Ltd.	No
5	DIGBIJAY BANDYOPADHYAY	VICE PRESIDENT	MBA	46	BUSINESS HEAD - CV & CEO	0.000024%	5.9	31-08-2017	5.5	Magma Fincorp AVP-Regional Sales head	No
6	SATHYANARAYAN K RAO	VICE PRESIDENT	PGDBM	48	BUSINESS HEAD FARM EQUIPMENT	Nil	4.3	01-12-2018	5.33	L&T Finance - Product Head (Retail Loans) - OL - 1 Grade - (Equivalent VP)	No
7	NITIN KOHLI	VICE PRESIDENT	MBA	45	HEAD COLLECTION VEF	Nil	8.7	17-10-2014	5.18	India bulls - Regional Manager - AVP	No
8	K SENTHIL KUMAR	EXECUTIVE VICE PRESIDENT	MBA	52	CEO - VEF	Nil	9.4	02-06-2014	4.63	Fullerton India Credit Company Limited Head ABF business	No
9	K SENTHIL KUMAR	VICE PRESIDENT	MBA	51	HEAD CREDIT-VEF	Nil	3.7	08-11-2019	4.61	National Credit Head - Magma Fincorp Ltd	No
10	RENJITH P.R	VICE PRESIDENT	MBA	40	CHIEF LEARNING OFFICER	Nil	8.6	11-09-2014	4	Regional Head HR Bank Of Baroda	No

EMPLOYEES DRAWING A REMUNERATION OF 10.2 MILLION OR ABOVE PER ANNUM DURING THE FINANCIAL YEAR 2022-23

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
1	V.P. NANDAKUMAR (MD & CEO)	MD & CEO	M.sc CAIIB (Part-I), PGDFT (IIFT)	69	MD & CEO	29.00%	31	15-07-1992	186.25	Officer, Nedungadi Bank	No
2	BINDUJAL	PRESIDENT	Chartered Accountant	49	Chief Financial Officer	0.01%	25	15-06-1998	13.66	Mohandas & Associates Chartered Accountants, Audit Assistant	No
3	RAJUN	EXECUTIVE VICE PRESIDENT	Chartered Accountant	43	Executive Vice President Analytics and Business Review	Nil	18.5	15-12-2004	10.79	C Seshadri Nandan FCA, Audit Assistant	No

EMPLOYEES DRAWING A REMUNERATION OF 0.85 MILLION OR ABOVE PER MONTH FOR PART OF THE FINANCIAL YEAR 2022-23

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
1	K SENTHIL KUMAR	EXECUTIVE VICE PRESIDENT	MBA	52	CEO - VEF	Nil	9	02-06-2014	4.63	Fullerton India Credit Company Limited Head ABF business	No

Annexure IX**CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE
REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,

The Members,
Manappuram Finance Limited
IV/470A (Old), W638A (New),
Manappuram House,
Valapad, Thrissur,
Kerala – 680 567.

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, 2023, 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 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 and Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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, clause (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, as applicable.

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: F005367E000295657

PR No: 2635/2022

Place: Coimbatore

Date: 12th May, 2023

Corporate Governance Report

1. Company's Philosophy on Code of Governance

Your Company believes that good governance practices, internal control systems, transparent operational activities and proper risk management system are essential for sustainable business. Your Company focuses on enhancement of long-term shareholder value without compromising on ethical standards, corporate social and business responsibilities. Your Company believes that its business plans should be consistent with the above objective leading to sustained corporate growth and long-term benefit to all. Your Company follows this principle meticulously in all its business dealings and decisions.

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 vide Chapter XI of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("RBI Master Direction, 2016").

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 RBI Master Direction, 2016. These codes are available in the Company website - <https://www.manappuram.com/policies-codes.html>.

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.

2. 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 eleven 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, 2023 out of the (11) eleven Directors, (2) Two are Executive Directors, (2) Two are Non-Independent Non-Executive Directors and (7) Seven are Independent Directors. Out of (7) Seven 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 RBI Master Direction, 2016 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 (LODR) Regulations, 2015 as on March 31, 2023, 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 23, 2023 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 2022-23	Whether attended the last AGM held on August 25, 2022
Mr. V.P. Nandakumar, * (DIN: 00044512) Managing Director & CEO	Promoter, Non-Independent, Executive	8	Yes
Adv. V.R. Ramachandran (DIN: 00046848)	Independent, Non-Executive	8	Yes
Mr. P. Manomohanan, (DIN: 00042836)	Independent, Non-Executive	7	Yes
Mr. Gautam Ravi Narayan**, (DIN: 02971674)	Non-Independent, Non-Executive	6	No
Ms. Pratima Ram*** (DIN: 03518633)	Independent, Non-Executive	5	No
Mr. Abhijit Sen (DIN: 00002593)	Independent, Non-Executive	8	Yes
Mr. Harshan Kollara (DIN: 01519810)	Independent, Non-Executive	8	No
Mr. Shailesh J Mehta (DIN: 01633893)	Independent Non -Executive	8	Yes
Mr. S R Balasubramanian (DIN: 03200547)	Non-Independent, Non-Executive	7	Yes
Dr. Sumitha Nandan**** (DIN: 03625120)	Promoter Group, Non-independent, Executive Director	2	No
Adv. Veliath Pappu Seemanthini ***** (DIN: 07850522)	Independent Non -Executive	2	No
Ms. Sutapa Banerjee***** (DIN: 02844650)	Independent, Non-Executive	1	No
Mr. B N Raveendra Babu***** (DIN: 00043622)	Non-executive Non-Independent	0	No

- *Mr. V P Nanda kumar (DIN: 00044512) has been re-appointed as MD & CEO of the Company w.e.f. July 28, 2022 to March 31, 2024, pursuant to the shareholders approval at their Annual general meeting held on August 25, 2022.
- **Mr. Gautam Ravi Narayan (DIN: 02971674) has been resigned from the Board as Non-Executive Non-Independent director w.e.f April 04, 2023
- ***Ms. Pratima Ram (DIN: 03518633) has been appointed as Non-executive director of the Board w.e.f September 23, 2022. Her appointment was ratified by the shareholders through postal ballot results dated December 10, 2022
- ****Dr. Sumitha Nandan (DIN: 03625120) has been appointed as Additional Director (Executive) of the Board w.e.f January 01, 2023. Vide Postal ballot results dated February 03, 2023, Shareholders approved the appointment of Dr. Sumitha Nandan (DIN: 03625120) as Executive Director of the Board w.e.f January 01, 2023. Dr. Sumitha Nandan (DIN: 03625120) is the daughter of Mr. V P Nandakumar (DIN: 00044512), Managing Director of the Company.
- ***** Adv. Veliath Pappu Seemanthini (DIN: 07850522) has been appointed as Additional Director (Non-executive) of the Board w.e.f December 23, 2022. Vide Postal ballot results dated February 03, 2023, Shareholders approved the appointment of Adv. Veliath Pappu Seemanthini (DIN: 07850522) as Independent Non-Executive Director of the Board w.e.f December 23, 2022.
- *****Ms. Sutapa Banerjee (DIN: 02844650) stepped down as Director of the Board of the Company with effect from July 04, 2022
- *****Mr. B N Raveendra Babu (DIN: 00043622), stepped down as Non-executive Non-Independent Director of the Board with effect from May 18, 2022

There was no change in Key Managerial Personnel during the FY 2022-23, except the appointment of Dr. Sumitha Nandan (DIN: 03625120) as Executive Director of the Company w.e.f January 01, 2023 as stated above in (4)**** & Re-appointment of Mr. V P Nandakumar as MD & CEO of the Company w.e.f July 28, 2022 as stated in Point 1*

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. Manomohanan, (DIN: 00042836)	Independent, Non-Executive	0	2	1	0	Nil	
Mr. Gautam Ravi Narayan, (DIN: 02971674)	Non-Independent, Non-Executive	0	1	1	0	Nil	
Ms. Pratima Ram (DIN: 03518633)	Independent, Non-Executive	0	3	2	0	Company	Category
						Minda Corporation Limited	Independent, Non-Executive
Mr. Abhijit Sen (DIN: 00002593)	Independent, Non-Executive	4	8	4	0	Company	Category
						Kalyani Forge Limited	
						Ugro Capital Limited	Independent, Non-Executive
						Tata Investment Corporation Limited	
Mr. Harshan Kollara (DIN: 01519810)	Independent, Non-Executive	0	3	1	0	Nil	
Mr. Shailesh J Mehta (DIN: 01633893)	Independent Non-Executive	0	2	2	1	Company	Category
						Aptus Value Housing Finance India Limited	Non-Executive Non-Independent
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 Seemanthini (DIN: 07850522)	Independent Non-Executive	0	1	1	0	Nil	
Ms. Sutapa Banerjee (DIN: 02844650)	Independent, Non-Executive	1	8	5	0	Company	Category
						POLYCAB INDIA LIMITED	
						JSW HOLDINGS LIMITED	Non-Executive
						CAMLIN FINE SCIENCES LIMITED	Independent
						GODREJ PROPERTIES LIMITED	
Mr. B N Raveendra Babu (DIN: 00043622)	Non-executive Non-Independent	0	0	1	0	Nil	

1. *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.

2. **Only listed entities including Manappuram Finance Limited are counted

3. ***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 2022-23 the Board met on (8) Eight occasions viz. May 18, 2022, July 5, 2022, August 4, 2022, September 23, 2022, November 12, 2022, December 23, 2022, February 3, 2023 & March 24, 2023. 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

f. Number of shares and convertible instruments held by non- executive directors

Name & of Director	Category of Directors	Shareholding of Non-Executive Directors
Adv. V. R. Ramachandran (DIN: 00046848)	Independent, Non-Executive	370,000
Mr. P. Manomohan, (DIN: 00042836)	Independent, Non-Executive	793,582
Mr. Gautam Ravi Narayan, (DIN: 02971674)	Non-Independent, Non-Executive	0
Ms. Pratima Ram (DIN: 03518633)	Independent, Non-Executive	0
Mr. Abhijit Sen (DIN: 00002593)	Independent, Non-Executive	0
Mr. Harshan Kollara (DIN: 01519810)	Independent, Non-Executive	0
Mr. Shailesh J Mehta (DIN: 01633893)	Independent Non -Executive	500,000
Mr. S R Balasubramanian (DIN: 03200547)	Non-Independent, Non-Executive	0
Adv. Veliath Pappu Seemanthini (DIN: 07850522)	Independent Non -Executive	0

g. Familiarisation Programme for Independent Directors

Familiarization programme for independent directors, which is the compilation of duties and responsibilities as a director as well as other relevant aspects was conducted on March 23, 2023

Details regarding familiarization programmes conducted for Directors can be viewed on the Company's website at

<https://www.manappuram.com/familiarization-programme-for-independent-directors.html>

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 senior management on various aspects of business and governance. The Directors possess necessary experience, skills and ability relevant to the Company's business and

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

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.

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	Adv. V. R. Ramachandran	Mr. P. Manomohanan	Mr. Gautam Narayan (Resigned w.e.f April 04, 2023)	Ms. Pratima Ram (Appointed on September 23, 2022)	Mr. Abhijit Sen	Mr. Harshan Kollara	Mr. Shailesh J. Mehta	Mr. Balasubramanian	Dr. Sumitha Nandan (Appointed w.e.f January 01, 2023)	Adv. Seemantini (appointed on December 23, 2022)
Leadership	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
People Practices	Yes	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Financial Control	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	-	Yes
Diversity including gender and occupation	-	-	-	-	Yes	-	Yes	Yes	-	Yes	Yes
Technology	-	-	-	-	-	Yes	Yes	Yes	Yes	Yes	-
Governance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sales and Marketing	Yes	Yes	-	-	Yes	-	-	Yes	-	Yes	-
Regulatory	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	-
Sustainability	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/company/management-team.html>

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

During the year, one Independent Director, Ms. Sutapa Banerjee (DIN: 02844650) resigned from the Board of

the Company with effect from July 04, 2022 and in the resignation letter submitted to the Company, it was stated that there was no material reason and 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.

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:

3. 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 RBI Master Direction, 2016. The Committee has Seven 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 (8) Eight times during FY 2022-23 viz. May 17, 2022, May 31, 2022, August 03, 2022, September 23, 2022, November 11, 2022, December 23, 2022, February 03, 2023 & March 24, 2023. 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, 2023

Sl. No	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2022-23	
				Held	Attended
1	Mr. Abhijit Sen	Chairman	Independent Director	8	8
2	Mr. Gautam Ravi Narayan	Member	Non-Executive, Non-Independent Director	8	7
3	Mr. Harshan Kollara	Member	Independent Director	8	8
4	Mr. P.Manomohan	Member	Independent Director	8	8
5	Mr. Shailesh J. Mehta	Member	Independent Director	8	8
6	Ms. Sutapa Banerjee*	Member	Independent Director	8	2
7	Ms. Pratima Ram**	Member	Independent Director	0	0
8	Dr. Sumitha Nandan**	Member	Executive Director	0	0

*Ms. Sutapa Banerjee ceased to be member of the committee with effect from July 04, 2022

**Ms. Pratima Ram and Dr. Sumitha Nandan, appointed as member of the Committee w.e.f. March 24, 2023

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.
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.

4. 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 May 08, 2007 to ensure that eminent and experienced persons are appointed as directors. The Committee was reconstituted on December 23, 2014. The Committee also meets the requirements of Section 178 of the Companies Act, 2013, Regulation 19 of the SEBI (LODR) Regulations, 2015 and RBI Master Direction, 2016.

The Committee met (7) Seven times during FY 2022-23 viz. May 09, 2022, May 31, 2022, August 03, 2022, September 23, 2022, November 12, 2022, December 22, 2022 and March 24, 2023. Performance Evaluation Criteria for Independent Directors is detailed in Boards Report

Composition, Meetings, and Attendance during the FY ended March 31, 2023

Sl. No	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2022-23	
				Held	Attended
1	Mr. Harshan Kollara	Chairman	Independent, Non-Executive	7	7
2	Dr. Shailesh J Mehta	Member	Independent, Non-Executive	7	7
3	Mr. Gautam Ravi Narayan	Member	Non-Independent, Non-Executive	7	6
4	Ms. Sutapa Banerjee*	Member	Independent, Non-Executive	7	3
5	Adv. Veliath Pappu Seemanthini **	Member	Independent, Non-Executive	0	0

*Ms. Sutapa Banerjee (DIN: 02844650) ceased to be member of the committee with effect from July 04, 2022

**Adv. Veliath Pappu Seemanthini (DIN:07850522) appointed as the member of the Committee with effect from March 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.

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.
- 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 April 01, 2019 are as follows: -

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 on the basis of such review, whether a director to be recommended for re- appointment or not.
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.

**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 March 24, 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 sales Dept
11	Head of Operation Dept
12	Head of Vigilance Dept

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.

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.

5. 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, 2023

Sl. No.	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2022-23	
				Held	Attended
1	Adv. V.R. Ramachandran	Chairman	Independent, Non-Executive	4	4
2	Mr. V.P. Nandakumar	Member	Non-Independent, Executive	4	4
3	Mr. B.N. Raveendra Babu*	Member	Non-Independent, Non - Executive	4	1
4	Mr. P. Manomohanan	Member	Independent, Non-Executive	4	4
5	Mr. S.R. Balasubramanian**	Member	Non-Independent, Non - Executive	0	0
6	Adv. Veliath Pappu Seemanthini ***	Member	Independent, Non-Executive	0	0

*Mr. B N Raveendra Babu (DIN: 00043622), ceased to be Member of the Committee with effect from May 18, 2022

**Mr. S R Balasubramanian (DIN: 03200547) appointed as the member of the Committee w.e.f March 24, 2023

*** Adv. Veliath Pappu Seemanthini (DIN: 07850522) appointed as the member of the Committee w.e.f March 24, 2023

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.

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 3104500, 3050417
 E-Mail - cosecretary@manappuram.com

Details of investor complaints received and redressed during the financial year 2022-23 are as follows:

During the Financial Year, there was 4 complaints received from shareholders and all the complaints were resolved during the year to the satisfaction of Shareholders. There is no pending Complaints as on March 31, 2023.

6. 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 RBI Master Direction, 2016.

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 one year was approved by the Board on May 18, 2022 with effect from July 17, 2022.

Composition, Meetings & Attendance as on March 31, 2023

Sl. No	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2022-23	
				Held	Attended
1	Mr. Abhijit Sen	Chairman	Independent, Non-Executive	4	4
2	Mr. P Manomohan	Member	Independent, Non-executive	4	4
3	Mr. Gautam Ravi Narayan	Member	Non-Independent, Non-Executive	4	3
4	Mr. V P Nandakumar	Member	Non-Independent, Executive	4	4
5	Dr. Shailesh J Mehta	Member	Independent, Non-Executive	4	4
6	Mr. Harshan Kollara	Member	Independent, Non-Executive	4	4
7	Ms. Pratima Ram*	Member	Independent, Non-Executive	0	0

*Ms. Pratima Ram (DIN: 03518633) appointed as the member of the Committee w.e.f. March 24, 2023

PURPOSE AND SCOPE OF RMC & 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 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.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

The Company has constituted Corporate Social Responsibility Committee (CSR Committee) in line with the provisions of Section 135 of the Companies Act, 2013 which has substantial roles and responsibilities in respect of projects to be recommended to the Board of Directors of the company and also for monitoring of the CSR projects and reporting.

A brief outline of Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board is annexed with Board's Report.

Composition, Meetings & Attendance as on March 31, 2023

Sl. No	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2022-23	
				Held	Attended
1	Ms. Sutapa Banerjee*	Chairman	Independent, Non-Executive	5	1
2	Adv. V R Ramachandran**	Chairman	Independent, Non-Executive	5	5
2	Mr. V P Nandakumar	Member	Non-Independent, Executive	5	4
3	Mr. Abhijit Sen	Member	Independent, Non-Executive	5	5
4	Mr. S R Balasubramanian***	Member	Non-Independent, Non-Executive	0	0
5	Adv. Veliath Pappu Seemanthini ****	Member	Independent, Non-Executive	0	0

**Ms. Sutapa Banerjee (DIN: 02844650) ceased to be member of the committee with effect from July 04, 2022

**Adv. V R Ramachandran (DIN: 00046848) redesignated as the Chairman of the Committee w.e.f July 05, 2022

***Mr. S R Balasubramanian (DIN: 03200547) appointed as the member of the Committee w.e.f March 24, 2023

****Adv Veliath Pappu Seemanthini (DIN: 07850522) appointed as the member of the Committee w.e.f March 24, 2023

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;
- Formulation of Annual Action Plan in accordance with CSR Policy and make necessary recommendations thereon to the Board

- Monitor the Corporate Social Responsibility Policy of the company from time to time.
- To carry such other functions as may be delegated to it by the board relating to CSR activities of the Company

8. ASSET- LIABILITY MANAGEMENT COMMITTEE (ALCO)

The Company has constituted Asset- Liability Management Committee (ALCO) in line with provisions of RBI Master Direction, 2016 and Asset Liability Management (ALM) System for NBFCs – Guidelines. Reserve Bank of India has stipulated templates for reporting Structural liquidity (DNBS-4B) Dynamic Liquidity (DNBS-4A) and Interest Rate Sensitivity (DNBS-4B) and provided indicative formats for compiling the figures. ALCO will use the indicative formats for compiling the figures and the Reports on DNBS-4A and DNBS-4B for reviewing the liquidity and interest rate risk. The Member-Secretary will arrange for convening the meetings of ALCO as and when needed depending upon the necessity.

Composition, Meetings & Attendance as on March 31, 2023

Sl. No	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2022-23	
				Held	Attended
1	Mr. V P Nandakumar	Chairman	Non-Independent, Executive	4	4
2	Mr. Madhumohan	Member	Chief Risk Officer	4	4
3	Mrs. Bindu A L	Member - Secretary	Chief Financial Officer	4	4
4	Mr. Jayakrishnan*	Member	Head-Credit	4	1
5	Mr. Madhavankutty	Invitee	Head-Economist		

*Mr. Jayakrishnan appointed as the member and Mr. Madhavan Kutty appointed as the invitee of the Committee w.e.f November 12, 2022.

Terms of Reference of Asset - Liability Management Committee (ALCO):

- The committee shall meet once in a quarter or as and when required 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.

- 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

9. FINANCIAL RESOURCE & MANAGEMENT COMMITTEE

The Financial Resource and Management Committee has been constituted by the Board of Directors to facilitate the day to day management of the Company.

Composition of Committee as on March 31, 2023

Sl. No	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2022 -23	
				Held	Attended
1	Mr. V P Nandakumar	Chairman	Non-Independent, Executive	17	17
2	Mr. B N Raveendra Babu*	Member	Non-Independent, Non - Executive	1	0
3	Mr. P Manomohan	Member	Independent, Non-Executive	17	17
4	Adv. V R Ramachandran	Member	Independent, Non-Executive	17	17
5	Ms. Pratima Ram**	Member	Independent, Non-Executive	0	0
6	Dr. Sumitha Nandan***	Member	Executive Director	0	0

* Mr. B N Raveendra Babu (DIN: 00043622) ceased to be the member of the Committee with effect from May 18, 2022

** Mr. Pratima Ram (DIN: 03518633) appointed as the member of the Committee with effect from March 24, 2023

*** Dr. Sumitha Nandan (DIN: 03625120) appointed as the member of the Committee with effect from March 24, 2023

- a) The committee shall meet as and when it becomes necessary to consider urgent matters coming up between two board meetings and requiring Board's sanction.
- b) The quorum for the meeting of the committee shall be 2 members.

The committee's function is to oversee and deal with the following operational matters from time to time

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.
- 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 initiated by the Company Secretary shall be presented to the succeeding board meeting for the purpose of noting and recording.

10. DEBENTURE COMMITTEE

The Debenture Committee has been constituted by the Board of Directors for public Issuance of debentures of the Company.

Composition of Committee as on March 31, 2023

Sl. No	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2022-23	
				Held	Attended
1	Mr. V P Nandakumar	Chairman	Non-Independent, Executive	NIL	
2	Mr. B N Raveendra Babu*	Member	Non-Independent, Non - Executive		
3	Ms. Bindu A L	Member	Chief Financial Officer		
4	Mr. Manoj Kumar VR	Member	Company Secretary		

*Mr. B N Raveendra Babu (DIN: 00043622), ceased to be Member of the Committee with effect from May 18, 2022

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;
- (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.

11. DISCLOSURES WITH RESPECT TO REMUNERATION

Independent, Non-Executive Directors

Non-Executive Directors of the Company were paid sitting fee of ₹ 40000 for every meeting of Board, Audit Committee and Nomination Compensation and Corporate Governance Committee. ₹ 15000 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, 2023, is being paid to Non-Executive Directors, as recommended by the nomination Committee and decided by the Board on May 12, 2023.

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.

Policy On Board Composition And Compensation uploaded on the website of the Company <https://www.manappuram.com/public/uploads/editor-images/files/Board%20composition%282%29.pdf>

Details of Sitting Fee/ remuneration paid to Non -Executive Directors during thr Financial year 2022-23 are as under:-

(₹ In Million)

SL No	Name	Commission	Sitting fee	ESOS
1	Mr. Shailesh J Mehta	10	0.98	NA
2	Mr. P Manomohan	2.8	0.97	NA
3	Mr. V R Ramachandran	4.025	0.70	NA
5	Mr. Abhijit Sen	4.70	0.84	NA
6	Mr. Harshan Kollara	3.5	0.98	NA
7	Mr. S.R. Balasubramanian	2.8	0.22	NA
8	Adv. Veliath Pappu Seemanthini *	0.70	0.08	NA
9	Pratima Ram**	1.4	0.16	NA
10	Sutapa Banerjee***	0.875	0.22	NA

* Adv. Veliath Pappu Seemanthini (DIN: 07850522) has been appointed as Additional Director (Non-executive) of the Board w.e.f December 23, 2022 and thereafter, shareholders approved her appointment in the category of Non-Executive independent vide postal ballot results dated 03.02.2023.

** Ms. Pratima Ram (DIN: 03518633) has been appointed as Non-executive Independent director of the Board w.e.f September 23, 2022.

*** Ms. Sutapa Banerjee (DIN: 02844650) stepped down as Director of the Board of the Company with effect from July 04, 2022.

Non-Independent, Executive Directors

(₹ In Million)

Sl No.	Name	Salary	Commission	Benefits/ Perquisites Provident Fund	Bonus	Sitting Fee	ESOS (no. of options)
1	Mr. V.P Nandakumar	90	85	11.25	0	0	0
2	Dr. Sumitha Nandan*	2.25	0.75	0.28	0	0	0

* Dr. Sumitha Nandan (DIN: 03625120) has been appointed as Additional Director (Executive) of the Board w.e.f January 01, 2023. Vide Postal ballot results dated February 03, 2023, Shareholders approved the appointment of Dr. Sumitha Nandan (DIN: 03625120) as Executive Director of the Board w.e.f January 01, 2023.

Performance Evaluation Parameter for MD & CEO

Parameters	Weightage Gross	Individual weightage for defined attributes
1 Performance related to budget (as per detailed break up below)	50%	NA
a Gold tonnage growth		15%
b Overall, AUM growth		15%
c Net income growth		20%
2 Performance vis a vis Peer as per detailed break up below	20%	NA
a Average Gold tonnage Growth		5%
b Average net income growth		10%
c Average share price increase		5%
3 Qualitative Aspects (as per detailed break up below)	30%	NA
a Succession and Employee engagement weightage 15% Succession plan endorsed by the Board Employee engagement survey and actions taken thereafter (Anonymised survey done by a 3rd party).		15%
b Building an ethical culture in the organisation and strong compliance with all regulatory guidelines reinforced by strong and constructive relationship building with regulators and Building Regulatory confidence as reflected in fresh approvals for Branches. Reducing existing discomfort areas nature, number, and tone of RBI comments in their inspection as also permission to open branches etc.		15%
Total	100%	100%

Service Contracts, Notice Period, Severance Fees: Nil

12. GENERAL BODY MEETINGS

Details of the last three Annual General Meetings of the Company are given below:

Year	Date	Time & Place	Special Resolutions Passed
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
2020	August 28	Audio-visual means at 11.00 A.M	Appointment of Mr. Shailesh Jayantilal Mehta (DIN: 01633893) as an Independent Non-Executive Director. Approval for amending the Incidental Objects in the Memorandum of Association Approval to borrow in excess of the paid-up share capital and free reserves and securities premium of the Company under Section 180(1)(c) of the Companies Act, 2013 Approval to create charge/mortgage over the properties of the Company for the purpose of borrowing in the terms of Section 180(1)(a) of the Companies Act, 2013. Revision of remuneration by way of increment and variation in the terms of appointment of Mr. V. P. Nandakumar, Managing Director & CEO (DIN: 00044512)

No Extraordinary General Meeting held during the financial year 2022-23

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 12, 2022*	1	Appointment of Ms. Pratima Ram (DIN: 03518633) as an Independent Director	Special Resolution	70.69%	99.99%	0.01%
February 03, 2023**	1	To approve appointment of Adv. Veliath Pappu Seemanthini (DIN: 07850522) as Non-Executive Independent Director of the Company	Special Resolution	73.22%	99.81%	0.19%
	2	To approve appointment of Dr. Sumitha Nandan (DIN: 03625120) as a Whole-time Director of the Company	Ordinary Resolution	73.22%	73.26%	26.74%

* The remote e-voting period remained open from Friday, November 11, 2022, (09:00 A.M. IST) to Saturday, December 10, 2022 (05:00 P.M. IST).

** The remote e-voting period commenced from Thursday, January 25, 2023 (09:00 A.M. IST) and ended on Friday, February 03, 2023 (05:00 P.M. IST).

Mr. Suresh M V, FCS, Partner of SMS & Co Company Secretaries LLP (COP No. 17830), was appointed as the Scrutiniser for the Postal ballot process. The detailed voting procedure mentioned in the postal ballot notice, the Scrutinizers report and the voting results are available on the Company's Website.

The procedure for Postal Ballot /electronic voting (e-voting) for aforesaid special resolutions was mentioned in the said Postal Ballot Notice.

No Special Resolution is proposed to be conducted through Postal ballot.

13. MEANS OF COMMUNICATION

The Company publishes the un-audited/ audited financial results on quarterly basis in accordance with the provisions of SEBI (LODR) Regulations, 2015.

The financial results in the prescribed format are published in leading newspapers including Business Line, Mathrubhumi / Malayala Manorama etc. Other major announcements pertaining to Board Meetings, General Meetings/Postal ballot etc. are also published as above. The Company has its website at www.manappuram.com wherein relevant information about the Company and its performance including board approved policies / code are given. The financial results and any other official news releases of the Company are also posted on its website. 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 stakeholders.

All information/communication for shareholders are duly filed with National Stock Exchange and BSE Limited and the same are posted in the Company's website.

14. GENERAL SHAREHOLDER INFORMATION

31st Annual General Meeting

Particulars	As on March 31, 2023
Annual General Meeting - Date, Time and Venue;	Thursday, August 17, 2023, at 11.00 AM at Latha Convention Centre (Formerly known as Anugraha Auditorium), Valapad, Thrissur, Kerala – 680567.
Financial Year	2022-23
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 Exchanges	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	SKDC Consultants Limited (a Subsidiary of Link Intime India Pvt Ltd) "Surya" 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028, TN, India Phone: +91 422 4958995, 2539835/ 836 Mobile # Fax: +91 422 2539837 Email: info@skdc-consultants.com www.skdc-consultants.com
Compliance Officer	Mr. Manoj Kumar V R, Company Secretary Ph: 0487-3050417/413 Email: cosecretary@manappuram.com
Company Address	Manappuram Finance Limited W - 4/ 638 A Manappuram House, P.O. Valapad, Thrissur-680567, Kerala, India Phone: 0487- 3050108, 3050000. Fax 0487- 2399298 Email: mail@manappuram.com
Payment of Listing Fees	Annual listing fee for FY 2022-23 has been paid by the Company to BSE and NSE.
Payment of Depository Fees	Annual Custody/ Issuer fee for FY 2022-23 has been paid by the Company to NSDL and CDSL.

STOCK MARKET PRICE DATA- HIGH, LOW DURING EACH MONTH IN LAST FINANCIAL YEAR:

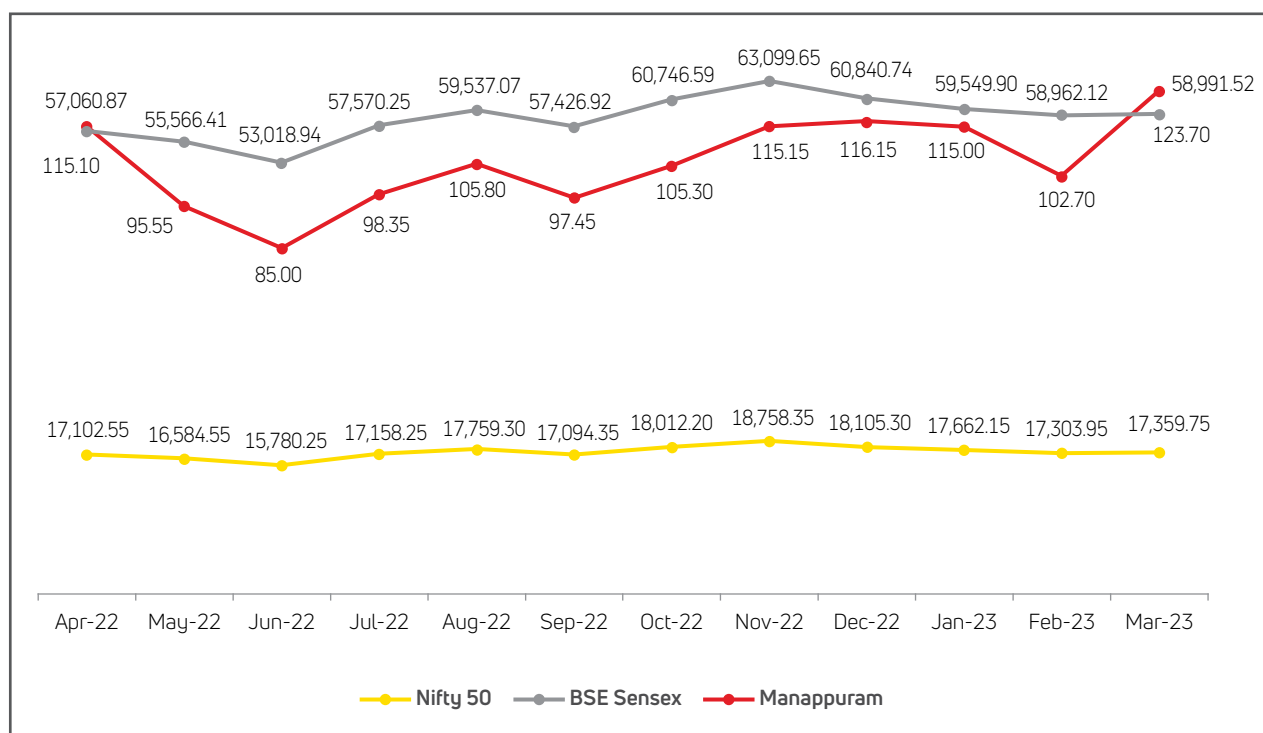
Share Price Movements of the Company on NSE during each month of FY 2022-23

Month	Close	Open	High	Low
April 22	114.6	114.45	117.3	113.55
May 22	95.55	114.5	116.25	86.15
June 22	85	95.5	96.9	81.5
July 22	98.35	84.9	99.8	83.65
Aug 22	105.8	99.45	111.45	98.1
Sep 22	97.45	104.2	108.4	90.5
Oct 22	105.3	97.95	106.15	95
Nov 22	115.15	105.15	119.75	102.5
Dec 22	116.15	115.6	126	106.8
Jan 23	116.65	115	125.8	110.35
Feb 23	102.7	115.95	118.7	101.15
Mar 23	123.7	103	124.25	102.8

Share Price Movements of the Company on BSE during each month of FY 2022-23

Month	Close	Open	High	Low
April 22	115.05	113.8	126.15	113.55
May 22	95.55	115	116.2	86.15
June 22	85.05	95.9	97.05	81.5
July 22	98.3	85	99.8	83.65
Aug 22	103.4	99.1	111.4	97.6
Sep 22	97.45	104.9	108.4	92.05
Oct 22	105.3	97.4	106.1	95
Nov 22	115.05	105.9	119.7	102.5
Dec 22	116.2	115.95	126.1	106.8
Jan 23	114.9	116.25	125.75	110.45
Feb 23	102.65	115.05	118.65	101.15
Mar 23	123.75	102.2	124.25	102.2

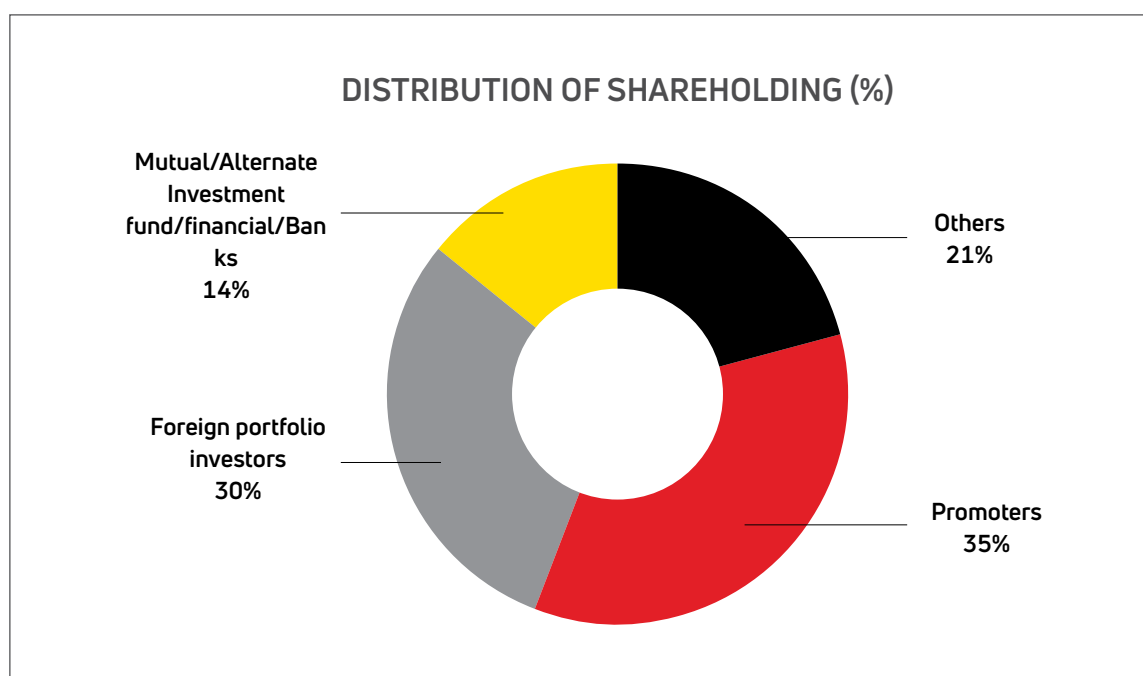
SHARE PERFORMANCE V/S BSE SENSEX AND CNX NIFTY



List of Top 10 Shareholders as on March 31, 2023

SR. No.	Name	Category	31/03/2023		No. of Shares held in Demat Form
			Shares	%	
1	V P NANDAKUMAR	Promoter-Director	219878421	25.9782	219878421
	V P NANDAKUMAR		25575800	3.0217	25575800
			245454221	29.0000	245454221
2	QUINAG ACQUISITION (FPI) LTD	Foreign Portfolio Investors (Corporate)	83785880	9.8991	83785880
				83785880	9.8991
3	SUSHAMA NANDAKUMAR	Promoter (Relative of Director)	48000078	5.6711	48000078
	SUSHAMA NANDAKUMAR		1000	0.0001	1000
			48001078	5.6712	48001078
4	DSP MIDCAP FUND	Mutual Fund	23671923		23671923
	DSP SMALL CAP FUND		12658180		12658180
	DSP EQUITY OPPORTUNITIES FUND		5835372		5835372
	DSP EQUITY SAVINGS FUND		450723		450723
	DSP ARBITRAGE FUND		186000		186000
	DSP REGULAR SAVINGS FUND		137155		137155
	DSP DYNAMIC ASSET ALLOCATION FUND		126000		126000
	DSP NIFTY MIDCAP 150 QUALITY 50 ETF		0		0
	DSP NIFTY MIDCAP 150 QUALITY 50 INDEX FUND		0		0
			43065353	5.0881	43065353
5	FIDELITY INVESTMENT TRUST FIDELITY SERIES EMERGING MARKETS OPPORTUNITIES FUND	Foreign Portfolio Investors (Corporate)	30961687	3.6581	30961687
				30961687	3.6581
6	MAX LIFE INSURANCE CO LTD A/C PARTICIPATING FUND	Insurance Companies	9319115	1.1010	9319115
	Max Life Insurance Company Limited A/c - ULIF01311/02/08LIFEHIGHGR104 - High Growth Fund		2270631	0.2683	2270631
	Max Life Insurance Company Limited A/c - ULIF00125/06/04LIFEGROWTH104 - Growth Fund		2257198	0.2667	2257198
	Max Life Insurance Company Limited A/c - ULIF01108/02/07LIFEGRWSUP104 - Growth Super Fund		1913684	0.2261	1913684
	MAX LIFE INSURANCE CO LTD A/C DIVERSIFIED EQUITY FUND (ULIF02201/01/20LIFEDIVEQF104)		832094	0.0983	832094
	Max Life Insurance Company Limited A/c - ULIF01425/03/08LIFEDYNOPP104 - Dynamic Opportunities Fund		632698	0.0748	632698
	Max Life Insurance Company Limited A/c - ULIF00225/06/04LIFEBALANC104 - Balanced Fund		615629	0.0727	615629
	Max Life Insurance Company Limited A/c - ULIF00525/11/05PENSGROWTH104 - Pension Growth Fund		372431	0.0440	372431
	MAX LIFE INSURANCE CO LTD PENSION MAXIMISER FUND (ULIF01715/02/13PENSAXIMI104)		324560	0.0383	324560
	Max Life Insurance Company Limited A/c - ULIF01213/08/07PENSGRWSUP104 - Pension Growth Super Fund		227568	0.0269	227568
	MAX LIFE INSURANCE CO LTD A/C SUSTAINABLE EQUITY FUND - ULIF02505/10/21SUSTAIN EQU104		126709	0.0150	126709
	MAX LIFE INSURANCE CO LTD PENSION PRESERVER FUND(ULIF01815/02/13PENSPRESER104)		32456	0.0038	32456
	Max Life Insurance Company Limited A/c - ULIF00625/11/05PENSBALANC104 - Pension Balanced Fund		12045	0.0014	12045
				18936818	2.2374

SR. No.	Name	Category	31/03/2023		No. of Shares held in Demat Form
			Shares	%	
7	SOCIETE GENERALE – ODI	Foreign Portfolio	7066788	0.8349	7066788
	SOCIETE GENERALE	Investors	5524594	0.6527	5524594
			12591382	1.4876	12591382
8	SBI CONTRA FUND	Mutual Fund	4800000	0.5671	4800000
	SBI ARBITRAGE OPPORTUNITIES FUND		4788000	0.5657	4788000
	SBI EQUITY SAVINGS FUND		150000	0.0177	150000
	SBI NIFTY SMALLCAP 250 INDEX FUND		106285	0.0126	106285
			9844285	1.1631	9844285
9	ICICI PRUDENTIAL BANKING AND FINANCIAL SERVICES FUND	Mutual Fund	4711730	0.5567	4711730
	ICICI PRUDENTIAL EQUITY ARBITRAGE FUND		4104000	0.4849	4104000
	ICICI PRUDENTIAL SMALLCAP INDEX FUND		46275	0.0055	46275
	ICICI PRUDENTIAL S & P BSE 500 ETF		3615	0.0004	3615
	ICICI PRUDENTIAL INDIA OPPORTUNITIES FUND		0	0.0000	0
	ICICI PRUDENTIAL NIFTY FINANCIAL SERVICES EX-BANK ETF		0	0.0000	0
			8865620	1.0475	8865620
10	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA GROWTH FUND	Mutual Fund	7000000	0.8270	7000000
	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA ARBITRAGE FUND		360000	0.0425	360000
	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA NIFTY SMALL CAP 250 INDEX FUND		253483	0.0299	253483
	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA ETF NIFTY DIVIDEND OPPORTUNITIES 50		5419	0.0006	5419
					7618902



SHARE TRANSFER SYSTEM

In terms of the Listing Regulations, equity shares of the Company can only be transferred in dematerialised form. Requests for dematerialisation 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 dematerialisation 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, 2023

Shares – Range	Number of Shareholders	% of Total Shareholders	Total Shares for the Range	% of Issued Capital
1-500	361766	90.1854	32508279	3.84
501-1000	19202	4.7869	14857132	1.76
1001-2000	9661	2.4084	14420500	1.70
2001-3000	3334	0.8311	8557177	1.01
3001-4000	1724	0.4298	6224835	0.74
4001-5000	1186	0.2957	5556505	0.66
5001-10000	2113	0.5268	15390143	1.82
10001 -above	2150	0.5360	748880158	88.48
	401136	100.0000	846394729	100.00

DEMATERIALISATION 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 dematerialisation of its shares. As on March 31, 2023, 99.63 % 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	464853288	54.92
Central Depository Services Limited	378451218	44.71
Physical Holdings	3090223	0.37
Total	846394729	100.00

Shareholders can get their shares dematerialized with either NSDL or CDSL. Through SKDC Consultants 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, 2023, 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.

INTERIM DIVIDEND

Dividend details are provided in point 17 of Board's Report.

Last date for claiming Unclaimed Dividend from the Company are detailed below:

Financial Year	Date of Declaration of Dividend	Last date for claiming unpaid dividend
2017	Aug 09, 2016	Sep 16, 2023
2017	Nov 10, 2016	Dec 17, 2023
2017	Feb 08, 2017	Mar 15, 2024
2018	May 25, 2017	Jun 29, 2024
2018	Aug 10, 2017	Sep 14, 2024
2018	Nov 07, 2017	Dec 12, 2024
2018	Feb 08, 2018	Mar 15, 2025
2019	May 18, 2018	Jun 29, 2025
2019	Aug 09, 2018	Sep 13, 2025

Financial Year	Date of Declaration of Dividend	Last date for claiming unpaid dividend
2019	Nov 06, 2018	Dec 11, 2025
2019	Feb 06, 2019	Mar 13, 2026
2020	May 15, 2019	Jun 19, 2026
2020	Aug 13, 2019	Sep 17, 2026
2020	Nov 06, 2019	Dec 11, 2026
2020	Jan 28, 2020	Mar 03, 2027
2020	Feb 27, 2020	Apr 02, 2027
2021	Nov 06, 2020	Dec 11, 2027
2021	Jan 29, 2021	Mar 05, 2028
2022	May 26, 2021	Jun 30, 2028
2022	Aug 10, 2021	Sep 14, 2028
2022	Nov 13, 2021	Dec 18, 2028
2022	Feb 14, 2022	Mar 21, 2029
2022	May 18, 2022	Jun 22, 2029
2023	Aug 04, 2022	Sep 08, 2029
2023	Nov 12, 2022	Dec 17, 2029
2023	Feb 03, 2023	Mar 10, 2030

Claiming of unclaimed dividends before transfer to IEPF : Shareholders are advised to make their claim for the unclaimed dividends in respect of the Shares held by them, by writing to Registrar and Share Transfer Agents, S.K.D.C. Consultants Limited, (a Subsidiary of Link Intime India Pvt Ltd) "Surya" 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028, TN, India | Phone: +91 422 4958995, 2539835/ 836 | Mobile # Fax: +91 422 2539837 | Email: info@skdc-consultants.com | www.skdc-consultants.com

Claiming of shares/ dividends after transfer to IEPF

In case any shareholder wish to claim the shares / Dividend(s) after its transfer to IEPF, a separate application has to be made to the IEPF Authority in Form IEPF-5, as prescribed under the IEPF Rules and the same is available at IEPF website i.e., www.iepf.gov.in.

List of shareholders who have not claimed the dividends for the continuous seven years onwards and whose shares are to be transferred to IEPF will be posted on the Company's website.

The above details can be accessed through <https://www.manappuram.com/investors/transfer-of-shares-to-iepf.html>

CREDIT RATING

Details of Credit Rating is available as Point 38 of Boards Report

15. OTHER DISCLOSURES

- 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.
- 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 2020-21, 2021-22 and 2022-23, 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

Regulator	Regulation	Amount of Penalty	Paid details
RBI	<p>Para 26 (2) of the Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (updated from time to time)</p> <p>Charge - Failure to keep a record of verification of ownership of jewellery pledged by the borrowers and absence of Board approved policy in this regard.</p> <p>RBI Letter Ref No - EFD.CO.S0/106/02.14.006/2020-21 November 19, 2020</p>	₹ 5,00,000/-	Penalty paid on November 23, 2020 UTRNo: NEFT/ AXISP00162251894/ MANAPPURAM231120203/ Enforce
RBI	<p>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.</p>	₹ 17,63,965/-	Penalty paid on April 02, 2022. UTR No. AXSK221270002838

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 audit committee. The said policy has been also put up on the website of the Company at the following link ;

<https://www.manappuram.com/public/uploads/editor-images/files/whistle%20blower%20policy%202022.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 2022-23 and details discretionary requirements under Part E of Schedule II of the Listing Regulations are detailed in Point No.17.

E. POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

<https://www.manappuram.com/public/uploads/editor-images/files/Policy%20for%20determining%20Material%20Subsidiary%202022.pdf>

F. POLICY ON RELATED PARTY TRANSACTIONS

<https://www.manappuram.com/public/uploads/editor-images/files/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. As gold is a commodity, the Company does therefore bear an exposure to commodity price risk. If gold prices are high, the amount of recovery at the time of auction is more 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.

Foreign Exchange Risks

The Company does not directly face any foreign exchange risks as all its loans are made in rupee terms. The Company does not have any un-hedged borrowing in foreign exchange as well. There have been on occasions, borrowings in foreign exchange which are fully hedged and received in rupees.

The company has shifted from the earlier practice of short term loans to a duration of one year as commodity price risk seems to have subsided. Prices of key commodities like gold have been staying at elevated levels and is likely to remain so as a global slowdown tends to lead to higher gold price. Elevated prices 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 minimise the downside risk to AUM from a shrinkage in gold stocks held by us, assuming LTV is more or less the same.

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 2022 - 23. 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 2022-23, the Board has accepted all recommendations of its Committees.

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.

₹ 22.48 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 during the Financial year 2022-23.

L. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

- number of complaints filed during the financial year = 7
- number of complaints disposed of during the financial year = 7
- 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 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/public/uploads/editor-images/files/Policy%20for%20determining%20Material%20Subsidiary%202022.pdf>

16. THE COMPANY HAS COMPLIED WITH ALL THE REQUIREMENT OF Sub Para 2 to 10 of Para C of Schedule V of SEBI (LODR) Regulations 2015.

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.

17. 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 2022-23 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. Mr. Shailesh J Mehta is the Non-Executive Chairman of the Company and 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 February 03, 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.

18. 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

D. CEO/CFO CERTIFICATION

The requisite certification made by CEO/CFO as per the Regulation 17(8) as specified in Part B of Schedule II of the SEBI (LODR) Regulations, 2015 for FY 2022-23 was taken note by the Board of Directors at its meeting held on May 12, 2023 is published in this report as Annexure - B.

E. 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.

F. Disclosures with respect to demat suspense account/ unclaimed suspense account

No equity shares are in the suspense account / demat suspense account / unclaimed suspense account.

G. The Company has adopted the following policies in line with provisions of SEBI(LODR) Regulations 2015 and its weblink :-**Policy for Determination of Materiality and Disclosure of Material Events / Information –**

<https://www.manappuram.com/public/uploads/editor-images/files/Policy%20for%20Determination%20of%20Materiality%20and%20Disclosure%20of%20Material%20eventsinformation%202022.pdf>

Policy on Preservation of Documents and Archival of Documents in the Company Website –

<https://www.manappuram.com/public/uploads/editor-images/files/20.%20POLICYONPRESERVATIONOFDOC.pdf>

Corporate Social Responsibility & Sustainability Policy

<https://www.manappuram.com/public/uploads/editor-images/files/CSR%20policy%282%29.pdf>

Internal Guidelines on Corporate Governance

https://www.manappuram.com/public/uploads/editor-images/files/Internal%20Guidelines%20on%20Corporate%20Governance%20%28The%20Policy%20on%20CG%29_30.01.2023.pdf

Dividend Distribution Policy

<https://www.manappuram.com/public/uploads/editor-images/files/Dividend%20Distribution%20policy%20%28formatted%29.pdf>

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

<http://www.manappuram.com/company/management-team.html>

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 - C.

FAIR PRACTICES CODE

The Company has framed Fair Practices Code as per the latest guidelines issued by Reserve Bank of India in this regard. The code is posted on the website of the Company at the <https://www.manappuram.com/public/uploads/editor-images/files/16.%20Fair%20Practice%20Code%20revised.pdf>

- H. During the year the Company has raised ₹ 18700 million from qualified institutions through private placement and the details are as under.

ISIN	Date of Allotment	Maturity Date	Amount Raised
INE522D07CB0	20.07.2022	20.07.2025	7700 million
INE522D07CC8	13.03.2023	13.03.2033	11000 million

On Behalf of the Board

Sd/-

Place: Valapad
Date: May 12, 2023

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,
The Members,
Manappuram Finance Limited
IV/470A (Old), W638A (New),
Manappuram House,
Valapad, Thrissur,
Kerala – 680567

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Manappuram Finance Limited (CIN : L65910KL1992PLC006623) and having its registered office at IV/470A (Old), W638A (New), Manappuram House, Valapad, Thrissur, Kerala – 680567 (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 March 31, 2023 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. Gautam Ravi Narayan	02971674	February 08, 2018
4	Adv. V. R. Ramachandran	00046848	July 31, 2014 and July 31, 2019 (Re-appointment)
5	Mr. P. Manomohanan	00042836	July 31, 2014 and July 31, 2019 (Re-appointment)
6	Mr. V. P. Nandakumar	00044512	July 15, 1992 and August 25, 2022
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
10	Ms. Veliath Pappu Seemanthini	07850522	December 23, 2022
11	Dr. Sumitha Nandan	03625120	January 01, 2023

- Mr. B N Raveendra Babu, resigned with effect from May 18, 2022.
- Ms. Sutapa banerjee, resigned with effect from July 04, 2022.
- Mr. Gautam Ravi Narayan, resigned with effect from April 04, 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: F005367E000295624

PR No: 2635/2022

Place: Coimbatore
Date: May 12, 2023

Annexure - B
CEO & CFO CERTIFICATION UNDER SEBI (LODR) REGULATIONS, 2015

To,
The Board of Directors of Manappuram Finance Limited

We, V. P. Nandakumar, Managing Director & CEO and Bindu A L, Chief Financial Officer of Manappuram Finance Limited, ("the Company") hereby certify that:-

- a. We have reviewed financial statements and cash flow statement for the year ended 31st March 2023 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the audit committee
 1. significant changes in internal control over financial reporting during the period;
 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Valapad
Date: May 12, 2023

Sd/-
V P Nandakumar
Managing Director & CEO

Sd/-
Bindu AL
Chief Financial Officer

Annexure-C

**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, 2023, 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 12, 2023

Sd/-
V.P. Nandakumar
Managing Director & CEO

Independent Auditors' 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 31st March, 2023, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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 ("Ind AS") as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit 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.

Emphasis of Matter

We draw your attention to Note 74 in the standalone financial statements in relation to show cause notice received from Reserve Bank of India (RBI) with respect to certain matters highlighted in the Annual Inspection report for Financial Year ended on March 31, 2021 and explained in the note. Penalties, if any, that may be imposed on the Company by RBI in this regard and the impact thereon on the standalone financial statements is currently unascertainable.

Our opinion 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 standalone financial statements for the year ended 31st March, 2023 (current year). 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.

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 as at 31st March, 2023: ₹ 39,903.31 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
2	<p>Provision for Expected Credit Losses (ECL) on Loans: Total Gross Loans as at 31st March, 2023: ₹ 247,345.68 millions Impairment Provision as at 31st March, 2023: ₹ 1,761.66 millions Refer note 10 to the standalone financial statements</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 31st March, 2023. • 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. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
3	<p data-bbox="220 337 687 360">Information Technology ("IT") Systems and Controls</p> <p data-bbox="220 399 804 512">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 data-bbox="220 546 804 625">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 data-bbox="220 664 804 777">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 data-bbox="220 811 804 954">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 data-bbox="220 988 804 1129">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 data-bbox="823 337 1471 394">Our audit procedures with respect to this matter included the following, but were not limited to the following:</p> <ul data-bbox="823 417 1471 1183" style="list-style-type: none"> <li data-bbox="823 417 1471 530">• 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; <li data-bbox="823 553 1471 689">• 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; <li data-bbox="823 712 1471 893">• 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. <li data-bbox="823 916 1471 1075">• 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; <li data-bbox="823 1097 1471 1183">• 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 Standalone 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 of Director's Report including annexures to the Director's Report which is 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 the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not and 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 Accounting Standards specified under section 133 of the Act. 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 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.

Those 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 accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 31st March, 2023 (current year) and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "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.
 - (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 Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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".
- (g) 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 23 to 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. The Company has transferred ₹ 4.59 millions of Unclaimed dividend to the Investor Education and Protection Fund during the financial year 2022-23.
 - iv. (1) The Management has represented that, to the best of its knowledge and belief, as disclosed in 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, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (2) The Management has represented that, to the best of it's knowledge and belief, as disclosed in Note 64B(ii) to the standalone financial statements, no funds have been received by the Company from any person(s)/entity(ies), including foreign entities ("Funding Parties"), that the Company has 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; and
 - (3) Based on such audit procedures performed, as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (1) and (2) above contain any material misstatement.
 - v. The Company has declared and paid dividend during the year which is in compliance with section 123 of the Act.
 - vi. As the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for the accounting software used by the Company for maintaining its books of account to have the feature for recording of audit trail (edit log) facility and related matters, is applicable for the Company only with effect from financial year beginning 1 April 2023, the reporting under clause (g) of Rule 11 is currently not applicable.
3. 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 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: 23118580BGXRQI8223

Place: Mumbai

Date: 12th May, 2023

For **S K Patodia & Associates**

Chartered Accountants

ICAI Firm Registration Number: 112723W

Sd/-

Sandeep Mandawewala

Membership Number: 117917

UDIN: 23117917BGWFKO5234

Place: Mumbai

Date: 12th May, 2023

Annexure A to Independent Auditors' Report

of even date on the Financial Statements of Manappuram Finance Limited for the Year ended 31st March, 2023

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- 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.
 - B. The Company has maintained proper records showing full particulars of intangible assets.
- (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.
- (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 financial statements are held in the name of the Company.
- (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 its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (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 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.
- ii. (a) The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) (a) of the Order are not applicable to the Company.
- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks/ financial institutions on the basis of security of current assets. Quarterly returns / statements filed with such Banks/ financial institutions are in agreement with the books of account.
- 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.
- (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 terms and conditions in relation to investments made, guarantees provided, securities given and grant of all loans and advances in the nature of loans and guarantees are not prejudicial to the interest of the Company.
- (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.
- (d) In respect of the loans/ advances in nature of loans, the total amount overdue for more than ninety days as at 31st March, 2023 is ₹ 3,210.93 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.
- (e) The Company involved in the business of giving loans. Accordingly, provision stated in paragraph 3(iii) (e) of the Order are not applicable to the Company.
- (f) According to the information explanation provided to us, the Company has not granted any loans and / or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment. Hence, the requirements under paragraph 3(iii)(f) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either

directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

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 in paragraph 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 service tax, provident fund, employees' state insurance, income-tax, service tax, value added tax, cess have been regularly deposited by the Company with appropriate authorities in all cases during the year.

(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	307.20	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)	44.94	Assessment Years 2009-10, 2010-11, 2011-12, 2012-13 and 2014-15	Deputy Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	462.70	Assessment Year 2020-21	Appeal is before the First Authority. (i.e Commissioner IT Appeals).
Income Tax Act, 1961	Income Tax	36.90	Assessment Year 2015-16 & 2016-17	Appeal is before the First Authority. (i.e Commissioner IT Appeals)

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, 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 explanation 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 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, associates or joint ventures.

(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 securities, joint ventures or associate companies. Hence, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.
- x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 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 in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi. (a) During the course of our audit, 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 have neither come across any instance of material fraud by the Company nor on the Company.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statement for the year ended 31st March, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (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. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to © 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 Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable 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.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to Company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are 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 as a non-deposit taking non- banking financial institutions.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)© of the Order are not applicable to the Company.
- (d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph clause 3 (xvi) (d) of the order are not applicable to the Company.
- xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 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. Hence, the provisions stated in paragraph 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 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 respect of other than ongoing projects, the Company has transferred unspent amount to a Fund specified in schedule VII of the Act within a period of six months of the expiry of the financial year in compliance second proviso to sub-section (5) of section 135 of the Act.

- (b) In respect of ongoing projects, the Company has transferred unspent amount to a special fund within a period of thirty days from the end of the financial year in compliance section 135(6) of the said Act.

- 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 **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration Number: 105047W

Sd/-

Tushar Kurani

Membership Number: 118580

UDIN: 23118580BGXRQI8223

Place: Mumbai

Date: 12th May, 2023

For **S K Patodia & Associates**

Chartered Accountants

ICAI Firm Registration Number: 112723W

Sd/-

Sandeep Mandawewala

Membership Number: 117917

UDIN: 23117917BGWFK05234

Place: Mumbai

Date: 12th May, 2023

Annexure B to the Independent Auditors' Report

of even date on the Standalone Financial Statements of Manappuram Finance Limited

Referred to in paragraph 2 (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 Financial Statements for the year ended 31st March, 2023

Report on the Internal Financial Controls with reference to the Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Manappuram Finance Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company 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 31st March, 2023, 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's Responsibility for Internal Financial Controls

The Company's Management and Board of the 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

Partner

Membership Number: 118580

UDIN: 23118580BGXRQI8223

Place: Mumbai

Date: 12th May, 2023

For **S K Patodia & Associates**

Chartered Accountants

ICAI Firm Registration Number: 112723W

Sd/-

Sandeep Mandawewala

Partner

Membership Number: 117917

UDIN: 23117917BGWFK05234

Place: Mumbai

Date: 12th May, 2023

STANDALONE BALANCE SHEET

as at 31st March, 2023

(All amounts are in millions, unless otherwise stated)

	Note No.	As at 31 st March, 2023	As at 31 st March, 2022
ASSETS			
1 Financial assets			
Cash and cash equivalents	8	18,727.00	15,628.60
Bank balances other than above	9	2,068.02	1,956.01
Loans	10	2,45,584.02	2,27,196.71
Investments	11	14,542.34	12,154.68
Other financial assets	12	2,095.04	2,050.99
2 Non-financial assets			
Current tax assets (net)	13	8.44	549.66
Deferred tax assets (net)	35	808.21	746.56
Property, plant and equipment	14	3,577.63	3,158.96
Capital work-in-progress		160.11	107.03
Right of use asset	41(iii)	4,978.66	5,573.38
Other intangible assets	15	138.49	187.80
Other non-financial assets	16	687.10	395.56
Total assets		2,93,375.06	2,69,705.94
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
Derivative financial instruments	17	32.85	301.19
Payables			
a) Trade payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		2.60	3.65
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		959.15	1,081.92
Debt securities	19	49,608.07	78,032.83
Borrowings (other than debt securities)	20	1,42,685.00	1,01,220.85
Subordinated liabilities	21	-	6.00
Lease liability	41(iii)	5,743.43	6,151.01
Other financial liabilities	22	2,569.47	1,950.66
2 Non-financial Liabilities			
Provisions	23	575.14	549.18
Other non-financial liabilities	24	1,400.27	979.87
		2,03,575.98	1,90,277.16
3 Equity			
Equity share capital	25	1,692.79	1,692.79
Other equity	26	88,106.29	77,735.99
Total liabilities and equity		2,93,375.06	2,69,705.94

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

For **S K Patodia & Associates**
Chartered Accountants
ICAI Firm Registration No: 112723W

Sd/-
Sandeep Mandawewala
Partner
Membership No: 117917

Place: Mumbai
Date: 12th May, 2023

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: 12th May, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS

for the Year ended 31st March, 2023

(All amounts are in millions, unless otherwise stated)

	Note No.	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
I Revenue from operations			
(i) Interest income	27 (i)	47,409.14	45,393.68
(ii) Fees and commission income	27 (ii)	31.48	31.23
(iii) Net gain on fair value changes	27 (iv)	0.17	(0.01)
(iv) Net gain on derecognition of financial instruments		215.99	
(v) Dividend Income	27 (iii)	80.38	-
(vi) Other operating income	27 (v)	280.66	203.09
Total Revenue from operations (I)		48,017.82	45,627.99
II Other income	28	250.76	241.98
III Total income (I + II)		48,268.58	45,869.97
EXPENSES			
(i) Finance costs	29	14,984.12	13,918.02
(ii) Fees and commission expense	30	254.30	260.16
(iii) Impairment on financial instruments	31	450.60	807.01
(iv) Employee benefits expenses	32	10,025.70	8,083.81
(v) Depreciation and amortisation	33	1,626.15	1,574.60
(vi) Other expenses	34	3,864.43	3,728.58
IV Total expenses (IV)		31,205.30	28,372.18
V Profit before tax (III - IV)		17,063.28	17,497.79
VI Tax expense:	35		
(1) Current tax		4,544.89	4,200.10
(2) Deferred tax		(144.24)	252.32
(3) Earlier years adjustments		-	-
Total Tax Expense		4,400.65	4,452.42
VII Profit for the year (V - VI)		12,662.63	13,045.37
VIII Other comprehensive income			
A (i) Items that will not be re classified to profit or loss		(1.80)	43.14
(a) Remeasurement gain/(loss) on post-employment defined benefit plans.			
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.45	(10.86)
Subtotal (A)		(1.35)	32.28
B (i) Items that will be classified to profit or loss		329.81	(194.42)
(a) Fair value changes of cash flow hedges			
(ii) Income tax relating to items that will be reclassified to profit or loss		(83.04)	48.94
Subtotal (B)		246.77	(145.49)
Other comprehensive income		245.42	(113.20)
IX Total comprehensive income for the year (VII + VIII)		12,908.05	12,932.16
X Earnings per equity share (Nominal value per share - ₹ 2)	36		
(a) Basic (₹)		14.96	15.41
(b) Diluted (₹)		14.96	15.41

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

For **S K Patodia & Associates**

Chartered Accountants

ICAI Firm Registration No: 112723W

Sd/-

Sandeep Mandawewala

Partner

Membership No:117917

Place: Mumbai

Date: 12th May, 2023

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: 12th May, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY CAPITAL

 for the year ended 31st March, 2023

(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, 2021	846.36	1,692.73
Issued during the year - ESOP	0.03	0.06
As at 31 st March, 2022	846.39	1,692.79
Issued during the year - ESOP	-	-
As at 31 st March, 2023	846.39	1,692.79

B. Other Equity

Particulars	Share application money pending allotment	Statutory reserve	Securities premium	Reserves and Surplus			Hedge reserve	Other comprehensive income - actuary gain / (loss)	Total
				Share option outstanding account	Impairment Reserve	General reserve			
Balance as at 1st April, 2021	0.02	14,568.06	14,105.11	136.39	-	3,627.02	(9.42)	(237.66)	67,324.50
Dividends	-	-	-	-	-	-	-	-	(2,539.14)
Transfer to/from retained earnings	-	2,609.07	-	-	439.93	-	-	-	0.01
Other Additions/ Deductions during the year									
Foreign exchange rate variations in hedging instruments	-	-	-	-	-	-	13.66	-	13.66
Shares allotted during the year	-	-	-	-	-	-	-	-	-
ESOP Expenses	-	-	-	1.16	-	-	-	-	1.16
Utilised during the year	-	-	-	-	-	-	-	-	-
Share premium received during the year	-	-	3.64	-	-	-	-	-	3.64
Profit for the year (net of taxes)	-	-	-	-	-	-	-	-	13,045.37
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	-	-	(113.21)	(113.21)
Balance as at 31st March, 2022	0.02	17,177.13	14,108.75	137.55	439.93	3,627.02	4.24	(350.87)	77,735.99

Particulars	Reserves and Surplus							Other comprehensive income - actuary gain / (loss)	Total
	Share application money pending allotment	Statutory reserve	Securities premium	Share option outstanding account	Impairment Reserve	General reserve	Retained earnings		
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 31st March, 2023	(0.00)	19,709.66	14,108.75	137.83	439.93	3,627.02	50,183.14	5.41	(105.45)

As per our Report of even date

For **M S K & Associates**

Chartered Accountants

ICAI Firm Registration No: 105047W

Sd/-

Tushar Kurani

Partner

Membership No: 118580

For **S K Patodia & Associates**

Chartered Accountants

ICAI Firm Registration No: 112723W

Sd/-

Sandeep Mandawewala

Partner

Membership No:117917

Place: Mumbai

Date: 12th May, 2023

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, Thrissur

Date: 12th May, 2023

STANDALONE CASH FLOW STATEMENT

for the year ended 31st March, 2023

(All amounts are in millions, unless otherwise stated)

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
A. Cash flow from operating activities		
Net profit before tax	17,063.28	17,497.79
Adjustments for:		
Interest income on loans	(46,664.43)	(45,166.96)
Depreciation and amortization expense	1,626.14	1,574.59
Impairment on financial instruments	371.81	(705.79)
Finance costs	14,984.12	13,918.02
Lease Income on rent waiver	-	(2.44)
Provision for litigation	23.99	54.64
Provision no longer required written back	-	(6.54)
Provision for other assets	(81.94)	(34.82)
Profit on sale of property, plant and equipment	(8.08)	(9.54)
Stock compensation expense	0.28	1.17
Interest income from banks, investments and others	(744.71)	(226.72)
Dividend Received	(80.38)	-
Operational cash flows from interest		
Interest received on loans	45,799.43	48,092.00
Finance costs	(15,543.20)	(14,055.67)
Operating Profit before working capital changes	16,746.31	20,929.72
Changes in working capital and loans:		
Decrease / (increase) in non-financial assets	(251.71)	236.39
Decrease / (increase) in loans	(17,894.09)	(18,823.69)
Decrease / (increase) in other financial assets	(30.12)	908.96
Increase / (decrease) in trade payables	(123.82)	135.22
Increase / (decrease) in other financial liabilities	1,741.18	(73.35)
Increase / (decrease) in provisions	411.68	(157.63)
Increase / (decrease) in other non-financial liabilities	420.40	380.34
	(15,726.48)	(17,393.76)
Cash generated from operations	1,019.83	3,535.96
Net income tax (paid)	(4,003.66)	(4,654.45)
Net cash flows from/(used in) operating activities (A)	(2,983.83)	(1,118.50)
B. Cash flow from investing activities		
Capital expenditure, including capital advances	(1,120.49)	(1,039.55)
Proceeds from sale of property, plant and equipment	10.74	11.33
(Purchase) / Sale of investments	(2,387.47)	(151.88)
Interest received	730.77	226.89
Dividend Received	80.38	-
Bank balances not considered as cash and cash equivalents	(112.02)	(222.88)
Net cash flows from/(used in) investing activities (B)	(2,798.09)	(1,176.10)

STANDALONE CASH FLOW STATEMENT

for the year ended 31st March, 2023

(All amounts are in millions, unless otherwise stated)

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
C. Cash flow from financing activities		
Debt securities issued (net)	(28,424.76)	(21,335.73)
Borrowings (other than debt securities) issued (net)	41,196.96	24,202.91
Subordinated liabilities issued (net)	(6.00)	(42.10)
Proceeds from issue of equity shares	-	0.06
Share premium on equity shares allotted	-	3.64
Share application money received/(refunded)	(0.02)	-
Dividend paid, including dividend distribution tax	(2,539.18)	(2,539.14)
Payment of lease liabilities	(1,346.68)	(1,290.09)
Net cash flow from /(used in) financing activities ©	8,880.32	(1,000.45)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	3,098.40	(3,295.03)
Cash and cash equivalents at the beginning of the year	15,628.60	18,923.61
Cash and cash equivalents at the end of the year	18,727.00	15,628.60

Note: For disclosures relating to changes in liabilities arising from financing activities, refer note 40.

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

For **S K Patodia & Associates**

Chartered Accountants

ICAI Firm Registration No: 112723W

Sd/-

Sandeep Mandawewala

Partner

Membership No: 117917

Place: Mumbai

Date: 12th May, 2023

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: 12th May, 2023

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, 2023 (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 Bombay Stock Exchange Limited and National Stock Exchange 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 Systemically Important Non-Deposit taking NBFC(NBFC-ND). 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 Microfinance Limited, Manappuram Insurance Brokers Limited and Manappuram Comptech and Consultants Limited.

The company's registered office is at IV/470a (Old) W/638 (New), 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. Significant 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.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in millions, unless otherwise stated)

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:

- 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.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in millions, unless otherwise stated)

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.

(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

Notes

to Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in millions, unless otherwise stated)

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 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

Notes

to Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in millions, unless otherwise stated)

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 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.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

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 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.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in millions, unless otherwise stated)

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 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

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.

(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

Notes

to Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in millions, unless otherwise stated)

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 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

Notes

to Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in millions, unless otherwise stated)

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.

(ii) 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

Notes

to Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in millions, unless otherwise stated)

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

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.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in millions, unless otherwise stated)

The estimated useful lives are, as follows:

Particulars	Useful life estimated by Company
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

*The Company has estimated useful life which is different for Schedule II useful life's based on management estimate.

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.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in millions, unless otherwise stated)

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. 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

Notes

to Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in millions, unless otherwise stated)

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 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. ED search

A search operation was conducted by the Directorate of Enforcement, Government of India ("ED"), at the premises of Manappuram Finance Limited (MAFIL) and other locations including premises of promoter of MAFIL on 3rd and 4th of May 2023. The search was with reference to the deposits accepted by Manappuram Agro Farms ("MAGRO") an erstwhile sole proprietary concern of the MAFIL's promoter, prior to 2012. These deposits were subsequently repaid by MAGRO, except for a deposit of ₹ 9.25 lakhs which is lying in Escrow account and pending to be repaid. The repayment of deposits was based on the RBI inspection report of the financial year 2012 and reviewed in the subsequent inspections by RBI. Subsequent to the aforementioned search, the promoter, in his capacity as sole proprietor of MAGRO, received an ED order, freezing his personal assets under Section 17 (1-A) of the Prevention of Money Laundering Act, 2002, these include 19,29,01,996 equity shares in the Company held by him. As per the Company's management, this event which has occurred post the balance sheet date and is pertaining to MAGRO and thus has no impact on MAFIL. Further the promoter, in his personal capacity, has approached the Honourable High Court of Kerala for staying the proceedings.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Note 8: Cash and cash equivalents

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Cash on hand	983.88	1,897.02
Balances with banks - in current and OD accounts	8,495.53	8,126.83
Foreign currency balances	1.80	1.54
Bank deposit with maturity of less than 3 months	9,245.79	5,603.21
Total	18,727.00	15,628.60

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, 2023	As at 31 st March, 2022
Deposits with original maturity for more than 3 months.*	1,611.18	1,362.67
On escrow accounts		
Unpaid NCD trustee account	10.40	12.88
Unpaid auction surplus deposit	421.69	476.38
Unpaid dividend account	24.75	104.08
Total	2,068.02	1,956.01

* Includes:

Cash collateral deposits aggregating to ₹ 1,512.10 Mn (31st March, 2022: ₹ 978.83 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, 2023		As at 31 st March, 2022	
	Amortised Cost	Total	Amortised Cost	Total
LOANS				
(A)				
i) Gold loan	195,229.96	195,229.96	202,878.21	202,878.21
ii) Commercial Vehicle loan (CVD)	22,456.81	22,456.81	16,615.86	16,615.86
iii) Mortgage/Property loan	276.79	276.79	1,249.08	1,249.08
iv) Onlending	10,048.22	10,048.22	315.59	315.59
v) Corporate Finance	4.13	4.13	9.02	9.02
vi) Other loan	19,329.78	19,329.78	7,518.84	7,518.84
Total (A) - Gross	247,345.68	247,345.68	228,586.60	228,586.60
Less: Impairment loss allowance	1,761.66	1,761.66	1,389.89	1,389.89
- Provision for non performing assets	432.68	432.68	537.06	537.06
- Provision for standard assets	1,328.98	1,328.98	852.83	852.83
Total (A) - Net	245,584.02	245,584.02	227,196.71	227,196.71

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	Amortised Cost	Total	Amortised Cost	Total
(B)			-	-
i) Secured by tangible assets	244,997.70	244,997.70	226,830.89	226,830.89
ii) Unsecured	2,347.98	2,347.98	1,755.71	1,755.71
Total (B) - Gross	247,345.68	247,345.68	228,586.60	228,586.61
Less: Impairment loss allowance	1,761.66	1,761.66	1,389.89	1,389.89
Total (B) - Net	245,584.02	245,584.02	227,196.71	227,196.71
Loans in India			-	-
i) Public Sector	-	-	-	-
ii) Others	247,345.68	247,345.68	228,586.60	228,586.60
Total @ - Gross	247,345.68	247,345.68	228,586.60	228,586.60
Less: Impairment loss allowance	1,761.66	1,761.66	1,389.89	1,389.89
Total @ - Net	245,584.02	245,584.02	227,196.71	227,196.71

Summary of ECL provisions

Particulars	As at 31 st March, 2023				As at 31 st March, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
i) Gold loan	890.71	19.36	131.54	1,041.61	429.37	48.69	193.05	671.11
ii) Commercial Vehicle loan (CVD)	188.02	33.94	105.35	327.31	145.08	21.62	226.84	393.54
iii) Mortgage/Property loan	11.85	0.72	17.67	30.25	18.70	0.55	7.24	26.48
iv) Onlending	57.20	-	42.65	99.85	2.56	-	50.23	52.79
v) Corporate Finance	-	-	4.13	4.13	-	-	9.02	9.02
vi) Others	114.82	12.35	131.34	258.51	181.18	5.08	50.69	236.95
Total closing ECL provision	1,262.60	66.38	432.68	1,761.66	776.89	75.94	537.06	1,389.89

Loans or advances in the nature of loans are granted to promoters, directors, KMPs and other related parties.

Particulars	As at 31 st March, 2023	% of total loans and advances in the nature of loans	As at 31 st March, 2022	% 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	1300	0.53%	Nil	Nil

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (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, 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 (Quoted)				
1000, Equity shares of ₹ 10/- each fully paid in CSB Bank Limited (formerly The Catholic Syrian Bank Limited)	-	0.25	-	0.25
iv) Investment in subsidiaries (Unquoted)				
a) Wholly owned subsidiary				
199,999,994, 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
1,569,994, 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 Microfinance Limited (formerly Asirvad Microfinance Private Limited)	-	-	9,313.15	9,313.15
525,994, 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

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Particulars	Amortised Cost	At Fair value Through profit or loss	Others	Total
As at 31st March, 2022				
i) Investment in Government Securities (Quoted)				
1500000, Units of face value ₹ 100/- each in 5.22% GOI 2025	1,533.30			1,533.30
1500000, Units of face value ₹ 100/- each in 5.15% GOI 2025	1,536.02			1,536.02
ii) Debt Instruments (unquoted)				
Investment in Pass through certificates (PTC's)	66.29	-	-	66.29
iii) Equity instruments in others (Unquoted)				
1000, Equity shares of ₹ 10/- each fully paid in CSB Bank Limited (formerly The Catholic Syrian Bank Limited)	-	0.21	-	0.21
iv) Equity instruments in subsidiaries (Unquoted)				
a) Wholly owned subsidiary				
199,999,994, 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
1,569,994, 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				
5,19,85,856 Equity shares of ₹ 10/- each fully paid in the Asirvad Microfinance Limited (formerly Asirvad Microfinance Private Limited)	-	-	6,860.17	6,860.17
525,994, 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
Total Gross (A)	3,135.61	0.21	9,019.05	12,154.87
i) Investments outside India	-	-	-	-
ii) Investments in India	3,135.61	0.21	9,019.05	12,154.87
Total Gross (B)	3,135.61	0.21	9,019.05	12,154.87
Less : Allowance for impairment loss (C)	0.19	-	-	0.19
Total - Net (D) = (A) -(C)	3,135.42	0.21	9,019.05	12,154.68

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.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (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, 2023				31 st March, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
High Grade	-	-	-	-	66.29	-	-	66.29
Standard Grade	-	-	-	-	-	-	-	-
Total	-	-	-	-	66.29	-	-	66.29

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other Investments is, as follows

Particulars	2022-23				2021-22			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying amount – opening balance	66.29	-	-	66.29	310.97	-	-	310.97
New assets purchased	-	-	-	-	-	-	-	-
Assets derecognised or matured	(66.29)	-	-	(66.29)	(244.97)	-	-	(244.97)
Interest accrued on investment	-	-	-	-	0.29	-	-	0.29
Closing balance	-	-	-	-	66.29	-	-	66.29

Particulars	2022-23				2021-22			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening Balance of ECL	0.19	-	-	0.19	1.31	-	-	1.31
ECL on new assets purchased	-	-	-	-	-	-	-	-
ECL on derecognised or matured assets / others	(0.19)	-	-	(0.19)	(1.11)	-	-	(1.11)
Closing balance in ECL	0.00	-	-	0.00	0.19	-	-	0.19

Note 12: Other financial assets

Particulars	As at	As at
	31 st March, 2023	31 st March, 2022
Security deposits*	947.43	977.25
EIS Receivable on Direct Assignments	252.81	-
Commission receivable	2.21	2.20
Funds-in-transit	607.52	562.65
Gold investment	64.24	145.13
Others**	220.83	363.76
Total	2,095.04	2,050.99

* Employee security deposits aggregating to ₹440.03Mn (31 March 2022: ₹461.13Mn). Deposits aggregating to ₹35.58 Mn (31 March 2022: ₹34.84 Mn) towards security deposit to various authorities.

** Auction receivable ₹32.69 Mn (31 March 2022: 32.41 Mn).

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Note 13: Current tax assets (net)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Advance tax and tax deducted at source (net of provisions)	8.44	549.66
Total	8.44	549.66

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 st April 2021	334.51	1,301.15	117.36	141.52	591.46	1,788.56	548.95	50.31	40.94	4,914.75
Additions	121.72	95.10	28.59	8.97	213.21	451.88	11.87	1.25	-	932.58
Disposals	-	-	12.74	2.74	76.87	3.79	-	5.22	-	101.36
As at 31st March, 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 31st March, 2023	502.56	1,455.32	176.57	142.56	1,157.56	2,452.82	600.67	49.73	41.61	6,579.40
Accumulated Depreciation:										
As at 1 st April, 2021	-	150.00	73.44	114.88	421.53	824.35	514.99	19.33	14.04	2,132.57
Disposals	-	-	12.70	2.74	76.23	3.73	0.06	4.11	-	99.57
Depreciation charge for the year	-	45.57	34.81	23.63	148.32	280.79	9.57	7.49	3.82	554.00
As at 31st March, 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 31st March, 2023	-	245.06	113.58	129.05	544.27	1,378.09	540.46	29.98	21.30	3,001.80
Carrying Amount										
As at 31 st March, 2022	456.23	1,200.68	37.66	11.98	234.17	1,135.23	36.33	23.63	23.08	3,158.98
As at 31st 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

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 reclassified into Leasehold Improvements.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Note 15: Other Intangible Assets

Particulars	Computer Software
Cost:	
As at 1st April, 2021	357.52
Additions	28.64
Disposals	-
As at 31st March, 2022	386.16
Additions	13.81
Disposals	0.83
As at 31st March, 2023	399.14
Accumulated amortisation:	
As at 1st April, 2021	138.22
Disposals	-
Amortisation charge for the year	60.14
As at 31st March, 2022	198.36
Disposals	0.75
Amortisation charge for the year	63.05
As at 31st March, 2023	260.66
Carrying Amount:	
As at 31st March, 2022	187.80
As at 31st March, 2023	138.49

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, 2023	As at 31 st March, 2022
Capital advances	113.38	73.55
Prepaid Expenses	258.46	209.18
Others	315.26	112.83
Total	687.10	395.56

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, 2023	As at 31 st March, 2022
A) Derivatives designated as Cash flow Hedges:		
Forward Contracts	(32.85)	(768.27)
Cross Currency interest rate Swaps	-	375.23
Sub total (A)	(32.85)	(393.04)
B) Other Derivatives		
Cross Currency interest rate Swaps	-	91.85
Sub total (B)	-	91.85
Total derivative financial instruments (A) + (B)	(32.85)	(301.19)

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (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 borrowing amounting to USD 88.31 million. Interest on the borrowing is payable at 8.62 % p.a. and the principal amount is repayable in August 2023. 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 88.31 million to cash outflows in Indian Rupees with a notional amount of ₹ 7,270 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 31st March, 2023 and 31st March, 2022 are as follows:

Particulars	As at	As at
	31 st March, 2023	31 st March, 2022
Cash flow hedge reserve as at beginning of the year	(250.70)	(105.21)
Gain/ (loss) recognised in other comprehensive income during the year	329.81	(194.42)
Less: Tax impact on the above	(83.04)	48.93
Amount reclassified to Profit/ Loss account	-	-
Total derivative financial instruments (A) +(B)	(3.93)	(250.70)

Note 18: Trade payables

Particulars	As at	As at
	31 st March, 2023	31 st March, 2022
(i) total outstanding dues of micro enterprises and small enterprises	2.60	3.65
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	959.15	1,081.92
Total	961.75	1,085.57

Note 18(i) Disclosures required under Section 22 of the Micro, Small & Medium Enterprises Development Act, 2006

Particulars	As at	As at
	31 st March, 2023	31 st March, 2022
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year.	2.60	3.65
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	2.60	3.65

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

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	0.32	-	-	-	0.32
(ii) others	373.64	59.12	22.39	99.70	554.85
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-
(v) Unbilled-MSME	2.29	-	-	-	2.29
(vi) Unbilled-Others	331.45	52.87	19.58	0.38	404.28
Total	707.69	111.98	41.97	100.07	961.74

Note 19: Debt securities

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
At amortised cost		
Commercial Papers (unsecured)	-	6,941.63
US Dollar Bonds (Secured)	-	22,929.76
Privately placed redeemable non-convertible debentures (Secured)	46,958.19	45,645.94
Others - Non-convertible Debentures - Public issue (Secured)	2,649.88	2,515.50
Total (A)	49,608.07	78,032.83
Debt securities in India	49,608.07	55,103.07
Debt securities outside India	-	22,929.76
Total (B)	49,608.07	78,032.83

Commercial papers carry interest rates of Nil (31st March, 2022 : 4.85 % p.a) and their tenure ranges from Nil (31st March, 2022 : 145 days to 155 days)

US Dollar Bonds carry interest rates of Nil (31st March, 2022: 5.90% p.a) and their tenure is for Nil (31st March, 2022 : 3 years).

Nature of Security

Debentures are secured by a floating charge on the book debts of the Company on gold and other unencumbered assets. The Company shall maintain 100% security cover on the outstanding balance of debenture with accrued interest any time. Debentures are offered for a period of 1 year to 10 years. US Dollar Bonds are secured by way of floating charge on the book debts of the Company on gold and other unencumbered assets.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in millions, unless otherwise stated)

Note 19: Debt securities (Contd.)
Detail 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, 2023	As at 31 st March, 2022	Secured/ Unsecured	Terms of redemption	Listed/ Unlisted
1	Private Placement	20-Mar-13	20-Mar-23	1,000,000	30	13.25%	3000	-	30.00	Secured	On Maturity	Listed
2	Public Issue	29-Nov-18	29-Nov-23	1,000	574,214	10.00%	574.21	574.21	574.21	Secured	On Maturity	Listed
3	Public Issue	29-Nov-18	29-Nov-23	1,000	299,989	10.40%	299.99	299.99	299.99	Secured	On Maturity	Listed
4	Public Issue	29-Nov-18	29-Nov-23	1,000	147,955	Zero Coupon	147.96	147.96	147.96	Secured	On Maturity	Listed
5	Public Issue	6-Mar-19	6-Mar-24	1,000	285,001	9.75%	285.00	285.00	285.00	Secured	On Maturity	Listed
6	Public Issue	6-Mar-19	6-Mar-24	1,000	205,402	10.15%	205.40	205.40	205.40	Secured	On Maturity	Listed
7	Public Issue	6-Mar-19	6-Mar-24	1,000	89,932	Zero Coupon	89.93	89.93	89.93	Secured	On Maturity	Listed
8	Public Issue	29-Nov-18	29-Nov-25	1,000	397,723	Zero Coupon	397.72	397.72	397.72	Secured	On Maturity	Listed
9	Public Issue	6-Mar-19	5-May-26	1,000	204,779	Zero Coupon	204.78	204.78	204.78	Secured	On Maturity	Listed
10	Public Issue	Various Dates	Various Dates	1,000	42,309	-	42.31	36.87	36.87	Secured	On Maturity	Unlisted
11	Private Placement	7-Nov-19	7-Nov-22	1,000,000	2,500	9.75%	2,500.00	-	2,500.00	Secured	On Maturity	Listed
12	Private Placement	14-Feb-20	14-Feb-23	1,000,000	500	9.25%	500.00	-	500.00	Secured	On Maturity	Listed
13	Private Placement	14-Feb-20	14-Feb-23	1,000,000	500	9.25%	500.00	-	500.00	Secured	On Maturity	Listed
14	Private Placement	14-Feb-20	14-Feb-23	1,000,000	250	9.25%	250.00	-	250.00	Secured	On Maturity	Listed
15	Private Placement	14-Feb-20	14-Feb-23	1,000,000	1,750	9.25%	1,750.00	-	1,750.00	Secured	On Maturity	Listed
16	Private Placement	14-Feb-20	14-Feb-23	1,000,000	1,250	9.25%	1,250.00	-	1,250.00	Secured	On Maturity	Listed
17	Private Placement	27-Mar-20	27-Mar-23	1,000,000	1,000	9.25%	1,000.00	-	1,000.00	Secured	On Maturity	Listed
18	Private Placement	27-Mar-20	27-Mar-23	1,000,000	750	9.25%	750.00	-	750.00	Secured	On Maturity	Listed
19	Private Placement	27-Mar-20	27-Mar-23	1,000,000	250	9.25%	250.00	-	250.00	Secured	On Maturity	Listed
20	Private Placement	8-May-20	8-May-23	1,000,000	1,000	9.00%	1,000.00	1,000.00	1,000.00	Secured	On Maturity	Listed
21	Private Placement	1-Jun-20	1-Jun-23	1,000,000	5,000	9.10%	5,000.00	5,000.00	5,000.00	Secured	On Maturity	Listed
22	Private Placement	9-Jul-20	9-Jul-30	1,000,000	250	9.50%	250.00	250.00	250.00	Secured	On Maturity	Listed
23	Private Placement	10-Jul-20	24-Jun-22	1,000,000	1,780	9.00%	1,780.00	-	1,780.00	Secured	On Maturity	Listed
24	Private Placement	16-Jul-20	24-Jun-22	1,000,000	700	9.00%	700.00	-	700.00	Secured	On Maturity	Listed
25	Private Placement	21-Jul-20	21-Jul-22	1,000,000	600	8.50%	600.00	-	600.00	Secured	On Maturity	Listed
26	Private Placement	21-Jul-20	21-Jul-22	1,000,000	500	8.50%	500.00	-	500.00	Secured	On Maturity	Listed
27	Private Placement	21-Jul-20	21-Jul-22	1,000,000	300	8.50%	300.00	-	300.00	Secured	On Maturity	Listed
28	Private Placement	21-Jul-20	21-Jul-22	1,000,000	1,100	8.50%	1,100.00	-	1,100.00	Secured	On Maturity	Listed
29	Private Placement	14-Aug-20	9-Jul-30	1,000,000	250	9.50%	250.00	250.00	250.00	Secured	On Maturity	Listed
30	Private Placement	14-Aug-20	9-Jul-30	1,000,000	400	9.50%	400.00	400.00	400.00	Secured	On Maturity	Listed
31	Private Placement	14-Aug-20	9-Jul-30	1,000,000	350	9.50%	350.00	350.00	350.00	Secured	On Maturity	Listed
32	Private Placement	20-Aug-20	6-Feb-23	1,000,000	1,500	8.45%	1,500.00	-	1,500.00	Secured	On Maturity	Listed
33	Private Placement	7-Sep-20	7-Mar-23	1,000,000	1,000	8.10%	1,000.00	-	1,000.00	Secured	On Maturity	Listed
34	Private Placement	22-Dec-20	22-Dec-23	1,000,000	2,500	7.45%	2,500.00	2,500.00	2,500.00	Secured	On Maturity	Listed

Notes

to Standalone Financial Statements for the year ended 31st March, 2023

(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, 2023	As at 31 st March, 2022	Secured/ Unsecured	Terms of redemption	Listed/ Unlisted
35	Private Placement	22-Dec-20	22-Dec-23	1,000,000	1,500	7.45%	1,500,000	1,500.00	1,500.00	Secured	On Maturity	Listed
36	Private Placement	28-Jan-21	28-Jan-26	1,000,000	1,500	8.57%	1,500,000	1,500.00	1,500.00	Secured	On Maturity	Listed
37	Private Placement	28-Jan-21	28-Jan-27	1,000,000	1,500	8.57%	1,500,000	1,500.00	1,500.00	Secured	On Maturity	Listed
38	Private Placement	28-Jan-21	28-Jan-28	1,000,000	3,000	8.57%	3,000,000	3,000.00	3,000.00	Secured	On Maturity	Listed
39	Private Placement	30-Dec-21	30-Dec-24	1,000,000	2,500	6.95%	2,500,000	2,500.00	2,500.00	Secured	On Maturity	Listed
40	Private Placement	28-Jan-22	28-Feb-24	1,000,000	4,000	6.93%	4,000,000	4,000.00	4,000.00	Secured	On Maturity	Listed
41	Private Placement	28-Jan-22	28-Jan-24	1,000,000	4,000	6.93%	4,000,000	4,000.00	4,000.00	Secured	On Maturity	Listed
42	Private Placement	20-Jul-22	20-Oct-23	1,000,000	963	6.97%	962.5	962.5	-	Secured	On Maturity	Unlisted
43	Private Placement	20-Jul-22	20-Jan-24	1,000,000	963	6.97%	962.5	962.5	-	Secured	On Maturity	Unlisted
44	Private Placement	20-Jul-22	20-Apr-24	1,000,000	963	6.97%	962.5	962.5	-	Secured	On Maturity	Unlisted
45	Private Placement	20-Jul-22	20-Jul-24	1,000,000	963	6.97%	962.5	962.5	-	Secured	On Maturity	Unlisted
46	Private Placement	20-Jul-22	20-Oct-24	1,000,000	963	6.97%	962.5	962.5	-	Secured	On Maturity	Unlisted
47	Private Placement	20-Jul-22	20-Jan-25	1,000,000	963	6.97%	962.5	962.5	-	Secured	On Maturity	Unlisted
48	Private Placement	20-Jul-22	20-Apr-25	1,000,000	963	6.97%	962.5	962.5	-	Secured	On Maturity	Unlisted
49	Private Placement	20-Jul-22	20-Jul-25	1,000,000	963	6.97%	962.5	962.5	-	Secured	On Maturity	Unlisted
50	Private Placement	13-Mar-23	13-Mar-31	100,000	36,666	9.22%	3,666.6	3,666.6	-	Secured	On Maturity	Listed
51	Private Placement	13-Mar-23	13-Mar-32	100,000	36,666	9.22%	3,666.6	3,666.6	-	Secured	On Maturity	Listed
52	Private Placement	13-Mar-23	13-Mar-33	100,000	36,666	9.22%	3,666.6	3,666.6	-	Secured	On Maturity	Listed
Total amount								48,691.75	46,251.86			
Effective Interest Rate Adjustment								(544.13)	(253.46)			
Interest Accrued but not due								1460.45	2163.05			
Net Amount								49,608.08	48,161.45			

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Note 20: Borrowings (other than debt securities)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
At amortised cost:		
Term Loan*		
Indian rupee loan from banks (secured)	67,312.53	8,744.90
Foreign currency term loan from banks (secured)	7,256.53	11,035.64
Indian rupee loan from other parties (secured)	3,122.15	6,720.23
Indian rupee loan from other parties (unsecured)	-	-
Finance lease obligations	-	15.04
Loans repayable on demand		
Cash credit / overdraft facilities from banks (secured)	3,134.58	3,281.77
Working capital demand loan from banks (secured)	61,859.21	71,423.27
Other loans		
Vehicle loans (Secured)	-	-
Total	1,42,685.00	1,01,220.85
Borrowings in India**	1,42,685.00	1,01,220.85
Borrowings outside India	-	-
Total	1,42,685.00	1,01,220.85

*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 year and as at balance sheet date 31st March, 2023.

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 (31st March, 2022: ₹ 6733.37Mn)

Foreign currency Term Loan /ECB from Banks (secured):

- 1) Nil (31st March, 2022: ₹ 975.7Mn) which carries interest @ 3 month LIBOR plus 280bps. The loan is repayable after 3 years from the date of its origination, viz., July 25, 2019. The loans are secured against the first pari passu charge on current assets, book debts and receivables including gold loans & advances of the Company.
- 2) Foreign currency loan: ₹ 727 million as at 31st March, 2023 (31st March, 2022 ₹ 1,000 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.

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.

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 2022: ₹ 3072.00Mn)

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

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 (31st March, 2022: ₹ 22000.00Mn)

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, 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

As at 31st March, 2022

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	6.50 - 9.75%	3,502.86
Due within 1-2 years	6.50 - 9.75%	2,799.21
Due within 1 year	6.50 - 9.75%	2,496.91
Total		8,798.98
Effective interest rate adjustment		(54.08)
Interest Accrued but not due		-
Net Amount		8,744.90

B) Indian rupee loan from others (Secured)

As at 31st March, 2023

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%	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

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

As at 31st March, 2022

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	6.75 -10.75%	2,576.67
Due within 1-2 years	6.75 -10.75%	649.67
Due within One year	6.75 -10.75%	3,508.00
Total		6,734.34
Effective interest rate adjustment		(14.11)
Interest Accrued but not due		-
Net Amount		6,720.23

C) Indian rupee loan from others (Unsecured)

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		-

As at 31st March, 2022

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 st March, 2023			As at 31 st March, 2022		
	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, 2023 (All amounts are in millions, unless otherwise stated)

Note 21: Subordinated liabilities

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
At amortised cost:		
Subordinated bonds from others(Unsecured)	-	6.00
Total	-	6.00
Subordinate liabilities in India	-	6.00
Total	-	6.00

Note 21: Subordinated liabilities

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 as under:

As at 31st March, 2023

Redeemable at par within	Rate of interest							
	< 12%		≥ 12% < 14%		≥ 14% ≤ 15%		Total	
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	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, 2022

Redeemable at par within	Rate of interest							
	< 12%		≥ 12% < 14%		≥ 14% ≤ 15%		Total	
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	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	-	-	1,472	1.47	3,542.00	3.54	5,014	5.01
Grand Total	-	-	1,472	1.47	3,542	3.53	5,014	5.01
Effective Interest rate adjustment								(0.00)
Interest Accrued but not due								0.96
Total								6.00

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Note 22: Other financial liabilities

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Unclaimed matured non-convertible debenture	16.57	22.97
Unclaimed dividend	24.70	27.67
Unclaimed matured subordinate bonds and interest accrued thereon	10.44	14.61
Securitisation payable on Direct Assignment	189.12	-
Security deposits	670.67	559.05
Auction surplus refundable	429.49	475.61
Employee related payables	1,062.73	764.18
Others	165.75	86.57
Total	2,569.47	1,950.66

Note 23: Provisions

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Loan commitments	0.53	0.29
Provision for other assets	63.19	145.13
Employee benefits		
- Gratuity	158.22	110.60
- Provision for compensated absences	222.11	186.06
Litigation*	131.09	107.10
Total	575.14	549.18

Movement of provisions other than employee benefits during the year

The movement in provisions during 2022-23 and 2021-22 is, as follows:

Particulars	Litigation	Other Assets	Total
At 31st March, 2021	52.46	179.95	232.41
Provided /(reversed) during the year	54.64	(34.82)	19.82
As at 31st March, 2022	107.10	145.13	252.23
Provided /(reversed) during the year	23.99	(81.94)	(57.95)
As at 31st March, 2023	131.09	63.19	194.28

*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 st March, 2023				31 st March, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Standard assets	2,700.00	-	-	2,700.00	1,500.00	-	-	1,500.00
Sub-standard assets	-	-	-	-	-	-	-	-
Doubtful Assets	-	-	-	-	-	-	-	-
High risk assets	-	-	-	-	-	-	-	-
Under litigation	-	-	-	-	-	-	-	-
Total	2,700.00	-	-	2,700.00	1,500.00	-	-	1,500.00

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (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 2022-23				FY 2021-22			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,500.00	-	-	1,500.00	1,515.00	-	-	1,515.00
New assets originated or purchased	1,200.00	-	-	1,200.00	-	-	-	-
Assets derecognised or repaid	-	-	-	-	(15.00)	-	-	(15.00)
Gross carrying amount closing balance	2,700.00	-	-	2,700.00	1,500.00	-	-	1,500.00

Reconciliation of ECL balance is given below:

Particulars	FY 2022-23				FY 2021-22			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	0.29	-	-	0.29	0.46	-	-	0.46
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	0.24	-	-	0.24	(0.17)	-	-	(0.17)
ECL allowance - closing balance	0.53	-	-	0.53	0.29	-	-	0.29

Note 24: Other non-financial liabilities

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Statutory dues payable	308.75	562.25
Retention money and other sundry liabilities	1,091.52	417.62
Total	1,400.27	979.87

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, 2023	As at 31 st March, 2022
Authorised		
980,000,000 (31 March 2022: 980,000,000) equity shares of ₹ 2/- each	1,960.00	1,960.00
400,000 (31 March 2022: 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		
846,394,729 (31 March 2022: 846,394,729) equity shares of ₹ 2/- each	1,692.79	1,692.79
Total Issued, subscribed and fully paid up	1,692.79	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	No. in Millions
As at 1st April, 2021	846.36	1,692.73
Issued during the year - ESOP (refer note 37)	0.03	0.06
As at 31st March, 2022	846.39	1,692.79
Issued during the year - ESOP (refer note 37)	-	-
As at 31st March, 2023	846.39	1,692.79

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

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 2023, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 3/- per share (31 March 2022: ₹ 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, 2023		31 st March, 2022	
	No. in Millions	% holding in the class	No. in Millions	% holding in the class
Mr. Nandakumar V P	245.45	29.00	244.28	28.86
Ms. Sushama Nandakumar	48.00	5.67	48.00	5.67
DSP Small Cap Fund	43.07	5.09	60.25	7.12
Quinag Acquisition (FPI) Ltd	83.79	9.90	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 st March, 2023		Details of shares as at 31 st March, 2022		% change during the year**
	No of shares	% of total share	No of shares	% of total share	
V.P.Nandakumar	245454221	29.00%	244277671	28.86%	0.14%
Sooraj Nandan	3674	0.00%	3674	0.00%	0.00%
Sushama Nandakumar	48001078	5.67%	48001078	5.67%	0.00%
Suhas Nandan	17051	0.00%	17051	0.00%	0.00%
Jyoti Prasannan	4474990	0.53%	4474990	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 3,858,967 equity shares (31st March, 2022: 4,495,093) 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.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Note 26: Other equity

Securities premium	
As at 1st April, 2021	14,105.11
Add: Additions on ESOPs exercised	3.64
As at 31st March, 2022	14,108.75
Add: Additions on ESOPs exercised	-
As at 31st March, 2023	14,108.75
Share option outstanding account	
As at 1st April, 2021	136.39
Add: Other Additions/ Deductions during the year	1.16
As at 31st March, 2022	137.55
Add: Other Additions/ Deductions during the year	0.28
As at 31st March, 2023	137.83
Statutory reserve pursuant to Section 45-IC of the RBI Act, 1934	
As at 1st April, 2021	14,568.06
Add: Transfer from surplus balance in the Statement of Profit and Loss	2,609.07
As at 31st March, 2022	17,177.13
Add: Transfer from surplus balance in the Statement of Profit and Loss	2,532.53
As at 31st March, 2023	19,709.66
Impairment Reserve	
As at 1st April, 2021	-
Add/(Less): Amount transferred from /(to) surplus in the Statement of Profit and Loss	439.93
As at 31st March, 2022	439.93
Add/(Less): Amount transferred from /(to) surplus in the Statement of Profit and Loss	-
As at 31st March, 2023	439.93
General reserve	
As at 1st April, 2021	3,627.02
Utilised during the year	-
As at 31st March, 2022	3,627.02
Utilised during the year	-
As at 31st March, 2023	3,627.02
Hedging reserve	
As at 1st April, 2021	(9.42)
Add/(Less): Effect of foreign exchange rate variations in Hedging instruments	13.66
As at 31st March, 2022	4.24
Add/(Less): Effect of foreign exchange rate variations in Hedging instruments	1.17
As at 31st March, 2023	5.41

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Retained earnings	
As at 1st April, 2021	35,134.99
Add: Profit for the year	13,045.37
Less: Appropriations	
Transfer (to)/from debenture redemption reserve	-
Interim dividend on equity shares including tax thereon	(2,539.14)
Transfer to Statutory Reserve	(2,609.07)
Transfer to Impairment reserve	(439.93)
Transfer from Share option outstanding account	-
As at 31st March, 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 Impairment reserve	-
Transfer to Statutory Reserve	(2,532.53)
As at 31st March, 2023	50,183.14

Other comprehensive income	
As at 1st April 2021	(237.66)
Movements during the year	(113.21)
As at 31st March, 2022	(350.87)
Movements during the year	245.42
As at 31st March, 2023	(105.45)

Share application money pending allotment	
As at 1st April, 2021	323.15
Movements during the year	(323.13)
As at 31st March, 2022	0.02
Movements during the year	(0.02)
As at 31st March, 2023	(0.00)
Total other equity	
As at 31st March, 2022	77,735.99
As at 31st March, 2023	88,106.29

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 ₹ 2532.53Mn (2021-22 ₹ 2609.07 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).

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Debenture redemption reserve:

- 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.
- 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.
- 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.

Note 27: Revenue from operations

Note 27 (i): Interest income

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
On financial assets measured at amortised cost:		
Interest on loans		
- Gold loans	39,903.31	41,786.09
- Property loans	113.43	47.26
- Onlending	389.54	133.49
- Commercial vehicles	3,671.42	2,286.10
- Other Loans	2,586.73	914.02
Interest income from investments	1.25	14.73
Interest on deposits with banks	743.46	211.99
Total	47,409.14	45,393.68

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Note 27 (ii): Fees and commission income

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Foreign exchange commission	0.28	0.15
Money transfer commission	31.20	31.08
Total	31.48	31.23

Note 27 (iii): Dividend Income

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Dividend Income	80.38	-
Total	80.38	-

Note 27 (iv): Net gain on fair value changes

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Net gain on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	0.17	(0.01)
- Derivatives	-	-
Total Net gain on fair value changes (A)	0.17	(0.01)
Fair value changes:		
- Realised	-	-
- Unrealised	0.17	(0.01)
Total Net gain fair value changes (B)	0.17	(0.01)

Note 27 (v): Other operating income

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Bad debts recovered	103.81	24.57
Others	176.85	178.52
Total	280.66	203.09

Disaggregated revenue disclosures

The table below presents disaggregated revenues from contracts with customers for the year ended 31st March, 2023 and 31st March, 2022 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, 2023	For the year ended 31 st March, 2022
Revenue by products / services		
Interest income	47,409.14	45,393.68
Fees and commission	31.48	31.23
Others	361.21	203.08
Total Revenue from operations*	47,801.83	45,627.99

* The revenue from operations is earned in India.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Note 28: Other income

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Net gain on derecognition of property, plant and equipment	8.08	9.54
Provisions no longer required written back	-	6.54
Others	242.68	225.90
Total	250.76	241.98

Note 29: Finance costs

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
On financial liabilities measured at amortised cost:		
Interest on debt securities	6,446.48	8,395.31
Interest on borrowings	7,459.52	4,282.50
Interest on subordinated liabilities	0.15	3.74
Finance Cost on Lease Liability	563.29	580.89
Interest on direct assignments	51.53	-
Other interest expense	463.15	655.58
Total	14,984.12	13,918.02

Note 30: Fees and commission expense

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
On financial liabilities measured at amortised cost:		
Commission paid	254.30	260.16
Total	254.30	260.16

Note 31: Impairment on financial instruments

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
On financial instruments measured at amortised cost:		
Loans	450.79	808.12
- Standard assets	476.38	(399.87)
- Non-performing assets	(186.32)	(339.62)
- Write offs	160.73	1,547.61
- for other assets		
Investments	(0.19)	(1.11)
Total	450.60	807.01

Note 32: Employee benefits expenses

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Salaries and wages	9,043.86	7,275.97
Contribution to provident and other funds	874.45	716.65
Staff welfare expenses	107.39	91.19
Total	10,025.70	8,083.81

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Note 33: Depreciation and amortisation

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Depreciation of tangible assets	592.55	554.02
Amortisation of intangible assets	63.05	60.14
Depreciation on Right of Use assets	970.54	960.44
Total	1,626.15	1,574.60

Note 34: Other expenses

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Rent	259.59	259.69
Energy costs	250.97	203.14
Repairs and maintenance		
- Vehicles	4.28	2.57
- Others	354.22	304.13
Rates and taxes	47.85	60.77
Printing and stationery	125.32	93.06
Travelling and conveyance	328.84	192.63
Advertising and publicity	699.07	894.26
Directors' fees, allowances & expenses	5.37	5.57
Payment to auditors (Refer note (i) below)	11.45	9.25
Insurance	259.60	146.11
Communication costs	309.02	394.88
Legal and professional charges	222.33	197.34
Corporate Social Responsibility expenses (CSR) (Refer note (ii) below)	385.59	349.30
Other expenditure	145.93	170.61
IT Support costs	394.24	355.38
Security charges	60.77	89.89
Total	3,864.43	3,728.58

Note (i) Payment to auditor

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
As auditors:		
Statutory audit fee	4.91	4.80
Limited reviews	6.00	3.95
Other statutory attest services	0.55	0.50
Total	11.45	9.25

Note (ii) Details of CSR expenditure

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
a) Gross Amount required to be spent by the Company during the year	385.59	349.30

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

	In cash	Yet to be paid in cash	Total
b) 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

	In cash	Yet to be paid in cash	Total
c) Amount spent during the year ended on 31st March, 2022			
i) Construction/acquisition of assets	-	-	-
ii) On purpose other than (i) above	209.30	140.00	349.30

	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
d) CSR amount Unspent for the financial year		
Amount Transfer to Unspent CSR amount	-	-
FY 2020-21	-	6.29
FY 2021-22	43.96	-
FY 2022-23	13.14	-
Total	57.10	6.29

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 2023 and 31 March 2022 are:

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Current tax	4,544.89	4,200.10
Adjustment in respect of current income tax of prior years	-	-
Deferred tax relating to origination and reversal of temporary differences	(144.24)	252.32
Total tax charge	4,400.65	4,452.42
Current tax	4,544.89	4,200.10
Deferred tax	(144.24)	252.32

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Reconciliation of total Income tax expense:

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Profit before tax for computation	17,063.28	17,497.79
Add/(Less): (Allowances) / Disallowances (Net)	993.50	(810.87)
Adjusted profit before tax for income tax	18,056.78	16,686.92
Current tax as per Books (Effective rate of 26.64%, 2022: 24.00%)	4,544.89	4,200.10
Adjustment of earlier year taxes	-	-
Total tax as given in Books	4,544.89	4,200.10
Statutory income tax at the rate of 25.17% (2022 : 25.17%)	4,544.89	4,200.10

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 st March, 2023	31 st 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 31st March, 2023	808.21				

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 st March, 2022	31 st March, 2022	2021-22	2021-22	2021-22
Provisions for litigations and compensated absences	73.79	-	17.35	-	-
Property, plant and equipment	248.39	-	(12.74)	-	-
Right of use asset (Net of lease liabilities)	178.54	-	65.17	-	-
Impairment allowance for financial assets	214.78	-	(100.93)	-	-
Remeasurement gain / (loss) on defined benefit plan	27.84	-	4.02	(10.86)	-
Derivative instruments in Cash flow hedge relationship	85.39	-	3.44	48.93	-
Debt instrument measured at amortised cost	-	(99.34)	99.54	-	-
Financial assets measured at amortised cost	-	4.15	10.24	-	-
Other temporary differences	13.02	-	(338.41)	-	-
Total	841.75	(95.19)	(252.32)	38.07	-
Net Deferred tax asset as at 31st March, 2022	746.56				

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Note 36: Earnings per share

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Net profit for calculation of basic earnings per share	12,662.63	13,045.37
Weighted average number of equity shares in calculating basic earnings per share (Nos.)	84,63,94,729	84,63,82,729
Effect of dilution:		
Stock options granted under ESOP (Nos.)	7,546	19,000
Weighted average number of equity shares in calculating diluted earnings per share (Nos.)	84,64,02,275	84,64,01,729
Basic earnings per share (₹)	14.96	15.41
Diluted earnings per share (₹)	14.96	15.41

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	25,236,214
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:
	(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
Graded Vesting	Graded vesting shall happen in a graded basis in three tranches over a period of three years. <ol style="list-style-type: none"> The first tranche of 30% shall be vested when a period of 12 months would expire from the Date of grant; The second tranche of 30% shall be vested when a period of 24 months would expire from the Date of grant; 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

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

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 13,750,466 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, 2023	31 st March, 2022
Options outstanding, beginning of year	40,000	70,000
Options granted during the year	-	-
Lapsed Options restored during the year	-	-
Options lapsed during the year	-	-
Options Exercised during the year	0	(30,000)
Options unvested and Outstanding at the end of the year	40,000	40,000

Particulars	31 st March, 2023	31 st March, 2022
Weighted average remaining contract life of options	-	-
weighted average market price at the exercise date	-	-

Particulars	Vesting I	Vesting II	Vesting III
	8 August 2017	8 August 2018	8 August 2019
	30%	30%	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 ₹ 627.13Mn (31st March, 2022: ₹ 509.74 Mn) for Provident Fund contributions and ₹ 131.18 Mn (31st March, 2022: ₹ 111.78Mn) 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.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

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 st March, 2023	31 st March, 2022
Current service cost	223.83	196.56
Past Service Cost	12.07	-
Net Interest on net defined benefit liability/ (asset)	5.29	6.98
Total employer expense	241.19	203.54

Net employee benefit expense recognised in the Other Comprehensive Income

Movement in Other Comprehensive Income (OCI)	31 st March, 2023	31 st March, 2022
Balance at start of year (Loss)/Gain	(126.69)	(169.83)
Actuarial (Loss)/ Gain from changes in demographic assumptions	60.12	0.00
Actuarial (Loss)/ Gain from changes in financial assumptions	(11.71)	31.45
Actuarial (Loss)/ Gain from experience over the past year	(52.53)	3.98
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	2.31	7.71
Balance at end of year (Loss)/Gain	(128.50)	(126.69)

Experience adjustments

Particulars	31 st March, 2023	31 st March, 2022	31 st March, 2021	31 st March, 2020	31 st March, 2019
Defined benefit obligation	1251.198	1118.76	(1009.55)	(831.86)	(604.52)
Fair value of plan assets	1092.982	1008.15	871.77	645.02	457.81
Asset/(liability) recognized in the balance sheet	(158.22)	(110.60)	(137.78)	(186.84)	(146.71)
Experience adjustments on plan liabilities (Gain) / Loss	52.53	(3.98)	26.23	35.66	29.92
Experience adjustments on plan assets Gain / (Loss)	2.31	7.71	(1.84)	6.37	(5.03)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	31 st March, 2023	31 st March, 2022
Opening defined benefit obligation	1118.76	1009.56
Transfer in/out	(35.04)	(22.68)
Interest cost	70.48	59.56
Current service cost	223.83	196.56
Benefits paid	(143.00)	(88.80)
Past service cost	12.07	0.00
Actuarial (Loss)/ Gain from changes in demographic assumptions	(60.12)	
Actuarial loss / (gain) from changes in financial assumptions	11.71	(31.46)
Actuarial loss / (gain) from experience over the past year	52.53	(3.98)
Closing defined benefit obligation	1,251.22	1,118.76

Changes in the fair value of plan assets are as follows:

Particulars	31 st March, 2023	31 st March, 2022
Opening fair value of plan assets	1008.17	871.78
Transfer in/Out	(35.04)	(22.68)
Expected return	65.20	52.58
Contributions by employer	195.36	187.58
Benefits paid	(143.00)	(88.80)
Actuarial gains / (losses)	2.31	7.71
Closing fair value of plan assets	1093.00	1008.17
Closing Liability (net) recognised in Balance Sheet	158.22	110.60
Expected contribution to fund to be made in the next year	150.00	200.00

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (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 st March, 2023	31 st March, 2022
Discount rate	7.10%	6.30%
Salary growth rate	9.00%	8.00%
Attrition rate	20.00%	15.00%
Expected rate of return on assets (per annum)	6.30%	5.90%

Percentage Break-down of total plan assets

Particulars	31 st March, 2023	31 st March, 2022
Real estate	0.00%	0.00%
Derivatives	0.00%	0.00%
Investment Funds with Insurance Company	99.61%	99.83%
<i>Of which, Unit Linked</i>	21.98%	22.99%
<i>Of which, Traditional/ Non-Unit Linked</i>	77.63%	76.84%
Asset-backed securities	0.00%	0.00%
Structured debt	0.00%	0.00%
Cash and cash equivalents	0.39%	0.17%
Total	100.00%	100.00%

Assumptions	31 st March, 2023		31 st March, 2022	
	Discount rate		Discount rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation [Increase/ (Decrease)]	(61.13)	67.28	(71.99)	81.86

Assumptions	31 st March, 2023		31 st March, 2022	
	Salary Growth Rate		Salary Growth Rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation [Increase/ (Decrease)]	65.42	(60.64)	79.69	(71.55)

The weighted average duration of the defined benefit obligation as at 31st March, 2023 is 4 years (2022: 5.5years)

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, 2023 (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, 2023	31 st March, 2022
Discount rate	7.10%	6.30%
Attrition rate	20.00%	15.00%
Salary Growth Rate	9.00%	8.00%

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.

Assumptions	31 st March, 2023			31 st March, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	18,727.00	-	18,727.00	15,628.60	-	15,628.60
Bank Balance other than above	1,546.96	521.05	2,068.01	1,935.12	20.89	1,956.01
Loans	2,08,802.30	36,781.71	2,45,584.01	2,08,380.53	18,816.18	2,27,196.71
Investments	53.96	14,488.36	14,542.32	119.32	12,035.36	12,154.68
Other Financial assets	1,958.36	136.68	2,095.04	2,050.99	-	2,050.99
Non-financial Assets						
Current tax assets (net)	8.44	-	8.44	549.66	-	549.66
Deferred tax assets (net)	-	808.21	808.21	-	746.56	746.56
Property, plant and equipment	-	3,577.63	3,577.63	-	3,158.96	3,158.96
Capital work-in-progress	-	160.11	160.11	-	107.03	107.03
Right of Use Asset	-	4,978.66	4,978.66	-	5,573.38	5,573.38
Other Intangible assets	-	138.49	138.49	-	187.80	187.80
Other non financial assets	573.72	113.38	687.10	322.01	73.55	395.56
Total assets	2,31,670.74	61,704.29	2,93,375.04	2,28,986.23	40,719.71	2,69,705.94
Liabilities						
Financial Liabilities						
Derivative financial instruments	-	32.85	32.85	-	301.19	301.19
Payables	961.75	-	961.75	1,085.57	-	1,085.57
Debt Securities	22,677.20	26,930.87	49,608.07	47,953.01	30,079.82	78,032.83
Borrowings (other than debt security)	92,579.32	50,105.67	1,42,684.99	84,486.73	16,734.12	1,01,220.85
Subordinated Liabilities	-	-	-	6.00	-	6.00
Lease Liability	-	5,743.43	5,743.43	739.48	5,411.53	6,151.01
Other Financial liabilities	1,898.80	670.67	2,569.47	1,391.62	559.04	1,950.66
Non-financial Liabilities						
Provisions	575.14	-	575.14	549.19	-	549.19
Other non-financial liabilities	1,400.27	-	1,400.27	979.87	-	979.87
Total Liabilities	1,20,092.48	83,483.49	2,03,575.97	1,37,191.47	53,085.70	1,90,277.17
Net	1,11,578.26	(21,779.21)	89,799.07	91,794.76	(12,365.99)	79,428.77

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Note 40: Change in liabilities arising from financing activities

Particulars	As at 31 st March, 2022	Cash Flows	Ind AS Adjustments	As at 31 st 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	13666.29	(632.90)	1,92,293.07

Particulars	As at 31 st March, 2021	Cash Flows	Ind AS Adjustments	As at 31 st March, 2022
Debt Securities	99,368.56	(21,010.13)	(325.60)	78,032.83
Borrowings other than debt securities	76,986.54	24,303.36	(69.05)	1,01,220.85
Subordinated Liabilities	48.10	(42.10)	(0.00)	6.00
Total	1,76,403.20	3,251.13	(394.65)	1,79,259.68

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 st March, 2023	As at 31 st March, 2022
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)	44.94	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	-
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	-
Total	853.12	353.52

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, 2023 is ₹ 93.44 Mn (31st March, 2022: ₹ 77.51 Mn).
- (ii) The Company has entered into an agreement for outsourcing of Information Technology support in August 2020 for a period of 5 years with a total expense of ₹ 520 Mn.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

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 31st March, 2021	5,609.47
Additions	924.35
Amortisation on ROU Assets	(960.44)
Balance as at 31st March, 2022	5,573.38
Additions	375.81
Amortisation on ROU Assets	(970.54)
Balance as at 31st March, 2023	4,978.66

-Lease liabilities

Particulars	Amount
Balance as at 31st March, 2021	5,938.30
Additions	924.35
Payment of Lease liabilities	(1,292.53)
Finance cost accrued during the period	580.89
Balance as at 31st March, 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 31st March, 2023	5,743.43

- Amounts recognised in profit and loss

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Depreciation expense on right-of-use assets	970.54	960.44
Interest expense on lease liabilities	563.29	580.89

The total cash outflow for leases amount to ₹ 1331.61 Mn (for the period ended 31st March, 2022 ₹ 1,292.53 Mn)

During the year 2022-23, the company has recognised other income of ₹ Nil (As on 31st March, 2022 ₹ 2.44 Mn) with respect to waiver of lease rentals.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

- Maturity analysis of Lease Liability

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Not later than one year	853.81	739.48
Later than one year but not later than four years	887.57	1,550.23
Later than four years	4,002.05	3,861.30
	5,743.43	6,151.01

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.

(b) Leases of 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 st March, 2023	As at 31 st March, 2022
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 st March, 2023: ₹ Nil, Present value as on 31 March 2022: ₹ Nil]	-	-
Later than one year but not later than five years [Present value on 31 st March, 2023: ₹ Nil, as on 31 st March, 2022: ₹ Nil]	-	-

(c) 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 ₹ 124.97 Mn (Previous year ₹ 105.75 Mn) as rent expenses on short term leases.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Note 42: Related Party Disclosures

Relationship	Name of the party
Subsidiary company	Manappuram Home Finance Limited
	Asirvad Microfinance Limited
Associates / Enterprises owned or significantly influenced by key management personnel or their relatives.	Manappuram Insurance Brokers Limited
	Manappuram Comptech and Consultants Limited
	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*
	Lions Coordination committee of India association
	Finance Industry Development Council
	LICHFL Trustee Company Pvt Ltd*
	FINTECH Products and Solutions (India)Pvt Ltd*
	FINSEC AA Solutions Pvt Ltd*
	Apax Partners India Private Limited
	Mkundapuram Educational Society
	Orange Retail Finance India Private Limited*
	Manappuram Group Gratuity Trust(Approved under IT Act)
	JSW Industrial Gases Pvt Ltd*
	Veritas Finance Private Limited*
	NETAFIM Agricultural Financing Agency Pvt Ltd*
	VISTAAR Financial services Pvt Ltd*
SNST Advisories Pvt Ltd*	
Best Value Money Exchange Ltd *	
Cashpor Micro Credit *	
CDP (Climate Disclosure Project) India Ops Pvt Ltd*	
Fast Encash Money Transfer Services-Uk*	
Gateway Gardens (Block B) Management Ltd*	
Satsure Analytics India Pvt Ltd*	
Value Finance Corporation Limited*	
Value Finance Ltd*	
Lions Club International*	
IIM Calicut*	
Manappuram Finance Staff Welfare Fund	
Banking, Financial Services And Insurance(BFSI)*	
Morgan & Harvey Services Ltd*	
Svasti Microfinance Pvt Ltd	
Kaizen Infotech Solutions Pvt Ltd	
Myshopp Ecommerce Technologies Pvt Ltd	
Brookfield India Real Estate Trust REIT	
Embassy Office Parks REIT	
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	

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Relationship	Name of the party
	MACARE Dental Care Private Limited
	Lions Club 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
	Mr. Jagdish Capoor - Ex Chairman
	Ms. Sumitha Nandan-Executive Director
	Ms. Pratima Ram-Director
	Mr. B.N Raveendra Babu - Non Executive Director (up to 18.05.2022)
	Mrs. Bindu AL - Chief Financial Officer
	Mr. Manoj Kumar VR - Company Secretary
	Mr. P.Manomohanan-Director
	Adv. V.R.Ramachandran-Director
	Mr. Gautam Ravi Narayan - Director
	Ms. Sutapa Banerjee-Director
	Adv. Veliath Pappu Seemanthini
	Mr. Abhijit Sen-Director
	Mr. Harshan Kollara-Director
	Mr. S R Balasubramanian
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 (Relative of Mr. V.P Nandakumar)*
	Ms. Shruthi (Relative of Mr. V.P Nandakumar)*
	Ms. Niniraj (Relative of Mr. V.P Nandakumar)*
	Mrs. Rajalakshmi Raveendra Babu (wife of Mr. B.N Raveendra Babu)*
	Ms. Biji Babu (daughter of Mr. B.N Raveendra Babu)*
	Mr. Sanjai (Daughter's Husband)
	Mr. Bobby Arunkumar (Relative of Mr. B.N Raveendra Babu)*
	Mr. Arunkumar (Relative of Mr. B.N Raveendra Babu)*
	Ms. Leena NS (Relative of Mr. V.R. Ramachandran)*
	Ms. Anju VR (Relative of Mr. V.R. Ramachandran)*
	Mr. Rithwik V R (Relative of Mr. V.R. Ramachandran)*
	Mr. Sethunath S R(Relative of Mr. V.R. Ramachandran)*
	Ms. Indira (Relative of Mr. V.R. Ramachandran)*
	Mr. Sreedharan (Relative of Mr. V.R. Ramachandran)*
	Mr. Paranunni (Relative of Mr. V.R. Ramachandran)*
	Mr. Rishikeshan (Relative of Mr. V.R. Ramachandran)*
	Ms. Subhadra Manomohan (Relative of Mr. P.Manomohanan)*
	Mr. Sajith (Relative of Mr. P.Manomohanan)*
	Ms. Asha (Relative of Mr. P.Manomohanan)*
	Mr. Balachandran (Relative of Mr. P.Manomohanan)*
	Mr. Suresh Kumar (Relative of Mr. P.Manomohanan)*
	Mr. Rangunath (Relative of Mr. P.Manomohanan)*
	Mr. Sreedharan (Relative of Mr. P.Manomohanan)*
	Ms. Archana Anand (Relative of Mr. Gautam Narayan)*
	Mr. Ravi Narayanyan (Relative of Mr. Gautam Narayan)*
	Ms. Gomathy Narayan (Relative of Mr. Gautam Narayan)*
	Mr. Advait Gautam Narayan (Relative of Mr. Gautam Narayan)*
	Ms. Gauri Narayan (Relative of Mr. Gautam Narayan)*
	Mr. Aniruddha Bhaskar Banerjee (Relative of Ms. Sutapa Banerjee)*
	Mr Joydeb Banerjee (Relative of Ms. Sutapa Banerjee)*
	Smt. Nibedita Banerjee (Relative of Ms. Sutapa Banerjee)*
	Ms. Diya Banerjee (Relative of Ms. Sutapa Banerjee)*
	Ms. Suchandra Banerjee (Relative of Ms. Sutapa Banerjee)*
	Ms. Tamashree Sen (Relative of Mr. Abhijit Sen)*
	Ms. Arati sen (Relative of Mr. Abhijit Sen)*
	Mr. Rohan Sen (Relative of Mr. Abhijit Sen)*

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Relationship	Name of the party
	Mr. Vivek Sen (Relative of Mr. Abhijit Sen)*
	Ms. Snehal Naik (Relative of Mr. Abhijit Sen)*
	Ms. Amanda Barbee (Relative of Mr. Abhijit Sen)*
	Mr. Bishwajit Sen (Relative of Mr. Abhijit Sen)*
	Mr. Nandakumar Kollara (Relative of Mr. Harshan Kollara)*
	Mr. Jaihari Kollara (Relative of Mr. Harshan Kollara)*
	Mrs. Elena T Kollara (Relative of Mr. Harshan Kollara)*
	Dr. Sugathan Kollara (Relative of Mr. Harshan Kollara)*
	Mr. Sreenath Kollara (Relative of Mr. Harshan Kollara)*
	Ms. Sarala K S (Relative of Mr. Harshan Kollara)*
	Ms. Jayanthi K S (Relative of Mr. Harshan Kollara)*
	Ms. Sunitha K S (Relative of Mr. Harshan Kollara)*
	Mr. Sameet S. Mehta (Relative of Mr. Shailesh J. Mehta)*
	Ms. Kirtee S. Mehta (Relative of Mr. Shailesh J. Mehta)*
	Ms. Sheetal Fisher (Relative of Mr. Shailesh J. Mehta)*
	Ms. Sean Fisher (Relative of Mr. Shailesh J. Mehta)*
	Mr. Sanjay Jayantilal Mehta (Relative of Mr. Shailesh J. Mehta)*
	Mr. Umesh Jayantilal Mehta (Relative of Mr. Shailesh J. Mehta)*
	Ms. Geeta Balasubramanian (Relative of Mr.S R Balasubramanian)*
	Mr. Ramnath Balasubramanian (Relative of Mr.S R Balasubramanian)*
	Ms. Rajni Ramnath (Relative of Mr.S R Balasubramanian)*
	Mr. S R Gopalakrishnan (Relative of Mr.S R Balasubramanian)*
	Mr. S Ramasubramanian (Relative of Ms. Pratima Ram)*
	Ms. Jyotsna Ram (Relative of Ms. Pratima Ram)*
	Mr. Prakash Patel (Relative of Ms. Pratima Ram)*
	Mr. Prabhuling Patel (Relative of Ms. Pratima Ram)*
	Ms. Pramila Byahatti (Relative of Ms. Pratima Ram)*
	Ms. Poornima Jairaj (Relative of Ms. Pratima Ram)*
	Ms. Vijayalakshmi Patel (Relative of Ms. Pratima Ram)*
	Ms. Anushka Jayasankar (Relative of Ms. Sumitha Nandan)*
	Ms. Aashirya Jayasankar (Relative of Ms. Sumitha Nandan)*
	Ms. Aswathy Sreevatsan (Relative of Adv. Veliath Pappu Seemanthini)*
	Mr. Sumit Saseendran (Relative of Adv. Veliath Pappu Seemanthini)*
	Mr. V P Sugunan (Relative of Adv. Veliath Pappu Seemanthini)*
	Ms. V P Lalitha (Relative of Adv. Veliath Pappu Seemanthini)*
	Ms. V P Surabhi (Relative of Adv. Veliath Pappu Seemanthini)*
	Ms. V P Geetha (Relative of Adv. Veliath Pappu Seemanthini)*
	Ms. Siji M G (Relative of Mr. Manoj Kumar V R)*
	Mr. V K Raman (Relative of Mr. Manoj Kumar V R)*
	Ms. V K Vilasini (Relative of Mr. Manoj Kumar V R)*
	Mr. Harikrishna M Manoj (Relative of Mr. Manoj Kumar V R)*
	Mr. Naveen (Relative of Mr. Manoj Kumar V R)*
	Mr. Praveen V R (Relative of Mr. Manoj Kumar V R)*
	Ms. Geetha V R (Relative of Mr. Manoj Kumar V R)*
	Mr. Benny (Relative of Mrs. Bindhu AL)*
	Mr. Lonappan (Relative of Mrs. Bindhu AL)*
	Ms. Rosily Lonappan (Relative of Mrs. Bindhu AL)*
	Mr. Amal Benny (Relative of Mrs. Bindhu AL)*
	Ms. Anna Ben (Relative of Mrs. Bindhu AL)*
	Mr. Biju A L (Relative of Mrs. Bindhu AL)*
	Mr. Nelson A L (Relative of Mrs. Bindhu AL)*
	Mr. Vivek Capoor (Relative of Mr.Jagdish Capoor)*
	Ms. Shivani Capoor (Relative of Mr.Jagdish Capoor)*
	Mr. Satish Capoor (Relative of Mr.Jagdish Capoor)*
	Mr. Girish Capoor (Relative of Mr.Jagdish Capoor)*
	Ms. Nirmala Mehrotra (Relative of Mr.Jagdish Capoor)*
	Ms. Pramila Bhatia (Relative of Mr.Jagdish Capoor)*

* No transactions with these related parties

Notes

to Standalone Financial Statements for the year ended 31st March, 2023

(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 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement Of Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in Subsidiary Company	-	-	11,472.03	9,018.69	-	-	-	-	-	-	-	-	11,472.03	9,018.69
Manappuram Home Finance Limited	-	-	2,072.90	2,072.90	-	-	-	-	-	-	-	-	2,072.90	2,072.90
Asirvad Micro Finance Limited	-	-	9,313.15	6,860.18	-	-	-	-	-	-	-	-	9,313.15	6,860.18
Manappuram Insurance Brokers Limited	-	-	26.11	26.11	-	-	-	-	-	-	-	-	26.11	26.11
Manappuram Comptech And Consultants Ltd	-	-	59.87	59.50	-	-	-	-	-	-	-	-	59.87	59.50
Purchase Of Fixed/Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale Of Fixed/Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid	-	-	7.61	10.00	-	-	-	-	-	-	-	-	7.61	10.00
Asirvad Micro Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Home Finance Limited	-	-	7.61	10.00	-	-	-	-	-	-	-	-	7.61	10.00
Interest Received	-	-	77.67	7.66	-	1.34	-	-	-	-	-	-	77.67	9.00
Manappuram Home Finance Limited	-	-	1.57	7.66	-	-	-	-	-	-	-	-	1.57	7.66
Manappuram Asset Finance Limited	-	-	-	-	-	1.34	-	-	-	-	-	-	-	1.34
Spandana Sphoorty Financial Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asirvad Micro Finance Limited	-	-	76.10	-	-	-	-	-	-	-	-	-	76.10	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sitting Fee To Directors:	-	-	-	-	-	-	-	5.58	5.10	-	-	-	5.58	5.10
Mr. Abhijit Sen	-	-	-	-	-	-	-	0.88	0.77	-	-	-	0.88	0.77
Mr. Harshan Kollara	-	-	-	-	-	-	-	1.02	0.76	-	-	-	1.02	0.76
Mr. Jagdish Capoor	-	-	-	-	-	-	-	-	0.28	-	-	-	-	0.28
Mr. P Manomohan	-	-	-	-	-	-	-	1.02	0.63	-	-	-	1.02	0.63
Mr. Shailesh J. Mehta	-	-	-	-	-	-	-	1.06	0.88	-	-	-	1.06	0.88
Mrs. Sutapa Banerjee	-	-	-	-	-	-	-	0.26	0.83	-	-	-	0.26	0.83
Mr. V.R. Ramachandran	-	-	-	-	-	-	-	0.76	0.69	-	-	-	0.76	0.69
Mr. Balasubrahmanian	-	-	-	-	-	-	-	0.34	0.26	-	-	-	0.34	0.26
Ms. Pratima	-	-	-	-	-	-	-	0.16	-	-	-	-	0.16	-
Ms. Seemadhini	-	-	-	-	-	-	-	0.08	-	-	-	-	0.08	-

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (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 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Commission Fee To Directors:	-	-	-	-	-	-	117.13	108.00	-	-	-	-	117.13	108.00
Mr. V.P. Nandakumar	-	-	-	-	-	-	85.00	80.00	-	-	-	-	85.00	80.00
Mr. Shailesh J. Mehta	-	-	-	-	-	-	10.00	6.50	-	-	-	-	10.00	6.50
Mr. P Manomohan	-	-	-	-	-	-	2.80	2.80	-	-	-	-	2.80	2.80
Mr. V.R. Ramachandran	-	-	-	-	-	-	4.20	3.50	-	-	-	-	4.20	3.50
Mrs. Sutapa Banerjee	-	-	-	-	-	-	0.88	3.50	-	-	-	-	0.88	3.50
Mr. Abhijit Sen	-	-	-	-	-	-	5.10	4.40	-	-	-	-	5.10	4.40
Mr. Harshan Kollara	-	-	-	-	-	-	3.50	3.80	-	-	-	-	3.50	3.80
Mr. Balasubrahmanian	-	-	-	-	-	-	2.80	2.10	-	-	-	-	2.80	2.10
Ms. Pratima Ram	-	-	-	-	-	-	1.40	-	-	-	-	-	1.40	-
Ms. V.P. Seemanthini	-	-	-	-	-	-	0.70	-	-	-	-	-	0.70	-
Ms. Sumitha Nandan	-	-	-	-	-	-	0.75	-	-	-	-	-	0.75	-
Mr. Jagdish Capoor	-	-	-	-	-	-	-	1.40	-	-	-	-	-	1.40
Incentive	-	-	-	-	-	-	2.20	2.00	-	-	-	-	2.20	2.00
Mrs. Bindu AL – CFO	-	-	-	-	-	-	2.20	2.00	-	-	-	-	2.20	2.00
Remuneration To Directors	-	-	-	-	-	-	103.78	95.62	-	-	-	-	103.78	95.62
Mr. V.P. Nandakumar	-	-	-	-	-	-	101.25	95.62	-	-	-	-	101.25	95.62
Ms. Sumitha Nandan	-	-	-	-	-	-	2.53	-	-	-	-	-	2.53	-
Remuneration To Other Kmps	-	-	-	-	-	-	15.69	13.21	-	-	-	-	15.69	13.21
Ms. Bindu AL	-	-	-	-	-	-	11.78	9.68	-	-	-	-	11.78	9.68
Mr. Manoj Kumar V R	-	-	-	-	-	-	3.91	3.53	-	-	-	-	3.91	3.53
Remuneration Paid To Relative Of Kmp	-	-	-	-	-	-	-	-	1.38	1.33	-	-	1.38	1.33
Mr. Suhas Nandan	-	-	-	-	-	-	-	-	1.38	1.33	-	-	1.38	1.33
Traveling Expense Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Travels	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent Waived	-	-	-	-	-	-	17.25	5.74	-	-	-	-	17.25	5.74
Manappuram Foundation	-	-	-	-	-	-	17.25	5.74	-	-	-	-	17.25	5.74
Transfer Of Vehicle (Donation)	-	-	-	-	-	-	-	1.15	-	-	-	-	-	1.15
Manappuram Foundation	-	-	-	-	-	-	-	1.15	-	-	-	-	-	1.15
Csr Paid	-	-	-	-	-	-	472.44	269.11	-	-	-	-	472.44	269.11
Manappuram Foundation	-	-	-	-	-	-	472.44	269.11	-	-	-	-	472.44	269.11
Payment To	-	-	-	-	-	-	199.82	189.82	-	-	-	-	199.82	189.82
Lions Co-Ordination Committee Of India Association	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manppuram Group Gratuity Trust(Approved)	-	-	-	-	-	-	199.82	189.82	-	-	-	-	199.82	189.82

Notes

to Standalone Financial Statements for the year ended 31st March, 2023

(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 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Rent Paid	-	-	0.24	-	4.95	5.57	-	-	0.16	0.15	-	-	5.35	5.72
Mr. Suhas Nandan	-	-	-	-	-	-	-	-	0.16	0.15	-	-	0.16	0.15
Manappuram Agro Farms Limited	-	-	-	-	4.95	5.57	-	-	-	-	-	-	4.95	5.57
Asrivad Micro Finance Ltd.	-	-	0.24	-	-	-	-	-	-	-	-	-	0.24	-
Rent Received	-	-	8.07	4.62	1.71	5.43	-	-	-	-	-	-	9.78	10.05
Manappuram Jewellers Limited	-	-	-	-	1.40	4.04	-	-	-	-	-	-	1.40	4.04
Manappuram Agro Farms Limited	-	-	-	-	0.31	1.39	-	-	-	-	-	-	0.31	1.39
Manappuram Insurance Brokers Limited	-	-	2.34	2.62	-	-	-	-	-	-	-	-	2.34	2.62
Manappuram Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Comptech And Consultants Ltd	-	-	4.70	2.00	-	-	-	-	-	-	-	-	4.70	2.00
Asrivad Micro Finance Ltd.	-	-	1.03	-	-	-	-	-	-	-	-	-	1.03	-
Manappuram Foundation	-	-	0.001	-	-	-	-	-	-	-	-	-	0.00	-
Electricity Charge Received	-	-	0.41	0.51	0.50	0.49	-	-	-	-	-	-	0.91	1.00
Manappuram Jewellers Limited	-	-	-	-	0.40	0.40	-	-	-	-	-	-	0.40	0.40
Manappuram Insurance Brokers Limited	-	-	0.41	0.51	-	-	-	-	-	-	-	-	0.41	0.51
Manappuram Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Agro Farms Limited	-	-	-	-	0.10	0.09	-	-	-	-	-	-	0.10	0.09
Purchase Of Assets & Others	-	-	-	-	-	31.66	-	-	-	-	-	-	-	31.66
Manappuram Comptech And Consultants Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Agro Farms Limited (Purchase of Land)	-	-	-	-	-	31.66	-	-	-	-	-	-	-	31.66
Subscription Fee Paid	-	-	-	-	0.05	0.05	-	-	-	-	-	-	0.05	0.05
Finance Industry Development Council	-	-	-	-	0.05	0.05	-	-	-	-	-	-	0.05	0.05
Advertisement Expense	-	-	-	-	0.70	0.13	-	-	-	-	-	-	0.70	0.13
Finance Industry Development Council	-	-	-	-	-	0.03	-	-	-	-	-	-	-	0.03
Lions Co-Ordination Committee Of India Association	-	-	-	-	-	0.10	-	-	-	-	-	-	-	0.10
Federation Of Indian Chambers Of Commerce & Industry(Ficci)	-	-	-	-	0.70	-	-	-	-	-	-	-	0.70	-
Rent & Other Income Received	-	-	18.64	18.16	-	-	-	-	-	-	-	-	18.64	18.16
Manappuram Home Finance Limited	-	-	17.23	16.96	-	-	-	-	-	-	-	-	17.23	16.96
Manappuram Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Agro Farms Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Comptech And Consultants Ltd	-	-	1.38	0.30	-	-	-	-	-	-	-	-	1.38	0.30
Asrivad Micro Finance Limited	-	-	0.03	0.90	-	-	-	-	-	-	-	-	0.03	0.90
Reimbursement Expense Paid	-	-	-	-	-	-	0.73	0.18	-	-	-	-	0.73	0.18
Mr. V.P.Nandakumar	-	-	-	-	-	-	0.73	0.18	-	-	-	-	0.73	0.18
Ms. Sumitha Nandan	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes

to Standalone Financial Statements for the year ended 31st March, 2023

(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 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Education And Training Services Provided	-	-	7.51	8.30	3.73	6.40	-	-	-	-	-	-	11.24	14.70
Manappuram Jewellers Limited	-	-	-	-	0.44	0.69	-	-	-	-	-	-	0.44	0.69
Manappuram Insurance Brokers Limited	-	-	0.65	1.34	-	-	-	-	-	-	-	-	0.65	1.34
Asirvad Micro Finance Limited	-	-	6.31	6.39	-	-	-	-	-	-	-	-	6.31	6.39
Maben Nidhi Limited	-	-	-	-	0.67	2.05	-	-	-	-	-	-	0.67	2.05
Manappuram Asset Finance Limited	-	-	-	-	0.61	1.65	-	-	-	-	-	-	0.61	1.65
Manappuram Chits India Limited	-	-	-	-	0.41	0.94	-	-	-	-	-	-	0.41	0.94
Manappuram Comptech And Consultants Ltd	-	-	0.55	0.57	-	-	-	-	-	-	-	-	0.55	0.57
Manappuram Agro Farms Limited	-	-	-	-	0.86	0.25	-	-	-	-	-	-	0.86	0.25
Manappuram Health Care Ltd	-	-	-	-	0.74	0.63	-	-	-	-	-	-	0.74	0.63
Manappuram Construction And Consultants Limited	-	-	-	-	-	0.19	-	-	-	-	-	-	-	0.19
Technical Charges Paid	-	-	178.84	72.28	-	-	-	-	-	-	-	-	178.84	72.28
Manappuram Comptech And Consultants Ltd	-	-	178.84	72.28	-	-	-	-	-	-	-	-	178.84	72.28
Other Expenses Paid	-	-	0.02	0.20	-	1.01	-	-	-	-	-	-	0.02	1.21
Manappuram Agro Farms Limited	-	-	-	-	-	1.01	-	-	-	-	-	-	-	1.01
Manappuram Comptech And Consultants Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Home Finance Limited	-	-	0.02	0.20	-	-	-	-	-	-	-	-	0.02	0.20
Manappuram Construction And Consultants Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Health Care Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance And Repairs Paid	-	-	0.54	4.41	-	0.19	-	-	-	-	-	-	0.54	4.60
Manappuram Comptech And Consultants Ltd	-	-	0.54	4.41	-	0.19	-	-	-	-	-	-	0.54	4.41
Manappuram Construction And Consultants Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	0.19
Commission Expense On Money Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Asset Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Staff Welfare Expenses Paid	-	-	-	-	-	2.33	-	-	-	-	-	-	-	2.33
Manappuram Health Care Ltd	-	-	-	-	-	1.18	-	-	-	-	-	-	-	1.18
Aclux Medicity And Convention Centre Private Ltd	-	-	-	-	-	1.15	-	-	-	-	-	-	-	1.15
Incentive Paid	-	-	0.18	0.15	-	-	-	-	-	-	-	-	0.18	0.15
Asirvad Micro Finance Limited	-	-	0.18	0.15	-	-	-	-	-	-	-	-	0.18	0.15
Construction Expenses	-	-	-	-	-	46.25	-	-	-	-	-	-	-	46.25
Manappuram Construction And Consultants Limited	-	-	-	-	-	46.25	-	-	-	-	-	-	-	46.25
Monthly Usage Charges Paid	-	-	-	3.42	-	-	-	-	-	-	-	-	-	3.42
Manappuram Comptech And Consultants Ltd	-	-	-	3.42	-	-	-	-	-	-	-	-	-	3.42
Money Transfer - Principal Amount Paid	-	-	-	-	-	0.04	-	-	-	-	-	-	-	0.04
Manappuram Asset Finance Limited	-	-	-	-	-	0.04	-	-	-	-	-	-	-	0.04
Amount Paid To	-	-	-	-	-	23.48	-	-	-	-	-	-	-	23.48
Manappuram Finance Staff Welfare Fund	-	-	-	-	-	23.48	-	-	-	-	-	-	-	23.48

Notes

to Standalone Financial Statements for the year ended 31st March, 2023

(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 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Gratuity Transferred	-	-	21.49	1.26	-	-	-	-	-	-	-	-	-	22.75
Asirvad Micro Finance Limited	-	-	12.17	-	-	-	-	-	-	-	-	-	-	12.17
Manappuram Comptech And Consultants Ltd	-	-	1.47	-	-	-	-	-	-	-	-	-	-	1.47
Manappuram Insurance Brokers Limited	-	-	0.90	-	-	-	-	-	-	-	-	-	-	0.90
Manappuram Jewellers Limited	-	-	-	0.04	-	-	-	-	-	-	-	-	-	0.04
Manappuram Foundation	-	-	-	1.11	-	-	-	-	-	-	-	-	-	1.11
Manappuram Foundation - Mukundapuram	-	-	-	0.11	-	-	-	-	-	-	-	-	-	0.11
Manappuram Home Finance Limited	-	-	6.95	-	-	-	-	-	-	-	-	-	-	6.95
Dividend Income Received	-	-	80.38	-	-	-	-	-	-	-	-	-	80.38	-
Manappuram Insurance Brokers Limited	-	-	80.38	-	-	-	-	-	-	-	-	-	80.38	-
Corporate Loan Given To	-	-	1,450.00	550.00	-	-	-	-	-	-	-	-	1,450.00	550.00
Manappuram Home Finance Limited	-	-	150.00	550.00	-	-	-	-	-	-	-	-	150.00	550.00
Asirvad Micro Finance Limited	-	-	1,300.00	-	-	-	-	-	-	-	-	-	1,300.00	-
Corporate Loan Given To Related Party Of Subsidiary	-	-	-	-	-	-	-	-	150.00	-	150.00	-	150.00	-
Svasti Microfinance Pvt Ltd	-	-	-	-	-	-	-	-	150.00	-	150.00	-	150.00	-
Principal And Interest Repayment	-	-	-	-	-	-	-	-	43.52	-	43.52	-	43.52	-
Svasti Microfinance Pvt Ltd	-	-	-	-	-	-	-	-	43.52	-	43.52	-	43.52	-
Repayment of Corporate Loan From	-	-	150.00	550.00	-	-	-	-	-	-	-	-	150.00	550.00
Manappuram Home Finance Limited	-	-	150.00	550.00	-	-	-	-	-	-	-	-	150.00	550.00
Principal Repayment on Assignment Transaction	-	-	15.76	12.17	-	-	-	-	-	-	-	-	15.76	12.17
Manappuram Home Finance Limited	-	-	15.76	12.17	-	-	-	-	-	-	-	-	15.76	12.17
Receipt of Principal on Account of Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	14.27
Manappuram Asset Finance Limited	-	-	-	14.27	-	-	-	-	-	-	-	-	-	14.27
Balance Outstanding As At The Year End:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Deposit	-	-	1.03	0.39	0.39	0.39	-	-	-	-	-	-	1.42	1.42
Manappuram Foundation	-	-	-	0.19	0.19	0.19	-	-	-	-	-	-	0.19	0.19
Manappuram Jewellers Limited	-	-	-	0.16	0.16	0.16	-	-	-	-	-	-	0.16	0.16
Manappuram Agro Farms Limited	-	-	-	0.04	0.04	0.04	-	-	-	-	-	-	0.04	0.04
Manappuram Insurance Brokers Limited	-	-	1.03	1.03	-	-	-	-	-	-	150.00	-	150.00	1.03
Corporate Loan Outstanding	-	-	1,300.00	-	-	-	-	-	-	-	-	-	1,450.00	-
Manappuram Home Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Spandana Sphoorty Financial Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Svasti Microfinance Pvt Ltd	-	-	-	-	-	-	-	-	150.00	-	150.00	-	150.00	-
Asirvad Micro Finance Limited	-	-	1,300.00	-	-	-	-	-	-	-	-	-	1,300.00	-

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (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 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Amounts Payable (Net) To Related Parties	-	-	17.16	48.23	4.09	6.46	119.96	110.03	-	0.01	-	-	141.21	164.73
Mr. V.P.Nandakumar	-	-	-	-	-	-	85.00	80.00	-	-	-	-	85.00	80.00
Mr. Abhijit Sen	-	-	-	-	-	-	5.20	4.40	-	-	-	-	5.20	4.40
Mr. Harshan Kollara	-	-	-	-	-	-	3.62	3.80	-	-	-	-	3.62	3.80
Mr. Jagdish Capoor	-	-	-	-	-	-	1.40	1.40	-	-	-	-	-	1.40
Mr. P Manomohan	-	-	-	-	-	-	2.90	2.82	-	-	-	-	2.90	2.82
Mr. Shailesh J. Mehta	-	-	-	-	-	-	10.12	6.50	-	-	-	-	10.12	6.50
Mrs. Sutapa Banerjee	-	-	-	-	-	-	0.88	3.50	-	-	-	-	0.88	3.50
Mr. V.R. Ramachandran	-	-	-	-	-	-	4.27	3.52	-	-	-	-	4.27	3.52
Mr. Balesubrahmanian	-	-	-	-	-	-	2.84	2.10	-	-	-	-	2.84	2.10
Mr. Suhas Nandan	-	-	-	-	-	-	-	-	-	0.01	-	-	-	0.01
Ms. Sumitha Nandan	-	-	-	-	-	-	0.75	-	-	-	-	-	0.75	-
Pratima	-	-	-	-	-	-	1.44	-	-	-	-	-	1.44	-
V P Seemanthini	-	-	-	-	-	-	0.74	-	-	-	-	-	0.74	-
Manappuram Comptech And Consultants Ltd	-	-	14.14	44.57	-	-	-	-	-	-	-	-	14.14	44.57
Manappuram Construction And Consultants Limited	-	-	-	-	3.90	3.90	-	-	-	-	-	-	3.90	3.90
Manappuram Insurance Brokers Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Travels	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asirvad Micro Finance Limited	-	-	0.24	0.18	-	-	-	-	-	-	-	-	0.24	0.18
Manappuram Home Finance Limited	-	-	2.78	3.47	-	-	-	-	-	-	-	-	2.78	3.47
Manappuram Agro Farms Limited	-	-	-	-	0.19	0.32	-	-	-	-	-	-	0.19	0.32
Manappuram Finance Staff Welfare Trust	-	-	-	-	-	2.24	-	-	-	-	-	-	-	2.24
Ms. Bindu AL	-	-	-	-	-	-	2.20	2.00	-	-	-	-	2.20	2.00

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%
- The loans have been utilised by the Manappuram Home Finance Limited and Asirvad Micro Finance Limited for lending and 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.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (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, 2023 stands at 2.14 times (2.26 times as at 31st March, 2022).

During the year ended 31st March, 2023, the Company has paid the interim dividend of ₹ 3 per equity share for the year ended 31st March, 2022 amounting to ₹ 2539.18Mn (3 per equity share amounting to ₹ 2539.14 Mn for the year ended 31st March, 2022.)

Regulatory capital	As at 31 st March, 2023	As at 31 st March, 2022
Common Equity Tier1 (CET1) capital	84,039.81	76,409.16
Other Tier 2 capital instruments	-	777.37
Total capital	84,039.81	77,186.53
Amount of subordinated debt raised as Tier-II Capital	-	-
Amount raised by issue of Perpetual Debt Instrument	-	-
Risk weighted assets	2,65,129.52	2,46,386.11
CET1 capital ratio	31.70%	31.01%
CET2 capital ratio	0.00%	0.32%
Total capital ratio	31.70%	31.33%

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, 2023 (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 st March, 2023				31 st March, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis								
<i>Derivative financial instruments</i>	-	-	-	-	-	-	-	-
Cross Currency Swaps	-	-	-	-	-	467.08	-	467.08
Forward Rate Agreements	-	-	-	-	-	-	-	-
Total derivative financial instruments	-	-	-	-	-	467.08	-	467.08
<i>Financial investments</i>								
Equity Shares	0.25	-	-	0.25	0.21	-	-	0.21
Total financial investments	0.25	-	-	0.25	0.21	-	-	0.21
Total assets measured at fair value on a recurring basis	0.25	-	-	0.25	0.21	467.08	-	467.29
Assets measured at fair value on a non-recurring basis	-	-	-	-	-	-	-	-
Liabilities measured at fair value on a recurring basis								
<i>Derivative financial instruments</i>								
Forward contracts	-	(32.85)	-	(32.85)	-	(768.27)	-	(768.27)
Cross Currency Swaps	-	-	-	-	-	-	-	-
Total derivative financial instruments	-	(32.85)	-	(32.85)	-	(768.27)	-	(768.27)
Liabilities measured at fair value on a non-recurring basis	-	(32.85)	-	(32.85)	-	(768.27)	-	(768.27)

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, 2023 (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 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022
Financial assets					
Cash and cash equivalents	2	18,727.00	15,628.60	18,727.00	15,628.60
Bank Balance other than above	2	2,068.02	1,956.01	2,068.02	1,956.01
Loans	3	2,45,584.02	2,27,196.71	2,45,584.02	2,27,196.71
Investments	3	11,472.04	9,085.15	11,472.04	9,085.15
Investments	1	3,070.30	3,069.53	2,928.28	3,000.18
Derivative financial instruments	2	-	-	-	-
Other Financial assets	2	2,095.04	2,050.99	2,095.04	2,050.99
Total financial assets		2,83,016.41	2,58,986.98	2,82,874.39	2,58,917.64
Financial Liabilities					
Derivative financial instruments	2	32.85	301.19	32.85	301.19
Payables	2	961.75	1,085.57	961.75	1,085.57
Debt Securities	2	49,608.07	78,032.83	49,608.07	78,032.83
Borrowings (other than debt security)	2	1,42,685.00	1,01,220.85	1,42,685.00	1,01,220.85
Subordinated Liabilities	2	-	6.00	-	6.00
Lease Liability	2	5,743.43	6,151.01	5,743.43	6,151.01
Other Financial liabilities	2	2,569.47	1,950.66	2,569.47	1,950.66
Financial Liabilities		2,01,600.57	1,88,748.11	2,01,600.57	1,88,748.11

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, 2023 (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 31/03/2023, our gold loan portfolio is 79% 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, 2023 (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:

Particulars	31 st March, 2023			31 st March, 2022		
	Stage I	Stage II*	Stage III	Stage I	Stage II	Stage III
1) Gold Loan-Normal risk**	15.54%	15.54%	100.00%	10.42%	10.42%	100.00%
2) Vehicle Loan						
CV	5.81%	12.09%	100.00%	5.24%	9.40%	100.00%
BUS	8.38%	14.66%	100.00%	6.94%	11.71%	100.00%
FE	2.49%	7.29%	100.00%	1.89%	4.96%	100.00%
CAR/AUTO	3.76%	9.01%	100.00%	3.46%	8.20%	100.00%
TW	6.61%	8.02%	100.00%	5.74%	7.74%	100.00%
3) SME Loan	6.93%	23.49%	100.00%	7.12%	24.60%	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 -63%, BUS -55% and CAR - 93% as at 31st March, 2023.

** 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 happen in the year in which default has occurred. Recoveries from all the phases like normal collections, auction collections,

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

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 st March, 2023	31 st March, 2022
1) Gold Loan*	3.04%	2.21%
2) Vehicle Loan		
CV	16.07%	20.60%
BUS	18.61%	29.98%
FE	13.01%	31.16%
CAR/AUTO	10.80%	21.36%
TW	23.95%	18.68%
3) SME Loan	67.99%	19.01%
4) Onlending	60%	60%
5) Corporate Finance	100%	65%

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 factors 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 1-30/31 days 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 (c) the residual maturity pattern of repricing of assets and

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

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 31st 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	-	135,428.46
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	113,955.82	41,521.39	22,536.59	9,006.30	5,238.83	245,584.02
Investments	-	-	-	30.69	23.27	-	-	3,016.10	-	11,472.28	14,542.34

Maturity pattern of assets and liabilities as on 31st March, 2022

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	9,316.64	5,000.00	11,452.11	14,013.00	25,355.51	10,438.35	5,145.47	8,494.49	969.64	-	90,185.21
Foreign Currency Term Loan	-	-	-	-	-	1,945.64	1,820.00	7,270.00	-	-	11,035.64
Debt Security	1.98	-	0.63	3,057.41	7,206.68	3,098.25	34,588.06	22,121.63	3,834.94	4,123.25	78,032.83
Subordinated Debts	0.06	1.61	3.85	0.48	-	-	-	-	-	-	6.00
Advances	3,858.72	4,391.94	12,315.72	26,878.12	59,957.14	89,656.90	11,321.99	10,992.14	5,347.28	2,476.76	227,196.71
Investments	-	-	9.94	39.93	32.86	16.60	19.99	-	3,016.10	9,019.26	12,154.68

*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:

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.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

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, 2023	31 st March, 2022
0.5% Increase	953.87	852.39

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 st March, 2023	As at 31 st March, 2022
Expense in connection with US Dollar Bond issue	-	-
Surveillance and Trustee Fees	88.00	17.69
Travelling expenses	-	-
Training expenses	0.03	0.21
Meeting expenses	-	1.98
Advertisement expenses	0.40	0.68
Software Expenses	-	0.04
Membership & Other Fees	-	-
Total	88.43	20.60

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (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 31st March, 2023 : ₹ Nil (31st March, 2022: ₹ Nil)

Maximum amount outstanding during the year ₹ 150 Mn (31st March, 2022: ₹450 Mn)

b) Asirvad Micro Finance Limited

Balance as at 31st March, 2023 : ₹ 1300 Mn (31st March, 2022: ₹ Nil)

Maximum amount outstanding during the year ₹ 1300 Mn (31st March, 2022: Nil)

Loan given to companies in which directors are interested: Nil

a) Spandana Sphoorty Financial Limited

Balance as at 31st March, 2023: ₹ Nil (31st March, 2022: Nil)

Maximum amount outstanding during the year ₹ Nil (31st March, 2022: ₹ 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 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022
Secured Loans						
A) Gold Loan						
Standard Asset	1,88,141.15	1,93,331.49	754.13	775.32	1,87,387.03	1,92,556.17
Sub Standard Asset	1,414.55	4,124.71	141.45	412.47	1,273.09	3,712.24
Doubtful Asset	806.92	1,156.35	238.73	293.46	568.20	862.89
Loss Asset	46.61	60.98	46.61	60.98	-	-
Total - A	1,90,409.24	1,98,673.53	1,180.92	1,542.23	1,89,228.32	1,97,131.30
B) Other Loans						
Standard Asset	47,405.29	22,456.77	208.45	98.86	47,196.84	22,357.91
Sub Standard Asset	333.27	1,152.88	32.93	106.17	300.34	1,046.71
Doubtful Asset	429.96	65.11	124.47	13.02	305.49	52.09
Loss Asset	42.10	41.26	42.10	41.26	-	-
Total - B	48,210.62	23,716.02	407.95	259.31	47,802.67	23,456.71
Total (A+B)	2,38,619.86	2,22,389.55	1,588.87	1,801.54	2,37,031.00	2,20,588.01
Unsecured Loans						
A) Other Loans						
Standard Asset	3,264.66	1,716.73	13.29	6.93	3,251.37	1,709.80
Sub Standard Asset	118.57	-	11.86	-	106.71	-
Doubtful Asset	0.65	-	0.13	-	0.52	-
Loss Asset	18.29	21.65	18.29	21.65	-	-
Total (C)	3,402.18	1,738.38	43.57	28.58	3,358.60	1,709.80
Total Loan (A+B+C)	2,42,022.03	2,24,127.93	1,632.44	1,830.12	2,40,389.59	2,22,297.81

*Principal outstanding

Note 48 (b): Provision for diminution in value of investments

Particulars	31 st March, 2023	31 st March, 2022
Provision for diminution in value of investments - Refer Note 11	-	-

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Note 49: Investments

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
1) Value of Investments		
i) Gross Value of Investments		
(a) In India	14,542.34	12,154.87
(b) Outside India		-
ii) Provisions for Depreciation		
(a) In India	-	0.19
(b) Outside India		-
iii) Net Value of Investments		
(a) In India	14,542.34	12,154.68
(b) Outside India		-
2) Movement of provisions held towards depreciation on investments		
i) Opening balance	0.19	1.31
ii) Add : Provisions made during the year		-
iii) Less : Write-off / write-back of excess provisions during the year	0.19	1.11
iv) Closing balance	-	0.19

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 st March, 2023 Numbers /Amount	31 st March, 2022 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, 2023	As at 31 st March, 2022
Total number of loan assets securitized during the year	-	-
Book value of loan assets securitized during the year	-	-
Sale consideration received during the year	-	-
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	-	-
Quantum of Credit Enhancement as at year end	-	-
Interest spread Recognised in the Statement of Profit and Loss during the Year	-	-

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

(b): Details of Assignment transactions

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
(i) Number of Accounts	4,804.00	-
(ii) Aggregate value (net of provisions) of accounts sold	2,658.29	-
(iii) Aggregate consideration	2,392.46	-
(iv) Aggregate consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	216.68	-

(c): Details of non-performing financial assets purchased / sold - Nil

Note 51: Off - balance Sheet SPVs sponsored

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Name of the SPV Sponsored	-	-
Domestic	-	-
Overseas	-	-

Note 52: Exposure

Note 52 (a): Exposure to real estate sector

Category	As at 31 st March, 2023	As at 31 st March, 2022
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.	9,343.26	4,284.41
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.	6,166.21	2,587.92
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.	675.15	141.65
Total exposure to real estate sector	19,757.52	10,586.88

*This include exposure given

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Note 52 (b): Exposure to Capital Market

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Direct Exposure		
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;	11,472.26	9,019.25
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	11,472.26	9,019.25

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Note 52 (c): Sectoral Exposure

Particulars	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	1,113.20	36.10	3.24%	684.12	34.99	5.11%
2. Industry						
Total of Industry	0.00	0.00	0.00%	0.00	0.00	0.00%
3. Services						
i. Transport Operators	11,620.20	392.54	3.38%	10,176.08	892.30	8.77%
ii. Loans to NBFC's	12,748.22	43.57	0.34%	1,815.59	56.21	3.10%
iii. Commercial Real estate	6,166.21	107.16	1.74%	2,587.92	73.38	2.84%
Total of Services	30,534.63	543.27	1.78%	14,579.60	1,021.88	7.01%
4. Personal Loans						
i. Vehicle Loans	9,723.40	163.30	1.68%	5,755.65	167.61	2.91%
ii. Loans Against Security of Gold	1,95,229.96	2,268.08	1.16%	2,02,878.21	5,342.04	2.63%
iii. Others	2,127.27	88.46	4.16%	443.72	12.62	2.84%
Total of Personal Loans	2,07,080.63	2,519.84	1.22%	2,09,077.58	5,522.28	2.64%
5. Others if any (please specify)						
i. Other Loans	11,317.22	111.71	0.99%	5,745.30	43.80	0.76%
	11,317.22	111.71	0.99%	5,745.30	43.80	0.76%
Total	2,50,045.68	3,210.92	1.28%	2,30,086.59	6,622.94	2.88%

**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 st March, 2023	As at 31 st March, 2022
Break-up of Provision and contingencies in statement of profit and loss		
Provision towards NPA	(186.32)	(339.62)
Provisions for depreciation on Investment	(0.19)	(1.11)
Provision made towards current tax	4,544.89	4,200.10
Provision for litigation	23.99	54.64
Provision for Standard Assets	476.38	(399.87)

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 st March, 2023	As at 31 st March, 2022
Total advances to twenty largest borrowers	9,169.92	2,126.70
Percentage of advances to twenty largest borrowers to total advances of the Company*	3.67%	0.92%

*Advances includes undrawn amount also

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

ii) Concentration of Exposures

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Total exposure to twenty largest borrowers/customers	20,555.96	11,118.13
Percentage of exposures to twenty largest borrowers/customers to total exposure of the Company on borrowers/customers	7.86%	4.65%

(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, 2023	As at 31 st March, 2022
Top 10 Borrowings as on reporting date	1,29,720.04	1,26,015.75
Percentage of Top 10 Borrowings to total borrowings of the Company as on the reporting date	67.46%	70.30%

(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, 2023	% of Total Deposits	% of Total Liabilities
1	23	1,80,575.90	NIL	93.91%

(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 st March, 2023	% of Total Liabilities	As at 31 st March, 2022	% of Total Liabilities
Secured NCD	49,608.07	25.80%	48,161.44	26.87%
Borrowings from Banks & Fis	1,42,684.99	74.20%	1,01,205.81	56.46%
Subordinated Debt	-	0.00%	6.00	0.00%
CP	-	0.00%	6,941.63	3.87%
ECB - Senior Secured Notes	-	0.00%	22,929.76	12.79%
Other Loans	-	0.00%	15.04	0.01%
Total	1,92,293.06	100.00%	1,79,259.68	100.00%

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (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 st March, 2023	As at 31 st March, 2022
Commercial Paper as a % of Total Public Funds	0.00%	3.87%
Commercial Paper as a % of Total Liabilities	0.00%	2.57%
Commercial Paper as a % of Total Assets	0.00%	2.57%
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	1.34%	1.09%
Other Short Term Liabilities as a % of Total Liabilities	0.88%	0.72%
Other Short Term Liabilities as a % of Total Assets	0.88%	0.72%

(ix) Exposure to top four NPA Accounts

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Total exposure to top four NPA accounts	93.43	105.41

(x) Sector-wise NPAs

Sector#	Percentage of NPAs to Total Advances in that Sector	
	As at 31 st March, 2023	As at 31 st March, 2022
Agriculture & allied activities	3.37%	5.26%
MSME	0.50%	0.13%
Corporate borrowers	0.87%	28.87%
Services	-	-
Unsecured personal loans	3.95%	0.74%
Auto loans	2.64%	6.72%
Other personal loans	1.18%	2.66%

The percentage is on principal outstanding

(xi) Movement of NPAs

Stock Ratios	As at 31 st March, 2023	As at 31 st March, 2022
I) Net NPAs to Net Advances (%)	1.06%	2.55%
II) Movement of NPAs (Gross)		
a) Opening balance	6,622.94	3,951.08
b) Addition during the year	2,073.96	5,848.98
c) Reduction during the year	(5,485.97)	(3,177.12)
d) Closing balance	3,210.93	6,622.94
III) Movement of NPAs (Net)		
a) Opening balance	5,673.93	2,901.67
b) Addition during the year	1,722.22	5,186.57
c) Reduction during the year	(4,841.78)	(2,414.31)
d) Closing balance	2554.36	5,673.93
IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	949.01	1,049.41
b) Provision made during the year	351.74	662.41
c) Write-off/write-back of excess provisions	(644.19)	(762.82)
d) Closing balance	656.57	949.01

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (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 31st March, 2023 is ₹ 0.11 Mn and during the year ended 31st March, 2022 is ₹ Nil
- Penalty amounted to ₹ Nil have been imposed by RBI during the year ended 31st March, 2023 and during the year ended 31st March, 2022 is ₹ 1.76Mn.

iii) Ratings assigned by credit rating agencies and migration of ratings during the year

Credit rating Agency	Type of Facility	31 st March, 2023		31 st March, 2022	
		₹ In Million	Rating	₹ In Million	Rating
Brickwork	Non-Convertible debentures	9,506.20	BWR AA(Stable)	10,030	BWR AA+(Stable)
	Bank Loan Facility	-	Withdrawn	70,000	BWR AA+(Stable)
CRISIL	Bank Loan Facility Long term	54,500.00	CRISIL AA/Stable	43,200	CRISIL AA/Stable
	Bank Loan Facility Short term	15,500.00	CRISIL A1+	6,800	CRISIL A1+
	Non-Convertible Debenture	46,250.00	CRISIL AA/Stable	26,750	CRISIL AA/Stable
	Principal Protected Market Linked Debenture	-	Withdrawn	5,000	CRISIL PP - MLD AAr/Stable
	Commercial Paper	40,000.00	CRISIL A1+	40,000	CRISIL A1+
	PCG DA	-	Withdrawn	1,000	CRISIL AA (SO)
CARE	Bank Loan Facility Long Term	64,900.00	CARE AA Stable	49,270	CARE AA Stable
	Bank Loan Facility Short Term	45,100.00	CARE A1+	40,730	CARE A1+
	Non-Convertible Debentures	27,205.80	CARE AA Stable	19,806	CARE AA Stable
	Commercial Paper	40,000.00	CARE A1+	40,000	CARE A1+
S&P	Senior Secured Bond	-	0	21,288	BB-/Stable
FITCH	Senior Secured Bond	-	0	21,288	BB-/Stable

Note 58: Customer Compliants

Sl. No.	Particulars	Current Year (2022 - 23)	Previous Year (2021 - 22)
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	177	116
2	Number of complaints received during the year	6,082	3,928
3	Number of complaints disposed during the year	6,112	3,867
3.1	Of which, number of complaints rejected by the NBFC	6	-
4	Number of complaints pending at the end of the year	141	177
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	229	184
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	224	184
5.2	5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	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, 2023 (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	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
Previous Year					
1. Credit Information Related	7	1409	118%	20	0
2. Gold Damage or Missing	2	69	203%	21	2
3. Poor Customer Service	77	925	155%	85	0
4. SMS or Email or Calls Related	24	674	67%	12	0
5. Surplus Related	4	787	640%	39	0
6. Others	2	64	20%	0	0

Note 59: Derivatives disclosures as per RBI

As at 31 March 2023, the Company has recognised a net Market to Market (MTM) Loss of ₹ 32.85 Mn (31 March 2022 ₹ 185.59Mn 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	31 st March, 2023		31 st March, 2022	
	No of contracts	Value (USD)	No of contracts	Value (USD)
Forward Contracts entered into hedge the currency risk of future interest payments	8	9,06,54,951	24	29,15,31,804
Currency Swaps	-	-	4	16,41,00,000

Type of Derivatives	31 st March, 2023		31 st March, 2022	
	No of contracts	Value ₹ In million	No of contracts	Value ₹ In million
Forward Contracts entered into hedge the currency risk of future interest payments	8	7,449.12	24	22,095.92
Currency Swaps	-	-	4	12,437.62

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (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, 2023	As at 31 st March, 2022
i) The notional principal of swap agreements	-	12,437.62
ii) The notional principal of forward rate agreements	7,449.12	22,095.92
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	2,088.10
iv) Concentration of credit risk arising from the swap	-	-
v) The fair value of the swap agreements	-	467.08
vi) The fair value of the forward rate agreements	(32.85)	(768.27)

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 st March, 2023		31 st March, 2022	
	Swaps	Forward Agreements	Swaps	Forward Agreements
i) Derivatives (Notional principal amount)				
For Hedging	-	7,449.12	12,437.62	22,095.92
ii) Marked to Market Positions				
a) Asset (+)	-	-	582.68	-
b) Liability (-)	-	32.85	-	768.27
iii) Credit Exposure	-	-	-	-
iv) Unhedged Exposure	-	-	-	-

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (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 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	234,098.49	1,262.60	232,835.89	938.51	324.09
	Stage 2	4,712.61	66.38	4,646.23	37.35	29.03
Subtotal for standard		238,811.10	1,328.98	237,482.12	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	236,798.49	1,263.12	235,535.37	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	(223.89)
	Total	244,722.03	1,762.18	242,959.85	1,632.43	129.75

*Principal Outstanding

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Asset Classification as per RBI Norms	As at 31 st March, 2022					
	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	206,143.84	776.89	205,366.95	825.77	(48.88)
	Stage 2	11,361.15	75.94	11,285.21	55.33	20.61
Subtotal for standard		217,504.99	852.83	216,652.16	881.10	(28.27)
Non-Performing Assets (NPA)						
Substandard	Stage 3	5,277.59	357.73	4,919.86	518.64	(160.91)
Doubtful upto 1 year	Stage 3	925.23	48.88	876.35	185.05	(136.17)
1 to 3 years	Stage 3	133.41	2.95	130.46	40.02	(37.07)
More than 3 years	Stage 3	162.82	3.61	159.21	81.41	(77.80)
Subtotal for doubtful		1,221.46	55.44	1,166.02	306.48	(251.04)
Loss	Stage 3	123.89	123.89	-	123.89	-
Subtotal for NPA		6,622.94	537.06	6,085.88	949.01	(411.96)
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	1,500.00	0.29	1,499.71	-	0.29
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal for other items		1,500.00	0.29	1,499.71	-	0.29
Total	Stage 1	207,643.84	777.19	206,866.66	825.77	(48.59)
	Stage 2	11,361.15	75.94	11,285.21	55.33	20.61
	Stage 3	6,622.94	537.06	6,085.88	949.01	(411.95)
	Total	225,627.93	1,390.19	224,237.75	1,830.11	(439.93)

*Principal Outstanding

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in crores, 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 2023

Particulars	31 st March, 2023	
	Total Unweighted Value (average) ³	Total Unweighted Value (average) ⁴
High Quality Liquid Assets		
1 **Total High Quality Liquid Assets (HQLA)	1,322.39	1,322.39
Cash Outflows		
2 Deposits (for deposit taking companies)	-	-
3 Unsecured wholesale funding	-	-
4 Secured wholesale funding	1,602.73	1,843.14
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	270.00	310.50
7 Other contingent funding obligations	287.62	330.76
8 TOTAL CASH OUTFLOWS	2,160.35	2,484.40
Cash Inflows		
9 Secured lending	2,090.61	1,567.96
10 Inflows from fully performing exposures	2,350.25	1,762.69
11 Other cash inflows	980.44	735.33
12 TOTAL CASH INFLOWS	5,421.30	4,065.98
	Total Adjusted Value	
13 TOTAL HQLA		1,322.39
14 TOTAL NET CASH OUTFLOWS		621.11
15 LIQUIDITY COVERAGE RATIO (%)		212.91%

LCR Disclosure for the Quarter ended December 2022

Particulars	31 st December, 2022	
	Total Unweighted Value (average) ³	Total Unweighted Value (average) ⁴
High Quality Liquid Assets		
1 **Total High Quality Liquid Assets (HQLA)	1,064.57	1,064.57
Cash Outflows		
2 Deposits (for deposit taking companies)	-	-
3 Unsecured wholesale funding	3,074.62	3,535.81
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	220.00	253.00
7 Other contingent funding obligations	251.62	289.36
8 TOTAL CASH OUTFLOWS	3,546.24	4,078.18

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Particulars	31 st December, 2022	
	Total Unweighted Value (average) ³	Total Unweighted Value (average) ⁴
Cash Inflows		
9 Secured lending	3,583.37	2,687.53
10 Inflows from fully performing exposures	3,004.09	2,253.07
11 Other cash inflows	2,457.17	1,842.88
12 TOTAL CASH INFLOWS	9,044.62	6,783.48
	Total Adjusted Value	
13 TOTAL HQLA		1,064.57
14 TOTAL NET CASH OUTFLOWS		1,019.54
15 LIQUIDITY COVERAGE RATIO (%)		104.42%

LCR Disclosure for the Quarter ended September 2022

Particulars	30 th September, 2022	
	Total Unweighted Value (average) ³	Total Unweighted Value (average) ⁴
High Quality Liquid Assets		
1 **Total High Quality Liquid Assets (HQLA)	1,173.96	1,173.96
Cash Outflows		
2 Deposits (for deposit taking companies)	-	-
3 Unsecured wholesale funding	500.00	575.00
4 Secured wholesale funding	2,090.42	2,403.98
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	220.00	253.00
7 Other contingent funding obligations	209.94	241.43
8 TOTAL CASH OUTFLOWS	3,020.36	3,473.41
Cash Inflows		
9 Secured lending	2,385.53	1,789.15
10 Inflows from fully performing exposures	3,544.82	2,658.62
11 Other cash inflows	718.22	538.67
12 TOTAL CASH INFLOWS	6,648.58	4,986.43
	Total Adjusted Value	
13 TOTAL HQLA		1,173.96
14 TOTAL NET CASH OUTFLOWS		868.36
15 LIQUIDITY COVERAGE RATIO (%)		135.19%

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

LCR Disclosure for the Quarter ended June 2022

Particulars	30 th June, 2022	
	Total Unweighted Value (average) ³	Total Unweighted Value (average) ⁴
High Quality Liquid Assets		
1 **Total High Quality Liquid Assets (HQLA)	432.82	432.82
Cash Outflows		
2 Deposits (for deposit taking companies)	-	-
3 Unsecured wholesale funding	-	-
4 Secured wholesale funding	948.39	1,090.65
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	135.00	155.25
7 Other contingent funding obligations	169.94	195.43
8 TOTAL CASH OUTFLOWS	1,253.33	1,441.33
Cash Inflows		
9 Secured lending	1,690.76	1,268.07
10 Inflows from fully performing exposures	3,385.54	2,539.16
11 Other cash inflows	506.22	379.66
12 TOTAL CASH INFLOWS	5,582.52	4,186.88
	Total Adjusted Value	
13 TOTAL HQLA		432.82
14 TOTAL NET CASH OUTFLOWS		360.33
15 LIQUIDITY COVERAGE RATIO (%)		120.12%

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 TREP's (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, 2023 (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 31st March, 2023

Sl No	Type of Restructuring		Restructuring others**				
	Asset classification		Standard	Sub Standard	Doubtful	Loss	Total
	Details						
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	-	-	-	-	-
		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		(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

As at 31st March, 2022

Sl No	Type of Restructuring		Restructuring others**				
	Asset classification		Standard	Sub Standard	Doubtful	Loss	Total
	Details						
1	Restructured accounts as on April 1 st of the FY (Opening figure)	No of Borrowers	923.00	-	3.00	2.00	928.00
		Amount Outstanding	616.64	-	3.90	1.09	621.62
		Provision thereon*	59.91	-	1.29	1.09	62.29
2	Fresh Restructuring during the year	No of Borrowers	262.00	115.00	-	1.00	378.00
		Amount Outstanding	169.00	90.99	-	9.29	269.29
		Provision* thereon	16.18	9.10	-	9.29	34.57
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, 2023 (All amounts are in millions, unless otherwise stated)

Sl No	Type of Restructuring Asset classification Details	Restructuring others**					Total
		Standard	Sub Standard	Doubtful	Loss		
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	(920.00)	920.00	-	-	-
		Amount Outstanding	(524.90)	524.90	-	-	-
		Provision* thereon	(52.49)	52.49	-	-	-
6	Writeoffs of restructured accounts during the FY	No of Borrowers	(265.00)	(7.00)	(3.00)	(2.00)	(277.00)
		Amount Outstanding	(260.73)	(6.75)	(3.90)	(1.36)	(272.74)
		Provision* thereon	(23.60)	(0.68)	(1.29)	(1.36)	(26.92)
7	Restructured accounts as on March 31 of the FY(Closing figure)	No of Borrowers	-	1,028.00	-	1.00	1,029.00
		Amount Outstanding	-	609.14	-	9.02	618.16
		Provision* thereon	-	60.91	-	9.02	69.94

* 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 st March, 2023	As at 31 st March, 2022
Total Gold loan portfolio	1,95,229.96	2,02,878.21
Total Assets	2,93,375.06	2,69,705.94
Gold loan portfolio as a percentage of total assets	67%	75%

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-22	813792	36,151.34	8,655.91	44,807.25	41,865.87
31-Mar-23	198782	7,721.21	1,881.57	9,602.78	9,790.01

Note: No sister concerns participated in the auctions during the year ended 31 March 2023 and 31 March 2022.

* Net of GST / Sales Tax Collected from the buyer.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (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	8.72	22.89	128.49	-	160.11
Projects temporarily suspended	-	-	-	-	-

64D: Relationship with struck off companies

Name of struck off company	Nature of transaction with struck off company	Balance outstanding*	Relationship with struck off company if any
Heidelberg India Private Limited	Payable	1.51	Nil
Godrej & Boyce MFG .Co. Ltd	Payable	6.95	Nil
Singh Intelligence Security Pvt Ltd	Payable	31.63	Nil
Sulekha Com New Media Private Limited	Payable	3.25	Nil

*As on reporting date (31-03-2023)

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.

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 ₹ 100.42 Mn

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

(31st March, 2022 ₹ 252.61Mn) of which the Company has recovered ₹ 31.04 Mn (31st March, 2022 ₹ 42.83 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 ₹ 69.37 Mn (31st March, 2022 - ₹ 209.78 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 -Nill FY 2022-23 (PY 2021-22-Nill)

Note 67: Unhedged foreign currency exposure

The company has Unhedged foreign currency amount of ₹ 1.80 Mn (FY 2021-22 - ₹ 1.54 Mn) (Please refer to Note 45 Risk Management for the Company policies to manage currency induced risk)

Note 68: Intra-group exposures

Particulars	31 st March, 2023	31 st March, 2022
i) Total amount of intra-group exposure	15,471.65	10,519.04
ii) Total amount of top 20 intra-group exposure	15,471.65	10,519.04
iii) Percentage of intra-group exposure to total exposure of NBFC on borrowers/customers	5.92%	4.08%

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 31st March, 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 #	4.68	0.00	-	1.98	2.70
Corporate Persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	44.01	1.71	0.00	13.22	29.51
	48.69	1.71	0.00	15.20	32.21

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

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, 2023 are as follows:

Type of borrower	No.of accounts restructured	Exposure to restructured accounts As on 31 st March, 2023
MSME	488	210.3*

*Total outstanding has been considered

Notes

to Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in millions, unless otherwise stated)

Note-71 : Corporate Governance report containing composition and category of directors, shareholding of non-executive directors, etc.

As at 31st March, 2023

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		No. of other Directorships in listed entities	Salary and other compensation	Remuneration		No. of shares held in and convertible instruments held in the NBFC
					Held	Attended			Sitting Fee	Commission	
1	Mr.V.P.Nandakumar	15/7/1992	Promoter-Executive	00044512	8	8	1	101.3	-	85.0	245,454,221
2	Adv.V.R.Ramachandran	31/7/2014	Non-Executive -Independent	00046848	8	8	1	-	0.7	4.0	370,000
3	Mr.P.Manomohan	31/7/2014	Non-Executive -Independent	00042836	8	7	1	-	1.0	2.8	793,582
4	Mr.Gautam Ravi Narayan	8/2/2018	Non-Executive-Non-Independent	02971674	8	6	1	-	-	-	-
5	Ms. Pratima Ram	23/9/2022	Non-Executive -Independent	03518633	8	5	2	-	0.2	1.4	-
6	Mr. Abhijit Sen	27/8/2019	Non-Executive -Independent	00002593	8	8	4	-	0.8	4.7	-
7	Mr. Harshan Kollara	28/8/2020	Non-Executive -Independent	01519810	8	8	1	-	1.0	3.5	-
8	Mr. Shailesh J Mehta	28/8/2020	Non-Executive Chairman	01633893	8	8	2	-	1.0	10.0	500,000
9	Mr. S R Balasubramanian	28/6/2021	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 Seemanthini	23/12/2022	Non-Executive -Independent	07850522	8	2	1	-	0.1	0.7	-
12	Ms. Sutapa Banerjee	1/4/2019	Non-Executive -Independent	02844650	8	1	5	-	0.2	0.9	-
13	Mr. B N Raveendra Babu	15/7/1992	Non-Executive-Non-Independent	00043622	8	-	1	-	-	-	1,265,236

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (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 Seemanthini	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 be 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
- 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	6/11/2019	Independent Director	8	8	-
2	Mr. Gautam Ravi Narayan	6/11/2018	Non - Executive, Non - Independent Director	8	7	-
3	Mr. Harshan Kollara	1/10/2020	Independent Director	8	8	-
4	Mr.P.Manomohanan	25/10/2003	Independent Director	8		793,582
5	Mr.Shailesh J Mehta	1/10/2020	Independent Director	8	8	500,000
6	Ms. Sutapa Banerjee *	1/4/2019	Independent Director	8	2	-
7	Ms.Pratima Ram**	24/3/2023	Independent Director	0	0	-
8	Dr.Sumitha Nandan***	24/3/2023	Independent Director	0	0	-

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (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	Ms. Sutapa Banerjee *	Independent Director	Resignation	04.07.2022
2	Ms.Pratima Ram **	Independent Director	Appointment	24.03.2023
3	Dr.Sumitha Nandan***	Independent Director	Appointment	24.03.2023

Terms of Reference: -

- 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 the 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© 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 adjustments 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 the effectiveness of the 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 the management performance of the statutory and internal auditors and the adequacy of the internal control system.
- 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.
- Discussion with internal auditors regarding any significant findings and follow-up thereon.
- 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.
- 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.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

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.

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	13-11-2021	Independent, Non-Executive	7	7	0
2	Dr. Shailesh J Mehta	01-10-2020	Independent, Non-Executive	7	7	500000
3	Mr. Gautam Ravi Narayan	15-05-2019	Independent, Non-Executive	7	6	0
4	Ms. Sutapa Banerjee*	01-04-2019	Independent, Non-Executive	7	3	0
5	Adv. Veliath Pappu Seemanthini **	24-03-2023	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 Seemanthini **	Independent, Non-Executive	Appointment	24-03-2023

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.

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.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

- 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.

**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.*

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Board of Directors at their meeting held on 24.03.2023, 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 Sales Dept
11	Head of Operation Dept
12	Head of Vigilance Dept

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.

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	370000
2	Mr. V.P. Nandakumar	25-07-2017	Non-Independent, Executive	4	4	245454221
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	793582
5	Mr.S R Balasubramanian**	24-03-2023	Non-Independent, Non - Executive	0	0	0
6	Adv. Veliath Pappu Seemanthini ***	24-03-2023	Independent, Non-Executive	0	0	0

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (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. B.N. Raveendra Babu*	Non-Independent, Non - Executive	Resignation	18-05-2022
2	Mr.S R Balasubramanian**	Non-Independent, Non - Executive	Appointment	24.03.2023
3	Adv. Veliath Pappu Seemanthini ***	Independent, Non-Executive	Appointment	24.03.2023

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	0
2	Mr. P Manomohan	31-01-2008	Independent, Non-executive	4	4	793582
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	245454221
5	Dr. Shailesh J Mehta	01-10-2020	Independent, Non-Executive	4	4	500000
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

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.Pratima Ram*	Independent, Non-Executive	Appointment	24.03.2023

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

- 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."
- 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.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

- 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	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	370000
3	Mr. V P Nandakumar	15-05-2014	Non-Independent, Executive	5	5	245454221
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 Seemanthini ***	24-03-2023	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	appointed as the member	14/07/2022
2	Mr.S R Balasubramanian**	Non-Independent, Non - Executive	Non-Independent, Non - Executive	24-03-2023
3	Adv. Veliath Pappu Seemanthini ***	Independent, Non-Executive	Independent Non - Executive	24-03-2023

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;
- Formulation of Annual Action Plan in accordance with CSR Policy and make necessary recommendations thereon to the Board
- Monitor the Corporate Social Responsibility Policy of the company from time to time.
- 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	17-08-2009	Chairman, Non-Independent, Executive	4	4	245454221
2	Mr. Madhumohan	17-07-2019	Member-CRO	4	4	NA
3	Mrs. Bindu A L	17-08-2009	Secretary-CFO	4	4	NA
4	Mr. Jayakrishnan*		Intee- 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).

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

- 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

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	12-03-2008	Non-Independent, Executive	17	17	245454221
2	Mr. B N Raveendra Babu	28-11-2012	Non-Independent, Non - Executive	17	17	1265236
3	Mr. P Manomohanan	12-03-2008	Independent, Non-Executive	17	17	793582
4	Mr. V R Ramachandran	15-05-2019	Independent, Non-Executive	17	17	370000
5	Ms.Pratima Ram	24-03-2023	Independent, Non-Executive	0	0	0
6	Dr.Sumitha Nandan	24-03-2023	Executive Director	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	Mr. B N Raveendra Babu	Non-Independent, Non - Executive	Resignation	18-05-2022
2	Ms.Pratima Ram	Independent, Non-Executive	Appointment	24-03-2023
3	Dr.Sumitha Nandan	Executive Director	Appointment	24-03-2023

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.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

(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.
- 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: -
 - 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	10-11-2001	Non-Independent, Executive	0	0	245454221
2	Mr. B N Raveendra Babu*	10-11-2001	Non-Independent, Non - Executive	0	0	1265236
3	Ms. Bindu A L	13-11-2011	Member-CFO	0	0	NA
4	Mr. Manoj Kumar VR	05-01-2019	Member-CS	0	0	NA

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (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. B N Raveendra Babu	Non-Independent, Non - Executive	Resignation	18-05-2022

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;
- (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	Capacity (i.e., Executive/ Non-Executive)	Number of Meetings of the Committee		No. of shares
				Held	Attended	
1	Mr. S R Balasubramanian	13-11-2021	Non-executive Non-independent	4	4	0
2	Mr. Shailesh J Mehta	05-07-2022	Independent, Non-Executive	4	3	0
3	Mr. Abhijit Sen	06-11-2019	Independent, Non-Executive	4	4	0
4	Mr. B N Raveendra Babu	10-08-2017	Non-executive Non-independent	4	3	0
5	Mr. Dileep Kumar Mukundan	06-11-2019	Chief Information Security Officer	4	2	NA
6	Mr. Kannan K.J.	17-03-2022	Chief Information Security Officer	4	4	NA
7	Mr. Manikandan.T.G	17-03-2022	CTO	4	3	NA

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (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	05-07-2022

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) General Body Meeting

Give 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	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 Seemanthini (DIN: 07850522) as Non-Executive Independent Director of the Company

4) Details of non-compliance with requirements of Companies Act, 2013

Give 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
BSE	Regulation 60(2) delayed submission of record date intimation*	₹ 1,06,200/- (Rupees One Lakh Six Thousand and two hundred only) (₹ 90,000 plus GST)	BSE notice dated September 28, 2022 Paid on January 31, 2023

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.

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, 2023

(All amounts are in millions, unless otherwise stated)

Note-71 : Corporate Governance report containing composition and category of directors, shareholding of non-executive directors, etc.

As at 31st March, 2022

1) Composition of the Board

Sl. No	Name of Director	Director Since	Capacity (i.e.Executive/ Non-Executive/ Chairman/ Promoter nominees/Independent)	DIN	Number of Board Meetings		No. of other Director ships in listed entities	Remuneration		No. of shares held in and convertible instruments held in the NBFC	
					Held	Attended		Sitting Fee	Commission		
1	Mr.Jagdish Capoor	31-07-2014	Non-Executive Independent	00002516	10	5	1	0	0.28	1.4	2000
2	Mr.V.P.Nandakumar	15-07-1992	Promoter-Executive	00044512	10	10	1	85	0	80	244277671
3	Mr. B N Raveendra Babu	15-07-1992	Non-Executive-Non-Independent	00043622	10	10	1	0	0	0	1417236
4	Adv.V.R.Ramachandran	31-07-2014	Non-Executive -Independent	00046848	10	9	1	0	0.714	3.5	6,60,000
5	Mr.P.Manomohan	31-07-2014	Non-Executive -Independent	00042836	10	7	1	0	0.689	2.8	793582
6	Mr.Gautam Ravi Narayan	08-02-2018	Non-Executive-Non-Independent	02971674	10	10	1	0	0	0	0
7	Mr.Abhijit Sen	27-08-2019	Non-Executive -Independent	00002593	10	10	4	0	0.835	4.4	0
8	Mr. Harshan Kollara	28-08-2020	Non-Executive -Independent	01519810	10	10	1	0	0.795	3.8	0
9	Mr.Shailesh J Mehta	28-08-2020	Non-Executive Chairman	01633893	10	10	2	0	0.915	6.5	500000
10	Mr. S R Balasubramanian	28-06-2021	Non-Executive-Non-Independent	03200547	10	6	1	0	0.255	2.1	0
11	Ms. Sutapa Banerjee	01-04-2019	Non-Executive -Independent	02844650	10	9	6	0	0.869	3.5	0

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (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.Jagdish Capoor	Non-Executive Independent	Resignation	18-10-2021
2	Mr.Shailesh J Mehta	Non-Executive Independent	Redesignated as Chairman of Borad	13-11-2021
3	Mr. S R Balasubramanian	Non-Executive-Non-Independent	Appointment	10-10-2021

Where an independent director resigns before expiry of her/ his term, the reasons for resignation as given by her/him shall be disclosed.

In the resignation letter dated 18/10/2021, he stated that the resignation is due to age related issues (running 83) and there is no other reason behind the decision.

Details of any relationship amongst the directors inter-se shall be disclosed

There is no relationship between Directors inter-se except below.

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	06-11-2019	Independent Director	6	6	0
2	Mr. Gautam Ravi Narayan	06-11-2018	Non - Executive, Non - Independent Director	6	6	0
3	Mr. Harshan Kollara	01-10-2020	Independent Director	6	6	0
4	Mr.P.Manomohanan	25-10-2003	Independent Director	6	4	793582
5	Mr.Shailesh Jayantilal Mehta	01-10-2020	Independent Director	6	6	500000
6	Ms. Sutapa Banerjee	01-04-2019	Independent Director	6	6	0

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.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

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 section134 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.
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.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

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	13-11-2021	Independent, Non-Executive	5	2	0
2	Dr. Shailesh J Mehta	01-10-2020	Independent, Non-Executive	5	5	500000
3	Ms. Sutapa Banerjee	01-04-2019	Independent, Non-Executive	5	5	0
4	Mr. Gautam Ravi Narayan	15-05-2019	Independent, Non-Executive	5	5	0
5	Mr. Jagdish Capoor	20-07-2010	Independent, Non-Executive	5	2	2000

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. Harshan Kollara	Independent, Non-Executive	Appointment	13-11-2021
2	Dr. Shailesh J Mehta	Independent, Non-Executive	Appointment	13-11-2021
3	Jagdish Capoor	Independent, Non-Executive	resignation	18-10-2021

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.

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.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

- 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 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.

**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, and Chief Executive Officers - Vehicle Finance and Two-Wheeler Finance Divisions.*

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.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

- 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.

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	6,60,000
2	Mr. V.P. Nandakumar	25-07-2017	Non-Independent, Executive	4	4	244277671
3	Mr. B.N. Raveendra Babu*	27-07-2017	Non-Independent, Non - Executive	4	4	1417236
4	Mr. P. Manomohan	30-10-2014	Independent, Non-Executive	4	2	793582

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	5	5	0
2	Mr. P Manomohan	31-01-2008	Independent, Non-executive	5	3	793582
3	Mr. Gautam Ravi Narayan	06-11-2018	Non-Independent, Non-Executive	5	4	0
4	Mr. V P Nandakumar	17-08-2009	Non-Independent, Executive	5	4	244277671
5	Dr. Shailesh J Mehta	01-10-2020	Independent, Non-Executive	5	5	500000
6	Mr. Harshan Kollara	01-10-2020	Independent, Non-Executive	5	5	0

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

PURPOSE AND SCOPE OF RMC & 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 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, 2023 (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	Ms. Sutapa Banerjee*	01-04-2019	Independent, Non-Executive	5	5	0
2	Adv. V R Ramachandran**	11-03-2014	Independent, Non-Executive	5	5	6,60,000
3	Mr. V P Nandakumar	15-05-2014	Non-Independent, Executive	5	5	244277671
4	Mr. Abhijit Sen	01-10-2020	Independent, Non-Executive	5	5	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	17-08-2009	Chairman, Non-Independent, Executive	4	4	244277671
2	Mr. Madhumohan	17-07-2019	Member-CRO	4	4	NA
3	Mrs. Bindu A L	17-08-2009	Secretary-CFO	4	4	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.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

- 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

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	12-03-2008	Non-Independent, Executive	17	17	244277671
2	Mr. B N Raveendra Babu	28-11-2012	Non-Independent, Non - Executive	17	17	1417236
3	Mr. P Manomohanan	12-03-2008	Independent, Non-Executive	17	17	793582
4	Mr. V R Ramachandran	15-05-2019	Independent, Non-Executive	17	17	6,60,000

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 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
 - 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.
 - 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.

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

- 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	10-11-2001	Non-Independent, Executive	0	0	244277671
2	Mr. B N Raveendra Babu*	10-11-2001	Non-Independent, Non - Executive	0	0	1417236
3	Ms. Bindu A L	13-11-2011	Member-CFO	0	0	NA
4	Mr. Manoj Kumar VR	05-01-2019	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;
- (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;

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

- (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*	13-11-2021	Non-Independent, Non - Executive	3	1	0
2	Mr. Abhijit Sen	06-11-2019	Independent, Non-Executive	3	3	0
3	Mr.V R Ramachandran**	10-08-2017	Independent, Non-Executive	3	2	6,60,000
4	Mr. B N Raveendra Babu	10-08-2017	Non-Independent, Non - Executive	3	3	1417236
5	Mr. Dileep Kumar Mukundan	06-11-2019	Chief Information Security Officer	3	3	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
1	Mr. S R Balasubramanian*	Non Independent, Non-Executive	Appointment	13-11-2021
3	Mr. V R Ramachandran**	Independent, Non-Executive	Ceased to be the member	13-11-2021

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)

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

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 Meetings.

Sl. No	Type of Meeting (Annual/ Extra- Ordinary)	Date and Place	Special resolutions passed
1	Annual General Meetings	10 th September 2021, Audio-visual means at 10.00 A.M.	NIL

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

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 31st March, 2023 and 31st March, 2022

Note 74: RBI SCN

During the course of Annual Inspection of Company's books for the FY 2020-21, the RBI had highlighted certain aspects on due date extension on Gold loans and subsequent collection against non performing assets post Balance Sheet date. In respect of the same matter, the Company has received a show cause notice from the RBI on January 27, 2023. The Company filed its responses to the SCN and also had a personal hearing with the RBI to discuss the responses to the matters covered by the SCN. Additionally, the Company has complied with similar matter which was verified by the RBI during its annual inspection for FY 21-22 and no adverse comments were made on these matters. The Company has also made available all the details as have been sought by RBI in this matter. However, as of date, the matter continues to be pending further hearing and the extent of penalty that will be imposed on the Company in this matter is currently unascertainable .

Note 75: 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 31st March, 2023 and 31st March, 2022.

Note 76: 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-

Notes

to Standalone Financial Statements for the year ended 31st March, 2023 (All amounts are in millions, unless otherwise stated)

Note 77: Disclosure on Investor Education and Protection Fund

Amount of Unclaimed dividend 4.59 Mn transferred to the Investor Education and Protection Fund during the year 2022-23.

Note 78: Unsecured advances

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority

Note 79: 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

For **S K Patodia & Associates**

Chartered Accountants
ICAI Firm Registration No: 112723W

Sd/-

Sandeep Mandawewala

Partner

Membership No: 117917

Place: Mumbai

Date: 12th May, 2023

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: 12th May, 2023

(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 9BB of Non-Banking Financial companies Prudential Norms (Reserve Bank) Directions,1998)

Particulars	Amount Outstanding	Amount Overdue
Liabilities side :		
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :		
(a) Debentures : Secured	49,608.07	
: Unsecured (other than falling within the meaning of public deposits*)		
(b) Deferred Credits		
(c) Term Loans	77,691.20	
(d) Inter-corporate loans and borrowing	-	
(e) Commercial Paper	-	
(f) Public Deposits*	-	
(g) Other Loans (specify nature)		
Subordinate bond	-	
Bank	64,993.79	
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		244,997.70
(b) Unsecured		2,347.98
(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		

Particulars	Amount Outstanding	Amount Overdue
Liabilities side :		
(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) Shares		
(a) Equity		0.25
(b) Preference		
(ii) Debentures and Bonds		
(iii) Units of mutual funds		
(iv) Government Securities		
(v) Others (please specify)		
2. Unquoted		
(i) Shares		
(a) Equity		11,472.02
(b) Preference		
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		
(iv) Government Securities		3,070.06
(v) Others (please specify)		-

Particulars			
Liabilities side :		Amount Outstanding	Amount Overdue
(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		244,997.70	2,347.98
Total			247,345.68
(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		11,472.02	11,472.02
(b) Companies in the same group			
(c) Other related parties			
2. Other than related parties		3,070.30	3,070.30
Total			
** 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			3,210.93
(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 the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- 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 column (5) 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 (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies 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, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, 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, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2023, 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 in accordance with the Standards on Auditing (SAs) 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 and on consideration of audit reports of other auditors referred to in of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

1. We draw your attention to Note 56 in the consolidated financial statements in relation to Show Cause Notice received from Reserve Bank of India (RBI) with respect to certain matters highlighted in the Annual Inspection report for Financial Year ended on March 31, 2021 and explained in the note. Penalties, if any, that may be imposed on the Holding Company by RBI in this regard and the impact thereon on the financial statement is currently unascertainable.

Our opinion on the Consolidated Financial Statements is not modified with respect to this matter.

2. We draw your attention to Note 60 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 09, 2023 reproduced by us as under:

"Restatement of the comparative financial information of Asirvad Micro Finance Limited, (Subsidiary) for the year ended March 31, 2022 relating to the accounting policy of recognition of revenue on credit impaired portfolio (Stage 3 portfolio) with the Parent entity's accounting policy and the requirements of Ind AS 109 'Financial Instruments'."

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, 2023 (current year). 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.

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 Holding 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 & management 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.
2	<p>Provision for Expected Credit Losses (ECL) on Loans:</p> <p>In accordance with IND AS 109, the group 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. 	<p>Our audit procedures in respect of this matter included the following, but not limited to:</p> <ul style="list-style-type: none"> • Examined Group’s 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 Group. • 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 2023.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	<ul style="list-style-type: none"> 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 Group 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>	<ul style="list-style-type: none"> 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.
3	<p>Information Technology ("IT") Systems and Controls</p> <p>The Holding 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 Holding 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 Holding 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 Holding Company's IT systems; Obtained a comprehensive understanding of IT applications landscape implemented at the Holding 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 Finance Limited, vide their audit report dated May 09, 2023, 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.

Key Audit Matter	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 • Loan staging criteria • Calculation of Probability of Default ('PD') and Loss Given Default ('LDG') • 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 FCL 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>	<p>We performed following audit procedures:</p> <ul style="list-style-type: none"> • Assessed the Company's accounting policies for measurement and recognition of FCI in line with the requirements of Ind AS 109 - Financial Instruments • 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 • Test checked the Probability of Default ('PD') and Loss Given Default ('LDG') 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 Information Technology ('IT') Systems and IT General Control ('ITGC') impacting financial reporting</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. Also, certain manual adjustments were required to be made to re-classify balances from control account to sub ledgers, post entries manually in fixed asset module which added to the complexity.</p> <p>We have identified 'Information Technology ('IT') Systems and IT General Control ('ITGC') 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>We performed audit procedures set out below:</p> <ul style="list-style-type: none"> • Obtained an understanding of the IT infrastructure and IT systems relevant to the Company's financial reporting process for evaluation and tested relevant IT general controls and IT application controls. • Our 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 processed by the IT system that includes computation of interest income. • We have 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. • We have also obtained management representations wherever considered necessary.

Key Audit Matter – Manappuram Home Finance Limited

The auditors of Manappuram Home Finance Limited, vide their audit report dated May 10, 2023, 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.

Key Audit Matter	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> <p>a) Data inputs - The application of ECL model requires several data inputs.</p> <p>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.</p> <p>c) Qualitative and quantitative factors used in staging the loan assets measured at amortized cost.</p> <p>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 especially when considering the current uncertain economic environment arising from ongoing COVID-19 pandemic.</p>	<p>We performed the following audit procedures:</p> <p>a) Testing the design and effectiveness of internal controls over the following:</p> <p>Key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models.</p> <p>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.</p> <p>Management's controls over authorisation and calculation of post model adjustments and management overlays to the output of the ECL model.</p> <p>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.</p> <p>We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.</p> <p>We have reviewed the PD's and LGD calculation provided by the Company.</p> <p>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.</p> <p>d) For models which were changed or updated during the year, evaluating whether the changes were appropriate by assessing the updated model methodology.</p> <p>e) Read and assessed the disclosures statements in respect of expected credit losses with the requirements of Ind AS 107 Financial Instruments: Disclosure included in the Ind AS financial (Ind AS 107) and Ind AS 109.</p>
<p>2 Information Technology (IT) System & 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>We 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>We 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 information included in the Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated 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 consolidated 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 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 Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms 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 Accounting Standards specified under section 133 of the Act. The respective 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 Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors and Management 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 and Management 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 Standards on Auditing ("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 group has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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, 2023 (current year) and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹ 1,14,206.98 millions as at March 31, 2023, total revenues of ₹ 19,781.80 millions and net cash flows amounting to ₹ (1,750.97) millions 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 consideration of reports of the other auditors on separate financial statements and other financial information of subsidiaries, 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.
 - 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 Accounting Standards specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. 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".
 - g. 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 to 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. (1) 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.
- (2) 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.

- (3) 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 (1) and (2) above, contain any material mis-statement.
- v. 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. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company and its subsidiary companies incorporated in India only w.e.f. April 1, 2023, and accordingly reporting under this clause is not applicable.
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 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/adverse remarks.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration Number: 105047W

Sd/-

Tushar Kurani

Membership Number: 118580

UDIN: 23118580BGXRQJ8499

Place: Mumbai

Date: May 12, 2023

For **S K Patodia & Associates**

Chartered Accountants

ICAI Firm Registration Number: 112723W

Sd/-

Sandeep Mandawewala

Membership Number: 117917

UDIN: 23117917BGWFKP7414

Place: Mumbai

Date: May 12, 2023

Annexure A to Independent Auditors' Report

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, 2023.

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, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Manappuram Finance Limited (hereinafter referred to as "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 Holding Company, and its subsidiary companies which are companies incorporated in India, 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, 2023, 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's Responsibility for Internal Financial Controls

The respective 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 and its subsidiary 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 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 Holding Company and its subsidiary companies which are companies incorporated in India.

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 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) of the Act on the adequacy and operating effectiveness of internal financial controls system with reference to consolidated financial statements in so far as it relates to subsidiary companies of the Holding Company, which are companies incorporated in India, is based on the corresponding reports of the other auditors of such companies incorporated in India.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration Number: 105047W

Sd/-

Tushar Kurani

Membership Number: 118580

UDIN: 23118580BGXRQJ8499

Place: Mumbai

Date: May 12, 2023

For **S K Patodia & Associates**

Chartered Accountants

ICAI Firm Registration Number: 112723W

Sd/-

Sandeep Mandawewala

Membership Number: 117917

UDIN: 23117917BGWFKP7414

Place: Mumbai

Date: May 12, 2023

CONSOLIDATED BALANCE SHEET

as at 31 March 2023

(All amounts are in millions, unless otherwise stated)

	Note No.	As at 31 st March, 2023	As at 31 st March, 2022
ASSETS			
1 Financial assets			
Cash and cash equivalents	9	25,004.78	23,707.66
Bank balance other than above	10	5,346.18	3,265.88
Derivative financial instruments	19	244.40	-
Loans	11	3,41,945.05	2,89,710.45
Investments	12	5,340.13	4,207.03
Other financial assets	13	3,273.77	3,301.59
2 Non-financial assets			
Current tax assets (net)	14	354.73	922.95
Deferred tax assets (net)	38	1,514.09	1,740.28
Investment property	15	0.86	0.86
Property, plant and equipment	16	4,317.94	3,531.68
Capital work-in-progress		160.11	107.03
Intangible assets under development		6.67	23.22
Right of use asset	45	5,965.38	6,371.42
Goodwill		355.65	355.65
Other intangible assets	17	297.35	260.53
Other non-financial assets	18	914.23	571.88
Total assets		3,95,041.32	3,38,078.11
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
Derivative financial instruments	19	-	273.78
Payables			
- Trade payables	20		
(i) total outstanding dues of micro enterprises and small enterprises		3.40	3.87
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,057.46	1,412.63
Debt securities	21	62,641.86	93,218.28
Borrowings (other than debt securities)	22	2,18,246.50	1,44,767.74
Deposits	23	0.91	0.70
Subordinated liabilities	24	3,940.11	3,198.04
Lease liability	45	6,837.31	6,979.88
Other financial liabilities	25	3,303.33	2,500.85
2 Non-financial Liabilities			
Provisions	26	731.98	727.86
Other non-financial liabilities	27	1,626.21	1,149.93
		2,98,389.07	2,54,233.56
3 Equity			
Equity share capital	28	1,692.79	1,692.79
Other equity	29	94,756.10	81,990.69
Equity attributable to equity holders of the parent		96,448.89	83,683.48
Non-controlling interest		203.36	161.07
Total equity		96,652.25	83,844.55
Total Liabilities and Equity		3,95,041.32	3,38,078.11

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

 For **S K Patodia & Associates**

 Chartered Accountants
 ICAI Firm Registration No: 112723W

Sd/-

Sandeep Mandawewala

 Partner
 Membership No: 117917

 Place: Mumbai
 Date: May 12, 2023

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 12, 2023

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, 2023

(All amounts are in millions, unless otherwise stated)

	Note No.	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Revenue from operations			
(i) Interest income	30 (i)	64,404.08	58,397.29
(ii) Dividend income	30 (iv)	-	111.88
(iii) Fees and commission income	30 (ii)	201.00	233.75
(iv) Net gain on fair value changes	30 (iii)	1,037.12	1,169.71
(v) Net gain on derecognition of financial instruments		215.99	-
(vi) Other operating income	30 (v)	982.20	697.55
I Total Revenue from operations (I)		66,840.39	60,610.18
II Other income	31	659.08	652.96
III Total income (I + II)		67,499.47	61,263.14
EXPENSES			
(i) Finance costs	32	21,877.85	20,113.69
(ii) Fees and commission expense	33	254.30	260.16
(iii) Impairment on financial instruments	34	3,071.42	4,861.70
(iv) Employee benefits expenses	35	14,694.88	11,250.11
(v) Depreciation and amortisation	36	2,037.57	1,979.77
(vi) Other expenses	37	5,152.95	4,962.48
IV Total expenses (IV)		47,088.97	43,427.91
V Profit before tax (III - IV)		20,410.50	17,835.23
VI Tax expense:			
(1) Current tax	38	5,226.89	4,433.87
(2) Deferred tax	38	157.99	141.67
(3) Current tax relating to earlier years	38	23.90	(27.36)
Total Tax Expense		5,408.78	4,548.18
VII Profit for the year (V - VI)		15,001.72	13,287.05
VIII Other comprehensive income			
A (i) Items that will not be re classified to profit or loss		28.59	85.48
- Actuarial gains / (losses) on post retirement benefit plans			
(ii) Income tax relating to items that will not be reclassified to profit or loss		(8.18)	(21.52)
Subtotal (A)		20.41	63.96
B (i) Items that will be reclassified to profit or loss		329.81	(194.42)
- Fair value changes of cash flow hedges, net			
(ii) Income tax relating to items that will be reclassified to profit or loss		(83.04)	48.93
Subtotal (B)		246.77	(145.49)
Other comprehensive income / (loss)		267.18	(81.53)
IX Total comprehensive income (VII+VIII)		15,268.90	13,205.52
Profit for the year attributable to			
Equity holders of the parent		14,959.78	13,284.35
Non-controlling interest		41.93	2.69
Other comprehensive income for the year, net of tax			
Equity holders of the parent		266.81	(82.17)
Non-controlling interest		0.37	0.66
Total comprehensive income for the year, net of tax		15,226.59	13,202.18
Equity holders of the parent		15,226.59	13,202.18
Non-controlling interest		42.30	3.36
(X) Earnings per equity share	39		
Basic (₹)		17.72	15.70
Diluted (₹)		17.72	15.70

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

For **S K Patodia & Associates**

Chartered Accountants

ICAI Firm Registration No: 112723W

Sd/-

Sandeep Mandawewala

Partner

Membership No: 117917

Place: Mumbai

Date: May 12, 2023

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 12, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CAPITAL

for the year ended 31st March, 2023

(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 April 2021	846.36	1,692.73
Issued during the year - ESOP	0.03	0.06
As at 31 March 2022	846.39	1,692.79
Issued during the year - ESOP	-	-
As at 31 March 2023	846.39	1,692.79

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	Reserves and Surplus				Retained earnings	Hedge reserve	Impairment reserve	Other comprehensive income - actuarial gain / (loss)		Total
					Capital redemption reserve	Securities premium	Debt redemption reserve	General reserve				Actuarial gain / (loss)	Effective portion of cash flow hedges	
Balance as at 1 April 2021	0.02	2.91	15,571.33	136.39	50.00	14,104.90	-	3,627.02	38,135.58	(9.42)	12.14	(148.87)	(100.34)	71,381.66
Dividends	-	-	-	-	-	-	-	-	(2,539.14)	-	-	-	-	(2,539.14)
Transfer to/from retained earnings	-	-	2,650.36	(1.53)	-	-	-	-	(3,090.29)	-	439.93	-	-	(1.53)
Other Additions/ Deductions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange rate variations in hedging instruments	-	-	-	-	-	-	-	-	-	13.66	-	-	-	13.66
Shares allotted during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilised during the year	-	-	-	1.16	-	-	-	-	-	-	-	-	-	1.16
Share premium received during the year	-	-	-	-	-	3.64	-	-	-	-	-	-	-	3.64
Profit for the year (net of taxes)	-	-	-	-	-	-	-	-	13,295.09	-	-	-	-	13,295.09
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	-	-	-	-	-	-	63.96	(145.49)	(81.53)
Loss on acquisition	-	-	-	-	-	-	-	-	(82.32)	-	-	-	-	(82.32)
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	(84.91)	(245.83)	81,990.69

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	Reserves and Surplus				Retained earnings	Hedge reserve	Impairment reserve	Other comprehensive income - actuary gain / (loss)		Total
					Capital redemption reserve	Securities premium	Debt redemption reserve	General reserve				Actuary gain / (loss)	Effective portion of cash flow hedges	
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 31st March 2023	(0.00)	2.91	21,229.43	136.30	50.00	14,155.57	- 3,627.02	55,160.94	5.41	452.08	(64.50)	0.94	94,756.10	

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

Sd/-

V.P. Nandakumar

Managing Director & CEO

DIN: 00044512

Sd/-

V.R. Ramachandran

Non Executive Director

DIN: 00046848

For and on behalf of the Board of Directors

Sd/-

Sandeep Mandawewala

Partner

Membership No: 117917

Sd/-

Bindu A.L

Chief Financial Officer

Sd/-

Manoj Kumar V.R

Company Secretary

Place: Mumbai

Date: May 12, 2023

Place: Valapad, Thrissur

Date: May 12, 2023

CONSOLIDATED CASH FLOW STATEMENT

 for the year ended 31st March, 2023

(All amounts are in millions, unless otherwise stated)

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
A. Cash flow from operating activities		
Net profit before tax	20,410.50	17,835.23
Adjustments for:		
Interest income on loans	(46,742.10)	(45,174.76)
Depreciation and amortization expense	2,038.79	1,979.81
Impairment on financial instruments	768.40	3,348.90
Lease income on rent waiver	(0.51)	(2.44)
Provision for litigation	23.99	54.64
Provision no longer required written back	37.56	(6.54)
Provision for other assets	(70.95)	(0.87)
Profit on sale of property, plant and equipment	(8.20)	(9.54)
Dividend income	-	-
Stock compensation expense	0.28	(0.37)
Dividend received	-	(111.88)
Finance costs	21,286.94	19,637.46
Interest income from banks, investments and others	(1,156.22)	(423.69)
Operational cash flows from interest		
Interest received on loans	45,799.44	48,092.00
Finance costs	(15,465.53)	(14,047.87)
Operating profit before working capital changes	26,922.39	31,170.08
Changes in working capital:		
Decrease / (increase) in non-financial assets	(302.54)	223.59
Decrease / (increase) in loans	(55,335.04)	(30,916.71)
Decrease / (increase) in other financial assets	97.57	352.57
Decrease / (increase) in trade receivables	12.89	(19.54)
Increase / (decrease) in trade payables	(408.53)	175.92
Increase / (decrease) in other financial liabilities	1,830.31	(125.15)
Increase / (decrease) in provisions	369.80	(145.56)
Increase / (decrease) in other non-financial liabilities	475.63	181.44
	(53,259.91)	(30,273.44)
Cash generated from operations	(26,337.52)	896.64
Net income tax (paid)	(4,694.84)	(5,127.47)
Net cash flows from/(used in) operating activities (A)	(31,032.36)	(4,230.83)
B. Cash flow from investing activities		
Capital expenditure, including capital advances	(1,726.41)	(1,627.90)
Acquisition of subsidiary	-	-
Proceeds from sale of property, plant and equipment	10.71	11.35
(Purchase) / Sale of investments	(3,585.88)	(151.88)
Interest received	733.07	(839.88)
Dividend received	80.38	111.88
Bank balances not considered as cash and cash equivalents	(1,673.48)	570.28
Net cash flows from/(used in) investing activities (B)	(6,161.61)	(1,926.15)

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2023

(All amounts are in millions, unless otherwise stated)

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
C. Cash flow from financing activities		
Debt securities issued (net)	(31,782.71)	(20,020.20)
Borrowings (other than debt securities) issued (net)	71,767.45	28,290.70
Subordinated liabilities issued (net)	(6.00)	(42.10)
Proceeds from issue of equity shares	93.28	0.06
Share premium on equity shares allotted	2,406.72	3.64
Share application money received/(refunded)	(0.02)	-
Dividend paid, including dividend distribution tax	(2,619.56)	(2,539.14)
Payment of lease liabilities	(1,368.07)	(1,310.39)
Net cash flow from/(used in) financing activities (C)	38,491.09	4,382.57
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,297.12	(1,774.44)
Cash and cash equivalents at the beginning of the year	23,707.66	25,482.10
Cash and cash equivalents at the end of the year	25,004.78	23,707.66

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

For **S K Patodia & Associates**

Chartered Accountants

ICAI Firm Registration No: 112723W

Sd/-

Sandeep Mandawewala

Partner

Membership No: 117917

Place: Mumbai

Date: May 12, 2023

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, Thrissur

Date: May 12, 2023

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 2023 (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 Bombay Stock Exchange and National Stock Exchange. 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 Systemically Important Non-Deposit taking NBFC (NBFC-ND). 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 Microfinance 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 microfinance 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 2023. 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 2023 (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: Significant 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. 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

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

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.

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

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

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

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

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

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.
- **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

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

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 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.

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

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 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.

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

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 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.

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

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 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

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

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.

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.

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

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

to their residual values over their estimated useful lives and Asirvad Microfinance Limited is following WDV method. Land is not depreciated.

The estimated useful lives are as follows:

Particulars	Useful life of assets
Computer equipment	
- End User equipment	3 years
- Server*	6 years
Furniture & Fixture	
- 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 & 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.

6.7 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 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.

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

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 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. 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.

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

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-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.

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

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.

Note 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.

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.

Note 8: ED Search

A search operation was conducted by the Directorate of Enforcement, Government of India ("ED"), at the premises of Manappuram Finance Limited (MAFIL) and other locations including premises of promoter of MAFIL on 3rd and 4th of May 2023. The search was with reference to the deposits accepted by Manappuram Agro Farms ('MAGRO') an erstwhile sole proprietary concern of the MAFIL's promoter, prior to 2012. These deposits were subsequently repaid by MAGRO, except for a deposit of ₹ 9.25 lakhs which is lying in Escrow account and pending to be repaid. The repayment of deposits was based on the RBI inspection report of the financial year 2012 and reviewed in the subsequent inspections by RBI. Subsequent to the aforementioned search, the promoter, in his capacity as sole proprietor of MAGRO, received an ED order, freezing his personal assets under Section 17 (1-A) of the Prevention of Money Laundering Act, 2002, these include 19,29,01,996 equity shares in the Company held by him. As per the Company's management, this event which has occurred post the balance sheet date and is pertaining to MAGRO and thus has no impact on MAFIL. Further the promoter, in his personal capacity, has approached the Honourable High Court of Kerala for staying the proceedings.

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Note 9: Cash and cash equivalents

Particulars	As at	
	31 st March, 2023	31 st March, 2022
Cash on hand	1,313.83	2,155.35
Balances with banks - in current and overdraft accounts	12,539.54	10,568.28
Foreign currency balances	1.80	1.55
Bank deposit with maturity of less than 3 months	11,149.61	10,982.48
Total	25,004.78	23,707.66

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 st March, 2023	31 st March, 2022
Deposits with original maturity for more than 3 months but less than 12 months*	4,889.34	2,672.54
On Escrow accounts		
Unpaid NCD trustee account	10.40	12.88
Unpaid auction surplus deposit	421.69	476.38
Unpaid dividend account	24.75	104.08
Total	5,346.18	3,265.88

* Includes:

- Cash collateral deposits aggregating to ₹ 2,264.74 Mn (31 March 2022: ₹ 2,142.00 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 ₹ NIL (As at 31 March 2022: ₹ NIL) placed as credit enhancement (cash collateral) on account of securitization.

Note 11: Loans valued at amortised cost

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	Amortised Cost	Total	Amortised Cost	Total
LOANS				
(A)				
i) Term loans				
- Gold loan	1,95,229.96	1,95,229.96	2,02,878.22	2,02,878.22
- Commercial vehicle loan	22,456.81	22,456.81	16,615.86	16,615.86
- Mortgage/Property LOAN	253.29	253.29	1,249.08	1,249.08
- Onlending	8,748.22	8,748.22	315.59	315.59
- Corporate finance	4.13	4.13	9.02	9.02
ii) Home loan	7,272.52	7,272.52	5,754.63	5,754.63
iii) Other loan	3,813.48	3,813.48	2,792.32	2,792.32
- Microfinance loan	81,763.68	81,763.68	54,208.08	54,208.08
- Business loan	7,440.77	7,440.77	3,492.97	3,492.97
- Others	19,331.78	19,331.78	7,497.00	7,497.00
Total (A) - Gross	3,46,314.64	3,46,314.64	2,94,812.77	2,94,812.77
Less: Impairment loss allowance	4,369.59	4,369.59	5,102.32	5,102.32
Total (A) - Net	3,41,945.05	3,41,945.05	2,89,710.45	2,89,710.45

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	Amortised Cost	Total	Amortised Cost	Total
(B)			-	-
i) Secured by tangible assets	2,63,502.98	2,63,502.98	2,38,647.94	2,38,647.94
ii) Unsecured	82,811.66	82,811.66	56,164.83	56,164.83
Total (B) - Gross	3,46,314.64	3,46,314.64	2,94,812.77	2,94,812.77
Less: Impairment loss allowance	4,369.59	4,369.59	5,102.32	5,102.32
Total (B) - Net	3,41,945.05	3,41,945.05	2,89,710.45	2,89,710.45
(C)				
(I) Loans in India				
i) Public Sector	-	-	-	-
ii) Others	3,46,314.64	3,46,314.64	2,94,812.77	2,94,812.77
Total (C) - Gross	3,46,314.64	3,46,314.64	2,94,812.77	2,94,812.77
Less: Impairment loss allowance	4,369.59	4,369.59	5,102.32	5,102.32
Total (C)- Net	3,41,945.05	3,41,945.05	2,89,710.45	2,89,710.45

Note: There are no loans valued at fair value.

Summary of ECL provisions

Particulars	As at 31 st March, 2023				As at 31 st March, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
i) Gold loan	890.71	19.36	131.54	1,041.61	429.37	48.69	193.05	671.11
ii) Commercial Vehicle loan (CVD)	188.02	33.94	105.35	327.31	145.08	21.62	226.84	393.54
iii) Mortgage/Property loan	11.85	0.72	17.67	30.25	18.70	0.55	7.23	26.48
iv) Onlending	57.20	-	42.65	99.85	2.56	-	50.23	52.79
v) Corporate Finance	-	-	4.13	4.13	-	-	9.02	9.02
vi) Micro Finance	799.56	161.09	1,554.84	2,515.49	739.35	1,910.88	789.69	3,439.91
vii) Home Finance	21.81	12.46	28.48	62.74	7.75	3.11	184.77	195.63
viii) Others	127.36	19.48	141.38	288.21	184.76	6.29	122.78	313.83
Total closing ECL provision	2,096.50	247.05	2,026.04	4,369.59	1,527.56	1,991.13	1,583.62	5,102.32

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, 2023	% of total loans and advances in the nature of loans	As at 31 st March, 2022	% of total loans and advances in the nature of loans
Promoter	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related parties	-	-	-	-

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (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 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)			
Less : Allowance for impairment loss (C)	-	-	-
Total - Net (D) = (A) - (C)	5,339.38	0.75	5,340.13

Particulars	Amortised Cost	At Fair value Through profit or loss	Total
As at 31st March 2022			
i) Debt Instruments (unquoted)			
Investment in Pass through certificates (PTC's)	66.29	-	66.29
ii) Investment in Government securities (Quoted)			
1,500,000, Units of face value ₹ 100/- each in 5.22% GOI 2025	1,533.30	-	1,533.30
1,500,000, Units of face value ₹ 100/- each in 5.15% GOI 2025	1,536.02	-	1,536.02
6.10% GOI 2031	1,070.85	-	1,070.85
iii) Equity instruments in others (Unquoted)			
1000 Equity shares of ₹ 10/- each fully paid in CSB Bank Ltd.	-	0.21	0.21
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)	4,206.51	0.71	4,207.22
i) Investments outside India	-	-	-
ii) Investments in India	4,206.51	0.71	4,207.22
Total Gross (B)	4,206.51	0.71	4,207.22
Less : Allowance for impairment loss	0.19	-	0.19
Total - Net (D) = (A) - (C)	4,206.32	0.71	4,207.03

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.

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (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 st March 2023				31 st March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
High Grade	-	-	-	-	66.29	-	-	66.29
Standard Grade	-	-	-	-	-	-	-	-
Total	-	-	-	-	66.29	-	-	66.29

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other Investments is, as follows

Particulars	2022-23				2021-22			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying amount – opening balance	66.29	-	-	66.29	310.97	-	-	310.97
New assets purchased	-	-	-	-	-	-	-	-
Assets derecognised or matured	(66.29)	-	-	(66.29)	(244.97)	-	-	(244.97)
Interest accrued on investment	0.00	-	-	0.00	0.29	-	-	0.29
Closing balance	-	-	-	-	66.29	-	-	66.29

Particulars	2022-23				2021-22			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening Balance of ECL	0.19	-	-	0.19	1.31	-	-	1.31
ECL on new assets purchased	-	-	-	-	-	-	-	-
ECL on derecognised or matured assets / others	(0.19)	-	-	(0.19)	(1.12)	-	-	(1.12)
Closing balance in ECL	0.00	-	-	0.00	0.19	-	-	0.19

Note 13: Other financial assets

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Security deposits*	1,054.33	1,048.36
Commission receivable	2.21	2.20
Deferred lease rental	0.76	0.39
Funds-in-transit	607.52	562.65
Gold investment	64.24	145.13
Asset held for sale	101.56	120.36
Others**	1,443.15	1,422.50
Total	3,273.77	3,301.59

* Employee security deposits aggregating to ₹ 440.38 Mn (31 March 2022: ₹ 462.48 Mn). Deposits aggregating to ₹ 42.02 Mn (31 March 2022: ₹ 41.09 Mn) towards security deposit to various authorities.

** Includes Trade receivables aggregating to ₹ 96.44 Mn (31 March 2022: ₹ 53.08 Mn). Auction receivable ₹ 32.69 Mn (31 March 2022: ₹ 32.41 Mn).

Note 14: Current tax assets (net)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Advance tax and tax deducted at source (net of Provisions for taxation)	354.73	922.95
Total	354.73	922.95

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Note 15: Investment property

Particulars	Amount
Cost:	
At 1st April 2021	0.86
Additions	-
Disposals	-
At 31st March 2022	0.86
Additions	-
Disposals	-
At 31st March 2023	0.86
Depreciation and impairment:	
At 1st April 2021	-
Disposals	-
Depreciation charge for the period	-
At 31st March 2022	-
Disposals	-
Depreciation charge for the period	-
At 31st March 2023	-
Net book value:	
At 31st March 2021	0.86
At 31st March 2022	0.86
At 31st March 2023	0.86

The Fair value of Investment Property is based on valuation by registered valuer

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 1st April 2021	317.13	1,320.13	146.19	142.27	832.24	1,855.97	567.50	63.60	45.18	5,290.21
Additions	121.72	95.10	196.72	8.97	336.02	681.69	11.92	1.25	0.33	1,453.72
Disposals	-	-	13.11	2.74	79.55	3.79	-	5.22	-	104.41
At 1st 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 31st 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
Accumulated Depreciation:										
At 1st April 2021	-	167.56	96.51	114.88	618.80	846.43	533.53	27.25	18.75	2,423.71
Depreciation charge for the year	-	45.59	96.24	23.63	237.80	359.96	10.45	8.87	4.10	786.64
Disposals	-	-	13.06	2.74	78.76	3.79	0.06	4.11	-	102.52
At 1st 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 31st March 2023	-	262.65	222.48	129.05	885.20	1,498.17	562.33	40.12	26.47	3,626.47
Carrying Amount										
At 1st April 2021	317.13	1,152.56	49.68	27.39	213.45	1,009.54	33.97	36.35	26.43	2,866.50
At 1st 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 31st 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

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 2022-23, due to which other assets related to branches were reclassified into Leasehold Improvements.

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Note 17: Other intangible assets

Particulars	Computer Software
At 1st April 2021	478.55
Additions	112.50
Addition on acquisition of Subsidiary	-
Disposals	-
At 1st April 2022	593.55
Additions	144.88
Addition on acquisition of Subsidiary	-
Disposals	0.83
At 31st March 2023	737.60
Accumulated amortisation:	
At 1st April 2021	201.05
Charge for the year	122.65
Addition on acquisition of Subsidiary	-
Disposals	-
At 1st April 2022	322.44
Charge for the year	118.56
Addition on acquisition of Subsidiary	-
Disposals	0.75
At 31st March 2023	440.25
Net book value	
At 1st April 2021	277.50
At 1st April 2022	267.35
At 31st March 2023	297.35

Note 18: Other non-financial assets

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Prepaid expenses	433.46	303.81
Balance with government authorities	42.20	21.35
Capital advances	114.96	104.23
Others	323.61	142.49
Total	914.23	571.88

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 2023 (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	
	31 st March, 2023	31 st March, 2022
A) Derivatives designated as Cash flow Hedges:		
Forward contracts	(32.85)	(768.27)
Cross currency interest rate swaps	277.25	402.64
Sub total (A)	244.40	(365.63)
B) Other Derivatives		
Cross Currency interest rate Swaps	-	91.85
Sub total (B)	-	91.85
Total (A+B)	244.40	(273.78)
Derivative financial instruments - disclosed under financial assets	277.25	27.41
Derivative financial instruments - disclosed under financial liabilities	(32.85)	(301.19)

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 50.

Note 19.2 Derivatives designated as hedging instruments

The Holding Company is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing amounting to USD 88.31 million. Interest on the borrowing is payable at 8.62 % p.a. and the principal amount is repayable in August 2023. 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 88.31 million to cash outflows in Indian Rupees with a notional amount of ₹ 7,270 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 2023 and 31 March 2022 are as follows:

Particulars	Amount as at	
	31 st March, 2023	31 st March, 2022
Cash flow hedge reserve as at beginning of the year	(245.83)	(100.34)
Gain/ (loss) recognised in other comprehensive income during the year	329.81	(194.42)
Less: Tax impact on the above	(83.04)	48.93
Total derivative financial instruments (A) +B))	0.94	(245.83)

"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 ₹ 277.25 Mn."

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Note 20: Trade payables

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
(i) total outstanding dues of micro enterprises and small enterprises	3.40	3.87
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,057.46	1,412.63
Total	1,060.86	1,416.50

Note 20(i) Disclosures required under Section 22 of the Micro, Small & Medium Enterprises Development Act, 2006

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	3.40	3.87
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	3.40	3.87

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	0.32	-	-	-
(ii) Others	408.15	92.40	22.85	99.70
(iii) Disputed dues- MSME	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-
(v) Unbilled-MSME	3.09	-	-	-
(vi) Unbilled-Others	361.52	52.87	19.58	0.38
Total	773.08	145.27	42.43	100.08

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Note 21: Debt securities

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Others (Bonds/Debentures etc.)		
At amortised cost		
Commercial papers (unsecured)	-	6,941.63
US Dollar bonds (Secured)	-	22,929.76
Privately placed redeemable non-convertible debentures (Secured)	58,542.99	59,500.28
Others - Non-convertible debentures - Public issue (Secured)	4,098.87	3,846.61
Total (A)	62,641.86	93,218.28
Debt securities in India	62,641.86	70,288.52
Debt securities outside India	-	22,929.76
Total (B)	62,641.86	93,218.28

Commercial papers carry interest rates of NIL (31st March 2022 : 4.85% p.a.) and their tenure ranges from NIL (31st March 2022 : 145 to 155 days).

US Dollar Bonds carry interest rates of NIL (31st March 2022 : 5.90% p.a.) and their tenure is for NIL (31st March 2022 : 3 years).

Nature of Security

Debentures are secured by a floating charge on the book debts of the Company on gold and other unencumbered assets. The Company shall maintain 100% security cover on the outstanding balance of debenture with accrued interest any time. Debentures are offered for a period of 1 year to 10 years.

US Dollar Bonds are secured by way of floating charge on the book debts of the Company on gold and other unencumbered assets.

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Note 21.1: Debt securities cont...

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 2023	As at 31 st March 2022	Secured/ Unsecured	Terms of redemption	Listed/ Unlisted
1	Private Placement	20-Mar-13	20-Mar-23	10,00,000	30	13.25%	3000	-	30.00	Secured	On Maturity	Listed
2	Public Issue	29-Nov-18	29-Nov-23	1,000	5,74,214	10.00%	574.21	574.21	574.21	Secured	On Maturity	Listed
3	Public Issue	29-Nov-18	29-Nov-23	1,000	2,99,989	10.40%	299.99	299.99	299.99	Secured	On Maturity	Listed
4	Public Issue	29-Nov-18	29-Nov-23	1,000	1,47,955	Zero Coupon	147.96	147.96	147.96	Secured	On Maturity	Listed
5	Public Issue	6-Mar-19	06-Mar-24	1,000	2,85,001	9.75%	285.00	285.00	285.00	Secured	On Maturity	Listed
6	Public Issue	6-Mar-19	06-Mar-24	1,000	2,05,402	10.15%	205.40	205.40	205.40	Secured	On Maturity	Listed
7	Public Issue	6-Mar-19	06-Mar-24	1,000	89,932	Zero Coupon	89.93	89.93	89.93	Secured	On Maturity	Listed
8	Public Issue	29-Nov-18	29-Nov-25	1,000	3,97,723	Zero Coupon	397.72	397.72	397.72	Secured	On Maturity	Listed
9	Public Issue	6-Mar-19	05-May-26	1,000	2,04,779	Zero Coupon	204.78	204.78	204.78	Secured	On Maturity	Listed
10	Public Issue	Various Dates	Various Dates	1,000	42,309	-	42.31	36.87	36.87	Secured	On Maturity	Unlisted
11	Private Placement	7-Nov-19	7-Nov-22	10,00,000	2,500	9.75%	2,500.00	-	2,500.00	Secured	On Maturity	Listed
12	Private Placement	14-Feb-20	14-Feb-23	10,00,000	500	9.25%	500.00	-	500.00	Secured	On Maturity	Listed
13	Private Placement	14-Feb-20	14-Feb-23	10,00,000	500	9.25%	500.00	-	500.00	Secured	On Maturity	Listed
14	Private Placement	14-Feb-20	14-Feb-23	10,00,000	250	9.25%	250.00	-	250.00	Secured	On Maturity	Listed
15	Private Placement	14-Feb-20	14-Feb-23	10,00,000	1,750	9.25%	1,750.00	-	1,750.00	Secured	On Maturity	Listed
16	Private Placement	14-Feb-20	14-Feb-23	10,00,000	1,250	9.25%	1,250.00	-	1,250.00	Secured	On Maturity	Listed
17	Private Placement	27-Mar-20	27-Mar-23	10,00,000	1,000	9.25%	1,000.00	-	1,000.00	Secured	On Maturity	Listed
18	Private Placement	27-Mar-20	27-Mar-23	10,00,000	750	9.25%	750.00	-	750.00	Secured	On Maturity	Listed
19	Private Placement	27-Mar-20	27-Mar-23	10,00,000	250	9.25%	250.00	-	250.00	Secured	On Maturity	Listed
20	Private Placement	8-May-20	8-May-23	10,00,000	1,000	9.00%	1,000.00	1,000.00	1,000.00	Secured	On Maturity	Listed
21	Private Placement	1-Jun-20	1-Jun-23	10,00,000	5,000	9.10%	5,000.00	5,000.00	5,000.00	Secured	On Maturity	Listed
22	Private Placement	9-Jul-20	9-Jul-30	10,00,000	250	9.50%	250.00	250.00	250.00	Secured	On Maturity	Listed
23	Private Placement	10-Jul-20	24-Jun-22	10,00,000	1,780	9.00%	1,780.00	-	1,780.00	Secured	On Maturity	Listed
24	Private Placement	16-Jul-20	24-Jun-22	10,00,000	700	9.00%	700.00	-	700.00	Secured	On Maturity	Listed
25	Private Placement	21-Jul-20	21-Jul-22	10,00,000	600	8.50%	600.00	-	600.00	Secured	On Maturity	Listed
26	Private Placement	21-Jul-20	21-Jul-22	10,00,000	500	8.50%	500.00	-	500.00	Secured	On Maturity	Listed
27	Private Placement	21-Jul-20	21-Jul-22	10,00,000	300	8.50%	300.00	-	300.00	Secured	On Maturity	Listed
28	Private Placement	21-Jul-20	21-Jul-22	10,00,000	1,100	8.50%	1,100.00	-	1,100.00	Secured	On Maturity	Listed
29	Private Placement	14-Aug-20	9-Jul-30	10,00,000	250	9.50%	250.00	250.00	250.00	Secured	On Maturity	Listed
30	Private Placement	14-Aug-20	9-Jul-30	10,00,000	400	9.50%	400.00	400.00	400.00	Secured	On Maturity	Listed
31	Private Placement	14-Aug-20	9-Jul-30	10,00,000	350	9.50%	350.00	350.00	350.00	Secured	On Maturity	Listed
32	Private Placement	20-Aug-20	6-Feb-23	10,00,000	1,500	8.45%	1,500.00	-	1,500.00	Secured	On Maturity	Listed

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (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 2023	As at 31 st March 2022	Secured/ Unsecured	Terms of redemption	Listed/ Unlisted
33	Private Placement	7-Sep-20	7-Mar-23	10,00,000	1,000	8.10%	1,000.00	-	1,000.00	Secured	On Maturity	Listed
34	Private Placement	22-Dec-20	22-Dec-23	10,00,000	2,500	7.45%	2,500.00	2,500.00	2,500.00	Secured	On Maturity	Listed
35	Private Placement	22-Dec-20	22-Dec-23	10,00,000	1,500	7.45%	1,500.00	1,500.00	1,500.00	Secured	On Maturity	Listed
36	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
37	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
38	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
39	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
40	Private Placement	28-Jan-22	28-Feb-24	10,00,000	4,000	6.93%	4,000.00	4,000.00	4,000.00	Secured	On Maturity	Listed
41	Private Placement	28-Jan-22	28-Jan-24	10,00,000	4,000	6.93%	4,000.00	4,000.00	4,000.00	Secured	On Maturity	Listed
42	Private Placement	20-Jul-22	20-Oct-23	10,00,000	963	6.97%	963	963	-	Secured	On Maturity	Unlisted
43	Private Placement	20-Jul-22	20-Jan-24	10,00,000	963	6.97%	963	963	-	Secured	On Maturity	Unlisted
44	Private Placement	20-Jul-22	20-Apr-24	10,00,000	963	6.97%	963	963	-	Secured	On Maturity	Unlisted
45	Private Placement	20-Jul-22	20-Jul-24	10,00,000	963	6.97%	963	963	-	Secured	On Maturity	Unlisted
46	Private Placement	20-Jul-22	20-Oct-24	10,00,000	963	6.97%	963	963	-	Secured	On Maturity	Unlisted
47	Private Placement	20-Jul-22	20-Jan-25	10,00,000	963	6.97%	963	963	-	Secured	On Maturity	Unlisted
48	Private Placement	20-Jul-22	20-Apr-25	10,00,000	963	6.97%	963	963	-	Secured	On Maturity	Unlisted
49	Private Placement	20-Jul-22	20-Jul-25	10,00,000	963	6.97%	963	963	-	Secured	On Maturity	Unlisted
50	Private Placement	13-Mar-23	13-Mar-31	1,00,000	36,666	9.22%	3,667	3,667	3,667	Secured	On Maturity	Listed
51	Private Placement	13-Mar-23	13-Mar-32	1,00,000	36,666	9.22%	3,667	3,667	3,667	Secured	On Maturity	Listed
52	Private Placement	13-Mar-23	13-Mar-33	1,00,000	36,666	9.22%	3,667	3,667	3,667	Secured	On Maturity	Listed
53	Public Issue	04-Nov-19	03-Nov-22	1000	1.72	9.75%	171.62	-	171.62	Secured	On Maturity	Listed
54	Public Issue	04-Nov-19	03-Nov-22	1000	0.85	10.00%	85.21	-	85.21	Secured	On Maturity	Listed
55	Public Issue	04-Nov-19	03-Nov-22	1000	1.33	10.00%	133.05	-	133.05	Secured	On Maturity	Listed
56	Public Issue	04-Nov-19	03-Nov-24	1000	2.36	10.25%	236.05	236.05	236.05	Secured	On Maturity	Listed
57	Public Issue	04-Nov-19	03-Nov-24	1000	0.64	10.65%	64.03	64.03	64.03	Secured	On Maturity	Listed
58	Public Issue	04-Nov-19	03-Nov-24	1000	0.33	10.65%	32.89	32.89	32.89	Secured	On Maturity	Listed
59	Public Issue	04-Nov-19	07-Sep-26	1000	2.20	10.65%	220.34	220.34	220.34	Secured	On Maturity	Listed
60	Private Placement	20-Jul-20	19-Jul-23	1000000	0.0025	9.40%	250.00	250.00	250.00	Secured	On Maturity	Listed
61	Private Placement	21-Nov-22	21-Nov-24	1000000	0.0050	8.50%	500.00	500.00	500.00	Secured	On Maturity	Listed
62	Private Placement	09-Aug-17	09-Aug-23	1000000	1000	12.30%	1,000.00	-	50.00	Secured	On Maturity	Listed
63	Private Placement	30-May-19	30-May-24	10000	50000	11.63%	10.00	500.00	500.00	Unsecured	On Maturity	Listed
64	Private Placement	27-Dec-19	27-Jun-22	1000000	250	12.00%	1,000.00	-	250.00	Unsecured	On Maturity	Unlisted
65	Private Placement	09-Mar-20	09-Mar-25	1000000	700	12.48%	1,000.00	-	700.00	Secured	On Maturity	Listed

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (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 2023	As at 31 st March 2022	Secured/ Unsecured	Terms of redemption	Listed/ Unlisted
66	Private Placement	28-May-20	28-Apr-23	1000000	750	10.50%	1,000.00	750.00	750.00	Secured	On Maturity	Listed
67	Private Placement	29-May-20	29-May-23	1000000	450	11.00%	1,000.00	450.00	450.00	Secured	On Maturity	Listed
68	Private Placement	22-Jun-20	21-Apr-23	1000000	500	11.25%	1,000.00	83.33	250.00	Secured	On Maturity	Listed
69	Private Placement	26-Jun-20	26-Jun-23	1000000	850	11.00%	1,000.00	850.00	850.00	Secured	On Maturity	Listed
70	Private Placement	19-Nov-20	19-May-22	1000000	1500	8.60%	1,000.00	-	375.00	Secured	On Maturity	Listed
71	Private Placement	14-Dec-20	14-Jun-22	1000000	1000	9.00%	1,000.00	-	1,000.00	Secured	On Maturity	Listed
72	Private Placement	30-Dec-20	30-Jun-22	1000000	750	8.40%	1,000.00	-	750.00	Secured	On Maturity	Listed
73	Private Placement	05-Feb-21	05-Feb-23	1000000	7500	11.10%	100.00	-	375.00	Unsecured	On Maturity	Listed
74	Private Placement	08-Mar-21	08-Mar-23	1000000	500	10.50%	1,000.00	-	500.00	Unsecured	On Maturity	Listed
75	Private Placement	30-Mar-21	30-May-25	1000000	500	9.22%	1,000.00	440.00	470.00	Secured	On Maturity	Unlisted
76	Private Placement	09-Jul-21	31-Dec-24	700000	500	11.40%	700.00	233.33	350.00	Unsecured	On Maturity	Unlisted
77	Private Placement	13-Jul-21	13-Jul-23	628000	1000	9.65%	628.00	606.00	628.00	Secured	On Maturity	Listed
78	Private Placement	29-Jul-21	29-Jan-24	778400	2500	9.71%	778.40	1,726.00	1,946.00	Secured	On Maturity	Listed
79	Private Placement	27-Aug-21	27-Feb-25	1000000	730	11.05%	1,000.00	730.00	730.00	Secured	On Maturity	Listed
80	Private Placement	06-Sep-21	23-Feb-24	777777.78	450	10.00%	777.78	150.00	350.00	Unsecured	On Maturity	Listed
81	Private Placement	21-Sep-21	15-Sep-26	1000000	1450	10.45%	1,000.00	1,450.00	1,450.00	Secured	On Maturity	Listed
82	Private Placement	09-Nov-21	09-May-24	1000000	750	9.70%	1,000.00	750.00	750.00	Secured	On Maturity	Listed
83	Private Placement	12-Sep-22	12-Sep-24	1000000	1000	9.60%	1,000.00	1,000.00	-	Secured	On Maturity	Listed
84	Private Placement	28-Sep-22	28-Sep-24	1000000	1150	8.50%	1,000.00	1,150.00	-	Secured	On Maturity	Listed
Total amount								60,863.73	60,919.05			
Effective interest rate adjustment								234.54	(356.29)			
Interest accrued but not due								1,543.59	2,784.14			
Net Amount								62,641.86	63,346.90			

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Note 22: Borrowings (other than debt securities)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
At amortised cost:		
Term Loan*		
Indian rupee loan from banks (secured)	1,30,762.81	45,348.50
Foreign currency term loan from banks (secured)	7,256.53	11,035.64
Indian rupee loan from other parties (secured)	9,145.84	12,822.62
Indian rupee loan from other parties (unsecured)	1,578.99	503.88
Finance lease obligations (secured)	-	15.04
Liability component of compound financial instruments		
Loans repayable on demand		
Cash credit / Overdraft facilities from banks (secured)	3,206.22	3,399.39
from other parties		
Working Capital demand loan from banks (secured)	62,009.21	71,592.67
Other loans		
Vehicle loans (Secured)	-	-
Borrowings under securitisation arrangement	4,286.90	50.00
Total	2,18,246.50	1,44,767.74
Borrowings in India*	2,18,246.50	1,44,767.74
Borrowings outside India	-	-
Total	2,18,246.50	1,44,767.74

* 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 2023.

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 2022: ₹ 6733.37 Mn).

Foreign currency term loans (ECB) from banks (secured):

- 1) NIL (31 March 2022: ₹ 975.7 Mn) which carries interest @ 3 month LIBOR plus 280bps. The loan is repayable after 3 years from the date of its origination, viz., July 25, 2019.

The loans are secured against the first pari passu charge on current assets, book debts and receivables including gold loans and advances of the Holding Company.

- 2) Foreign currency loan: ₹ 727 million as at March 31, 2023 (March 31, 2022 ₹ 1,000 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.

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 Holding Company as per the agreement . Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO.

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 2023 (All amounts are in millions, unless otherwise stated)

Finance lease obligations:

Finance lease obligation is secured by hypothecation of Computers taken on lease. The interest rate implicit in the lease is 11% p.a. The gross investment in lease, i.e., lease obligation plus interest, is payable in 12 quarterly instalments of approx. ₹ NIL (31st March 2022: ₹ NIL)

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 and advances of the Holding 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 (31st March 2022: ₹ 3072.00 Mn).

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 and advances of the Holding 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 (31st March 2022: ₹ 22000 Mn).

Other loans

Vehicle Loans: The loans are secured by hypothecation of the respective vehicles against which the loan has been availed.

A) Indian rupee loan from banks (Secured)

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%	18409.73
Due within 1-2 years	6.50 - 9.75%	25594.50
Due within 1 year	6.50 - 9.75%	23397.06
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%	23982.31
Due within 1-2 years	5.15% - 12.50%	28125.51
Due within 1 year	7.80% - 12.00%	4783.44
Total		56891.26
Effective interest rate adjustment		(159.44)
Interest Accrued but not due		114.64
Net Amount Total (B)		56846.46

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
More than 5 years	8.00% - 10.25%	2,003.24
Due within 2-5 years	8.00% - 10.25%	3,170.17
Due within 1-2 years	8.00% - 10.25%	1,290.59
Due within 1 year	8.00% - 10.25%	138.05
Interest accrued and due on borrowings		1.77
Net Amount Total (C)		6,603.82
Special Refinance-NHB :*		
Due within 1 year	5.25%	93.00
TOTAL (A+B+C)		1,30,762.81

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

As at 31st March, 2022

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	6.50 - 9.75%	3502.86
Due within 1-2 years	6.50 - 9.75%	2799.21
Due within 1 year	6.50 - 9.75%	2496.91
Total		8,798.98
Effective interest rate adjustment		(54.08)
Interest Accrued but not due		-
Net Amount Total (A)		8,744.90

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	7.2-11.75%	1598.08
Due within 1-2 years	7.2-11.75%	11636.50
Due within 1 year	7.2-11.75%	18700.39
Net Amount Total (B)		31934.97

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
More than 5 years	8.15% - 10.25%	1,024.96
Due within 2-5 years	8.15% - 10.25%	1,575.84
Due within 1-2 years	8.15% - 10.25%	1,046.62
Due within 1 year	8.15% - 10.25%	1,020.15
Interest accrued and due on borrowings		1.06
Net Amount Total (C)		4,668.63
TOTAL (A+B+C)		45,348.50

B) Indian rupee loan from other parties (secured)

As at 31 March 2023

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	0.00%	-
Due within 1-2 years	6.75 -10.75%	2576.67
Due within 1 year	6.75 -10.75%	545.50
Total		3122.17
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%	1,721.37
Due within 1 year	9.9% - 10.52%	2,728.24
Total		6,025.00
Effective interest rate adjustment		(5.40)
Interest Accrued but not due		4.09
Net Amount Total (B)		6,023.70
TOTAL (A+B)		9,145.84

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

As at 31st March, 2022

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	6.75 - 10.75%	2,576.67
Due within 1-2 years	6.75 - 10.75%	649.67
Due within 1 year	6.75 - 10.75%	3,508.00
Total		6,734.34
Effective interest rate adjustment		(14.11)
Interest Accrued but not due		-
Net Amount Total (A)		6,720.23

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	9 - 11%	889.20
Due within 1-2 years	9 - 11%	3,573.17
Due within 1 year	9 - 11%	1,640.02
Total		6,102.39
Net Amount Total (B)		6,102.39
TOTAL (A+B)		12,822.62

C) Indian rupee loan from other parties (Unsecured)

As at 31 March 2023

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within one year	Nil	0.00%
Interest Accrued but not due		-
Total (A)		-

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

As at March 31, 2022

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within one year	-	-
Interest Accrued but not due	-	-
Total (A)	-	-

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within one year	10.25%	503.88
Total (B)		503.88
Grand Total (A+B)		503.88

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

D) Vehicle loans (Secured loans)

Terms of repayment

Tenure (from the date of Balance Sheet)	As at 31 st March 2023			As at 31 st March 2022		
	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, 2023	As at 31 st March, 2022
At amortised cost:		
Deposits		
- From others	0.91	0.70
Total	0.91	0.70

Note 24: Subordinated liabilities

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
At amortised cost:		
Redeemable non-convertible debentures (Unsecured) - Subordinated debt	3,940.11	3,192.04
Subordinated bonds from others	-	6.00
Total	3,940.11	3,198.04
Subordinated liabilities in India	3,940.11	3,198.04
Subordinated liabilities outside India	-	-
Total	3,940.11	3,198.04

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 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								-

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

As at 31st March 2022

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<=15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due within 1-2 years	-	-	-	-	-	-	-	-
Due within 1 year	-	-	1,472	1.47	3,542	3.54	5,014	5.01
Total	-	-	1,472	1.47	3,542	3.54	5,014	5.01
Effective Interest Rate Adjustment								(0.00)
Interest accrued but not due								0.96
Grand Total								6.00

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 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	-	-	5,550	1,050.00
Due within 3-4 years	10,000	1,000	-	-	-	-	10,000	1,000.00
Due within 2-3 years	-	-	-	-	-	-	-	-
Due within 1-2 years	-	-	-	-	-	-	-	-
Due within 1 year	-	-	150	150	-	-	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

As at 31st March 2022

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	1,050.00	2	1,050.00
Due within 4-5 years	1	1,000.00	-	-	-	-	1	1,000.00
Due within 1-2 years	-	-	-	-	1	150.00	1	150.00
Due within 1 year	-	-	1	500.00	2	500.00	3	1,000.00
Grand Total	1	1,000.00	1	500.00	5	1,700.00	7	3,200.00
Effective Interest Rate Adjustment								(7.96)
Net Total								3,192.04

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Note 25: Other financial liabilities

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Unclaimed matured non-convertible debenture	16.57	22.97
Unclaimed dividend	24.70	27.67
Unclaimed matured subordinate bonds and interest accrued thereon	10.44	14.61
Security deposits	670.67	559.04
Payable to customers (Auction surplus refundable)	429.49	475.61
Interest payable on securitization	558.80	318.90
Employee related payables	1,080.23	776.01
Others	512.43	306.04
Total	3,303.33	2,500.85

Note 26: Provisions

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Loan commitments	2.09	0.94
Employee benefits		
- Gratuity	228.76	214.89
- Provision for compensated absences	274.45	255.54
Litigation	131.09	107.10
Others (taxation)	2.95	2.95
Provision for other assets	92.64	146.44
Total	731.98	727.86

Movement of provisions other than employee benefits during the year

The movement in provisions during 2022-23 and 2021-22 is, as follows:

Particulars	Litigation	Other Assets	Total
	₹ in Mn	₹ in Mn	₹ in Mn
At 31st March 2021	52.46	179.95	232.41
Provided /(reversed) during the year	54.64	(33.51)	21.13
At 31st March 2022	107.10	146.44	253.54
Provided /(reversed) during the year	23.99	(53.80)	(29.81)
At 31st March 2023	131.09	92.64	223.73

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

Internal rating grade	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
Standard grade	3,171.56	-	-	3,171.56	1,982.99	15.03	-	1,998.02
Low risk grade	-	-	-	-	-	-	-	-
Total	3,171.56	-	-	3,171.56	1,982.99	15.03	-	1,998.02

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (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 2022-23				FY 2021-22			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,982.99	15.03	-	1,998.02	1,847.75	4.59	-	1,852.34
New assets originated or purchased	1,671.56	-	-	1,671.56	482.99	15.03	-	498.02
Assets derecognised or repaid (excluding write offs)	(482.99)	(15.03)	-	(498.02)	(347.75)	(4.59)	-	(352.34)
Gross carrying amount closing balance	3,171.56	0.00	-	3,171.56	1,982.99	15.03	-	1,998.02

Reconciliation of ECL balance is given below:

Particulars	FY 2022-23				FY 2021-22			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	0.83	0.12	-	0.94	1.82	0.10	-	1.91
New assets originated or purchased	1.43	0.12	-	1.55	0.52	0.12	-	0.64
Assets derecognised or repaid (excluding write offs)	(0.28)	(0.12)	-	(0.40)	(1.51)	(0.10)	-	(1.61)
ECL allowance - closing balance	1.98	0.12	-	2.09	0.83	0.12	-	0.94

Note 27: Other non-financial liabilities

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Statutory dues payable	461.23	664.74
Auction surplus	-	-
Retention money and other sundry liabilities	1,091.90	417.90
Advance from customers	58.37	58.37
Other	14.71	8.92
Total	1,626.21	1,149.93

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, 2023	As at 31 st March, 2022
Authorised		
980,000,000 (31 March 2022: 980,000,000) equity shares of ₹ 2/- each	1,960.00	1,960.00
4,00,000 (31 March 2022: 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 2022: 846,394,729) equity shares of ₹ 2/- each	1,692.79	1,692.79
Total Issued, subscribed and fully paid up	1,692.79	1,692.79

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	No. in Millions	No. in Millions
At 1st April 2021	846.36	1,692.73
Issued during the year - ESOP (refer note 41)	0.03	0.06
As at 31st March 2022	846.39	1,692.79
Issued during the year - ESOP (refer note 41)	-	-
As at 31st March 2023	846.39	1,692.79

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 2023, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 3.00 per share (31 March 2022: ₹ 3.00 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, 2023		31 st March, 2022	
	No. in Millions	% holding in the class	No. in Millions	% holding in the class
Mr. Nandakumar V P	245.45	29.00	244.28	28.86
Ms. Sushama Nandakumar	48.00	5.67	48.00	5.67
DSP Small Cap Fund	43.07	5.09	60.25	7.12
Quinag Acquisition (FPI) Ltd	83.79	9.90	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 31-03-2023		Details of shares as at 31-03-2022		% change during the year**
	No of shares	% of total share	No of shares	% of total share	
V.P.Nandakumar	245454221	29.00%	244277671	28.86%	0.14%
Sooraj Nandan	3674	0.00%	3674	0.00%	0.00%
Sushama Nandakumar	48001078	5.67%	48001078	5.67%	0.00%
Suhas Nandan	17051	0.00%	17051	0.00%	0.00%
Jyoti Prasannan	4474990	0.53%	4474990	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 38,58,967 equity shares (31st March 2022: 4,495,093) 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

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

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 1st April 2021	14,104.91
Add: Additions on ESOPs exercised	3.64
At 1st April 2022	14,108.55
Add: Additions on ESOPs exercised	47.03
At 31st March 2023	14,155.58
Share option outstanding account	
At 1st April 2021	136.39
Add: Other Additions/ Deductions during the year	(0.37)
At 1st April 2022	136.02
Add: Other Additions/ Deductions during the year	0.28
At 31st March 2023	136.30
Statutory reserve u/s 45-IC of the RBI Act, 1934 and u/s 29C of NHB Act, 1987	
At 1st April 2021	15,571.34
Add: Transfer from surplus balance in the Statement of Profit and Loss	2,650.36
At 1st April 2022	18,221.70
Add: Transfer from surplus balance in the Statement of Profit and Loss	3,007.73
At 31st March 2023	21,229.43
General reserve	
At 1st April 2021	3,627.02
Add: Other Additions/ Deductions during the year	-
At 1st April 2022	3,627.02
Add: Other Additions/ Deductions during the year	-
At 31st March 2023	3,627.02
Hedging reserve	
At 1st April 2021	(9.42)
Add/(Less): Effect of foreign exchange rate variations in Hedging instruments	13.66
At 1st April 2022	4.24
Add/(Less): Effect of foreign exchange rate variations in Hedging instruments	1.18
At 31st March 2023	5.42

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Retained earnings	
At 1st April 2021	38,135.58
Add: Profit for the year	13,295.06
Add/Less: Appropriations	
Transfer to/(from) Impairment reserve	-
Interim dividend on equity shares including tax thereon	(2,539.14)
Transfer to Statutory Reserve	(3,090.29)
Loss on acquisition	(82.32)
Movements during the year	
At 1st 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 31st March 2023	55,160.93
Other comprehensive income - Actuary gain / (loss)	
At 1st April 2021	(148.87)
Movements during the year	63.96
At 1st April 2022	(84.91)
Movements during the year	20.41
At 31st March 2023	(64.50)
Other comprehensive income - Effective portion of cash flow hedges	
At 1st April 2021	(100.34)
Movements during the year	(145.49)
At 1st April 2022	(245.83)
Movements during the year	246.77
At 31st March 2023	0.94
Share application money pending allotment	
At 1st April 2021	0.02
Movements during the year	-
At 1st April 2022	0.02
Movements during the year	(0.02)
At 31st March 2023	-
Capital redemption reserve	
At 1st April 2021	50.00
Add: Other Additions/ Deductions during the year	-
At 1st April 2022	50.00
Add: Other Additions/ Deductions during the year	-
At 31st March 2023	50.00

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Capital reserve	
At 1st April 2021	2.91
Add: Other Additions/ Deductions during the year	-
At 1st April 2022	2.91
Add: Other Additions/ Deductions during the year	-
At 31st March 2023	2.91

Impairment Reserve	
At 1st April 2021	12.14
Add: Other Additions/ Deductions during the year	439.93
At 1st April 2022	452.07
Add: Other Additions/ Deductions during the year	-
At 31st March 2023	452.07
Total other equity	94,756.10
At 1st April 2021	71,381.66
At 1st April 2022	81,990.69
At 31st March 2023	94,756.10

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 ₹ 3007.72 Mn (2021-22 ₹ 2,650.36 Mn) to Statutory reserve pursuant to Section 45-IC of RBI Act, 1934.

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 ₹ 38.94 Mn (2021-22 - 14.42 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:

- 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.

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

- (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 2023 and 31 March 2022

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 36 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.

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

Note 30 (i): Interest income

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
On financial assets measured at amortised cost:		
Interest on loans		
- Gold loans	39,903.31	41,786.09
- Property loans	1,722.91	1,245.63
- Commercial vehicles	3,671.42	2,286.10
- Onlending	311.87	125.69
- Microfinance loans	13,956.95	11,316.64
- SME loans	1,086.10	299.21
Interest on deposits with banks	1,163.54	409.18
Other interest income	2,586.73	914.02
Interest income from investments	1.25	14.73
Total	64,404.08	58,397.29

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Note 30 (ii): Fees and commission income

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Foreign exchange commission	0.28	0.15
Money transfer commission	31.20	31.09
Brokerage and commission	120.13	109.15
Fee received for IT services	49.39	93.36
Total	201.00	233.75

Note 30 (iii): Net gain on fair value changes

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Net gain on financial instruments at fair value through profit or loss	1,037.12	1,169.72
On trading portfolio		
- Investments	-	(0.01)
- Derivatives	-	-
Total Net gain on fair value changes (A)	1,037.12	1,169.71
Fair value changes:		
- Realised	1,037.12	1,169.72
- Unrealised	-	(0.01)
Total Net gain fair value changes (B)	1,037.12	1,169.71

Note 30 (iv): Dividend income

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Dividend income	-	111.88
Total	-	111.88

Note 30 (v): Other operating income

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Bad debt recovered	775.29	491.55
Foreclosure charges	20.15	11.09
Others	186.76	194.91
Total	982.20	697.55

Disaggregated revenue disclosures:

The table below presents disaggregated revenues from contracts with customers for the year ended 31st March, 2023 and 31st March, 2022 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 2023	For the year ended 31 st March 2022
Revenue by products / services		
Interest income	64,404.08	58,397.29
Fees and commission	201.00	233.75
Others	2,019.32	1,979.14
Total revenue from operations*	66,624.40	60,610.18

* The revenue from operations is earned in India.

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

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 2023	For the year ended 31 st March 2022
Net gain on derecognition of property, plant and equipment	8.08	9.54
Provisions no longer required written back	-	8.39
Others	651.00	635.03
Total	659.08	652.96

Note 32: Finance costs

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
On financial liabilities measured at amortised cost:		
Interest on debt securities	8,323.68	10,323.16
Interest on UD Dollar Bond	-	-
Interest on borrowings	12,224.33	8,407.90
Interest on subordinated liabilities	0.15	3.74
Other interest expense	463.16	-
Other borrowing costs	177.91	733.06
- Others	-	-
- Term Loans from Banks		
- Term Loans from NBFCs		
Finance cost on lease liability	688.62	645.83
Total	21,877.85	20,113.69

Note 33: Fees and commission expense

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
On financial liabilities measured at amortised cost:		
Commission paid	254.30	260.16
Total	254.30	260.16

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 2023	For the year ended 31 st March 2022
On financial instruments measured at amortised cost:		
Loans	3,071.61	4,838.86
Investments	(0.19)	(1.11)
Assets held for sale	-	23.95
Total	3,071.42	4,861.70

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Note 35: Employee benefits expense

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Salaries and wages	13,199.42	10,098.34
Contribution to provident and other funds	1,378.15	876.55
Share based payments to employees	-	-
Staff welfare expenses	117.31	275.22
Total	14,694.88	11,250.11

Note 36: Depreciation and amortisation

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Depreciation of tangible assets	708.07	785.62
Amortization of intangible assets	113.19	122.65
Depreciation on right of use assets	1,216.31	1,071.49
Total	2,037.57	1,979.76

Note 37: Other expenses

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Rent	271.20	342.05
Energy costs	283.48	220.54
Repairs and maintenance		
- Vehicles	4.28	2.57
- Others	372.99	308.56
Rates and taxes	65.64	74.55
Printing and stationery	170.34	140.83
Travelling and conveyance	826.19	530.77
Advertising and publicity	711.52	905.74
Directors' fees, allowances and expenses	30.70	32.33
Payment to auditors (Refer note (i) below)	23.24	16.70
Insurance	301.47	197.38
Communication expenses	405.17	462.53
Legal and professional charges	332.83	288.39
Corporate social responsibility expenses	413.00	388.88
Other expenditure	512.92	451.04
IT support	366.53	505.35
Security charges	61.45	94.25
Total	5,152.95	4,962.46

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Note (i) Payment to auditors

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
As auditors:		
Statutory audit fee	9.11	8.94
Limited reviews	10.17	6.56
Other statutory attest services	0.91	0.88
Reimbursement of expenses	3.05	0.32
Other services	-	-
Total	23.24	16.70

Note (ii) Details of CSR expenditure

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
a) Gross amount required to be spent by the group during the year	413.16	388.88

	In cash	Yet to be paid in cash	Total
b) Amount spent during the year ended on March 31, 2023			
i) Construction/acquisition of assets	-	-	-
ii) On purpose other than (i) above	395.96	17.20	413.16

	In cash	Yet to be paid in cash	Total
c) Amount spent during the year ended on March 31, 2022			
i) Construction/acquisition of assets	-	-	-
ii) On purpose other than (i) above	216.28	172.60	388.88

	For the year ended 31 st March 2023	For the year ended 31 st March 2022
d) CSR amount Unspent for the financial year		
Amount Transfer to Unspent CSR amount	-	-
FY 2020-21	-	6.29
FY 2021-22	76.55	-
FY 2022-23	17.20	-
Total	93.75	6.29

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

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

- 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 31st March 2023 and 31st March 2022 are:

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Current tax	5,226.89	4,433.87
Adjustment in respect of current income tax of prior years	23.90	(27.36)
Deferred tax relating to origination and reversal of temporary differences	157.99	141.67
Total tax charge	5,408.78	4,548.18
Current tax	5,226.89	4,433.87
Deferred tax	157.99	141.67

Reconciliation of income tax expense:

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Current tax as per statement of profit and loss	6,122.17	4,296.25
Profit before tax	20,410.50	17,835.23
Current tax as per books (Effective rate of Tax)	5,411.30	4,287.88
- 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)	(26.35)	35.73
- Income tax at different rates	35.37	-
- Effect of deferred tax remeasurement	(35.45)	110.25
- Effect of change in previous year tax	-	-
- Current tax relating to earlier years	23.90	
Current tax as per statement of profit and loss	5,408.77	4,433.86
All India Statutory income tax rate of 25.17% (2022 - 25.17%)	6,098.27	5,450.07

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

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 st March 2023	31 st 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)	-
Net Deferred tax asset as at 31 March 2023	1,514.11				

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (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 st March 2022	31 st March 2022	2021-22	2021-22	2021-22
Provisions for litigations and compensated absences	73.79	-	17.35	-	-
Property, plant and equipment and Right of use asset (Net of lease liabilities)	317.14	-	20.46	-	-
Right of use asset (Net of lease liabilities)	192.51	1.08	79.40	-	-
Impairment allowance for financial assets	1,135.19	-	(54.04)	0.42	-
Remeasurement gain / (loss) on defined benefit plan	112.01	-	23.89	(14.63)	-
Derivative instruments in cash flow hedge relationship	85.39	-	3.44	48.93	-
Debt instrument measured at amortised cost	-	(99.34)	99.54	-	-
Financial assets measured at amortised cost	-	4.15	10.24	-	-
Other temporary differences	19.05	2.20	(329.61)	-	-
Provision for fraud insurance claim receivable	17.94	-	2.08	-	-
Borrowings	7.90	-	10.73	-	-
Effective interest rate on PTC loans	-	(186.65)	(29.67)	-	-
Cash flow hedge reserve	-	(6.90)	-	(7.31)	-
Unamortised processing fess	7.77	-	(1.54)	-	-
Present value discounting of security deposit and documentation fee	57.06	-	6.07	-	-
Total	2,025.75	(285.46)	(141.66)	27.41	-
Net Deferred tax asset as at 31 March 2022	1,740.29				

Note 39: Earnings per share

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Net profit for calculation of basic earnings per share	15,001.72	13,287.05
Weighted average number of equity shares in calculating basic earnings per share (Nos.)	84,63,94,729	84,63,82,729
Effect of dilution:		
Stock options granted under ESOP (Nos.)	7,546	19,000
Weighted average number of equity shares in calculating diluted earnings per share (Nos.)	84,64,02,275	84,64,01,729
Basic earnings per share (₹)	17.72	15.70
Diluted earnings per share (₹)	17.72	15.70
Face value per share	₹ 2/-	₹ 2/-

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (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 31 st March 2023	% equity interest 31 st March 2022
Manappuram Home Finance Limited	India	100.00%	100.00%
Manappuram Insurance Brokers Limited	India	100.00%	100.00%
Asirvad Microfinance Limited	India	97.60%	97.51%
Manappuram Comptech and Consultants Limited	India	99.81%	99.81%

Asirvad Microfinance Limited is the only significant subsidiary of Group that has a material non-controlling interest (31st March 2023: 2.40%, 31st March 2022: 2.487%). The following table summarises key information relevant to Asirvad Microfinance Limited:

Particulars	31 st March 2023	31 st March 2022
Loans to customers and staff	86,690.97	54,261.67
Other assets	15,141.69	13,875.12
Trade payables	96.77	268.83
Other liabilities	86,297.07	57,147.43
Net assets	15,438.82	10,720.53
Accumulated non-controlling interests of the subsidiary	370.53	266.62
Net interest margin	9,153.90	6,094.75
Profit after tax	2,181.31	134.32
Profit allocated to non-controlling interest	52.35	3.34
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	2,52,36,214								
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" data-bbox="571 1741 1428 1809"> <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								

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (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 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 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, 2023	31 st March, 2022
Options outstanding, beginning of year	40,000	70,000
Options granted during the year	-	-
Lapsed options restored during the year	-	-
Options lapsed during the year	-	-
Options exercised during the year	-	(30,000)
Options unvested and outstanding at the end of the year	40,000	40,000

Particulars	31 st March, 2023	31 st March, 2022
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 2023 (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 Microfinance 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	25,000
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	4 years from 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 four years from the date of vesting.

(b) The summary of the movements in options is given below:

Particulars	31 st March, 2023	31 st March, 2022
Options outstanding, beginning of year	2,42,500	5,12,500
Options granted during the year	-	-
Increase on account of Bonus issue	-	-
Lapsed options restored during the year	-	-
Options lapsed during the year	1,50,000	2,70,000
Options exercised during the year	-	-
Options unvested and Outstanding at the End of the Year	92,500	2,42,500
Options outstanding at the year end comprise of :		
- Options eligible for exercise at year end	-	-
- Options not eligible for exercise at year end	92,500	2,42,500
	92,500	2,42,500

(c) Pro-forma Disclosures for ESOS :

In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, no compensation cost for ESOS 2019 has been recognized based on the fair value at the date of grant. Hence there is no impact on profit after tax and there is no dilution in earning per share.

(d) The fair value of options estimated at the date of grant using the Black-Scholes method and the assumptions used are as under:

Option fair value	80.93
Risk free interest rate	6.88%
Expected Life (in years)	3.00
Expected volatility	50.00%
Share price on the date of grant (face value ₹ 10 per share)	239.37

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

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 ₹ 963.09 Mn (31st March 2022: ₹ 540.64 Mn) for Provident Fund contributions and ₹ 221.04 Mn (31st March 2022: ₹ 171.83 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.

Net employee benefit expense recognised in the statement of profit and loss

Components of employer expense	31 st March, 2023	31 st March, 2022
Current service cost	300.83	251.68
Interest cost on benefit obligation	2.19	1.48
Past service cost	13.60	0.03
Net interest on net defined benefit liability/ (asset)	7.02	9.90
Actuarial (Gain) / Loss	(3.20)	2.27
Benefits paid	(0.87)	(2.03)
Total employer expense recognised in statement of profit and loss	319.57	263.33

Net employee benefit expense recognised in the Other Comprehensive Income

Movement in Other Comprehensive Income (OCI)	31 st March, 2023	31 st March, 2022
Balance at start of year (loss)/gain	(168.95)	(172.45)
Actuarial (loss)/gain from changes in financial assumptions	32.04	0.24
Actuarial (loss)/gain from experience over the past year	(54.35)	3.58
Return on plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	(38.63)	25.10
Actuarial (loss) / gain from changes in demographic assumptions	34.91	(25.42)
Adjustments	40.55	-
Balance at end of year (Loss)/Gain	(154.42)	(168.95)

Experience adjustments

Particulars	31 st March, 2023	31 st March, 2022
Defined benefit obligation	1,543.69	1,302.91
Fair value of plan assets	1,316.24	1,114.08
Asset/(liability) recognized in the balance sheet	(210.55)	(166.72)
Experience adjustments on plan liabilities (gain) / loss	8.73	28.53
Experience adjustments on plan assets gain / (loss)	43.73	(10.07)

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	31 st March, 2023	31 st March, 2022
Opening defined benefit obligation	1,328.32	1,165.33
Transfer in/out	(8.90)	0.53
Interest cost	82.30	69.35
Current service cost	296.11	248.36
Benefits paid	(190.16)	(111.62)
Past service cost	12.07	-
Actuarial (Loss)/ Gain from changes in demographic assumptions	(60.12)	-
Actuarial loss / (gain) from changes in financial assumptions	2.56	(29.55)
Actuarial loss / (gain) from experience over the past year	132.14	(14.08)
Adjustments	(25.41)	-
Closing defined benefit obligation	1,568.91	1,328.32

Changes in the fair value of plan assets are as follows:

Particulars	31 st March, 2023	31 st March, 2022
Opening fair value of plan assets	1,114.10	996.66
Transfer in/out	(8.90)	0.36
Expected return	73.27	58.11
Contributions by employer	287.84	196.06
Benefits paid	(191.03)	(113.64)
Actuarial gains / (losses)	46.10	(9.30)
Interest income on Plan Assets	2.77	1.28
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	0.47	(0.39)
On acquisition of Subsidiary	-	-
Adjustments	15.08	-
Closing fair value of plan assets	1,339.70	1,114.10
Expected contribution to fund to be made in the next year	160.00	205.00

The principal assumptions used in determining gratuity obligations for the Group's plans are shown below:

A) Holding Company

Manappuram Finance Limited

Particulars	31 st March, 2023	31 st March, 2022
Discount rate	7.10%	6.30%
Salary growth rate	9.00%	8.00%
Attrition rate	20.00%	15.00%
Expected rate of return on assets	6.30%	5.90%

B) Subsidiary Companies

(i) Asirvad Microfinance Limited

Particulars	31 st March, 2023	31 st March, 2022
Discount rate	7.10%	6.27%
Salary growth rate	10.00%	10.00%
Attrition rate	20.00%	24.00%

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

(ii) Manappuram Home Finance Limited

Particulars	31 st March, 2023	31 st March, 2022
Salary escalation	8.00%	8.00%
Discount rate	7.10%	5.40%
Attrition rate		
- Managerial grade and above	15.00%	15.00%
- Below managerial grade	50.00%	50.00%
Expected rate of return on assets	5.40%	5.00%

(iii) Manappuram Insurance Brokers Limited

Particulars	31 st March, 2023	31 st March, 2022
Discount rate	7.10%	5.80%
Attrition rate	20.00%	20.00%
Salary increase rate	8.00%	8.00%
Expected return on plan assets	5.80%	5.50%

(iv) Manappuram Comptech and Consultants Limited

Particulars	31 st March, 2023	31 st March, 2022
Discount rate	7.50%	7.10%
Salary growth rate	6.00%	6.00%
Attrition rate	2% p.a upto age of 40 thereafter 2% p.a	Service above 5 Years- 6% Service Below 5 years- 6%

Percentage Break-down of Total Plan Assets

A) Holding Company

Manappuram Finance Limited

Particulars	31 st March, 2023	31 st March, 2022
Investment funds with insurance company	99.61%	99.83%
Of which, unit linked	21.98%	22.99%
Of which, traditional/ non-unit linked	77.63%	76.83%
Cash and cash equivalents	0.39%	0.17%
Total	100%	100%

B) Subsidiary Companies

(i) Asirvad Microfinance Limited

Particulars	31 st March, 2023	31 st March, 2022
Investment Funds with insurance company	100%	100%
Total	100%	100%

(ii) Manappuram Home Finance Limited

Particulars	31 st March, 2023	31 st March, 2022
Investment Funds with insurance company	96%	96%
Of which, unit linked	0%	0%
Of which, traditional/ non-unit linked	96%	96%
Total	96%	96%

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

(iii) Manappuram Insurance Brokers Limited

Particulars	31 st March, 2023	31 st March, 2022
Investment Funds with insurance company	100%	100%
Total	100%	100%

Sensitivity Analysis

A) Holding Company

Manappuram Finance Limited

Assumptions	31 st March, 2023		31 st March, 2022	
	Discount rate		Discount rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation [Increase/ (Decrease)]	(61.13)	67.28	(71.99)	81.86

Assumptions	31 st March, 2023		31 st March, 2022	
	Salary growth Rate		Salary growth Rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation [Increase/ (Decrease)]	65.42	(60.64)	79.69	(71.55)

B) Subsidiary Companies

(i) Asirvad Microfinance Limited

Assumptions	31 st March, 2023		31 st March, 2022	
	Discount rate		Future salary increases	
Sensitivity level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on defined benefit obligation	-	-	(3.20)	3.34

Assumptions	31 st March, 2023		31 st March, 2022	
	Discount rate		Future salary increases	
Sensitivity level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on defined benefit obligation	-	-	3.19	(3.09)

(ii) Manappuram Home Finance Limited

Assumptions	31 st March, 2023		31 st March, 2022	
	Discount rate		Future salary increases	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(1.13)	1.23	(1.04)	1.15

Assumptions	31 st March, 2023		31 st March, 2022	
	Discount rate		Future salary increases	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	1.21	(1.13)	1.11	(1.03)

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

(iii) Manappuram Insurance Brokers Limited

Assumptions	31 st March, 2023		31 st March, 2022	
	Discount rate		Future salary increases	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.63)	0.69	(0.63)	0.69

Assumptions	31 st March, 2023		31 st March, 2022	
	Discount rate		Future salary increases	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.67)	0.62	(0.67)	0.62

(iv) Manappuram Comptech and Consultants Limited

Assumptions	31 st March, 2023		31 st March, 2022	
	Discount rate		Future salary increases	
Sensitivity level	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
Impact on defined benefit obligation	(23.81)	25.76	(20.27)	21.28

Assumptions	31 st March, 2023		31 st March, 2022	
	Discount rate		Future salary increases	
Sensitivity level	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
Impact on defined benefit obligation	(31.61)	19.60	(23.94)	18.14

The weighted average duration of the defined benefit obligation as at 31st March 2023 is 4 years (2022: 5.5 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:

A) Holding Company

Manappuram Finance Limited

Particulars	31 st March, 2023	31 st March, 2022
	%	%
Discount rate	7.10%	6.30%
Attrition rate	20.00%	15.00%
Salary escalation	9.00%	8.00%

B) Subsidiary Companies

(i) Asirvad Microfinance Limited

Particulars	31 st March, 2023	31 st March, 2022
	%	%
Discount rate	7.10%	6.53%
Salary escalation	10%	10%
Attrition Rate	20%	24%

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

(ii) Manappuram Home Finance Limited

Particulars	31 st March, 2023 %	31 st March, 2022 %
Discount rate	7.10%	5.40%
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.

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 st March, 2023			31 st March, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	25,004.78	-	25,004.78	23,707.66	-	23,707.66
Bank balance other than above	4,825.13	521.05	5,346.18	3,244.99	20.89	3,265.88
Derivative financial instruments	244.40	-	244.40	-	-	-
Trade receivables	-	-	-	-	-	-
Loans	2,82,505.50	59,439.55	3,41,945.05	2,44,637.56	45,072.89	2,89,710.45
Investments	0.19	5,339.94	5,340.13	0.19	4,206.84	4,207.03
Other financial assets	3,020.28	253.49	3,273.77	3,295.25	6.34	3,301.59
Non-financial Assets						
Current tax asset	-	354.73	354.73	-	922.95	922.95
Deferred tax assets (net)	-	1,514.09	1,514.09	-	1,740.28	1,740.28
Investment property	-	0.86	0.86	-	0.86	0.86
Property, plant and equipment	-	4,317.94	4,317.94	-	3,531.68	3,531.68
Capital work-in-progress	-	160.11	160.11	-	107.03	107.03
Intangible assets under development	-	6.67	6.67	-	23.22	23.22
Right of use asset	-	5,965.38	5,965.38	-	6,371.42	6,371.42
Goodwill	-	355.65	355.65	-	355.65	355.65
Other intangible assets	-	297.35	297.35	-	260.53	260.53
Other non financial assets	611.10	303.14	914.24	447.52	124.36	571.88
Total assets	3,16,211.38	78,829.95	3,95,041.33	2,75,333.17	62,744.94	3,38,078.11
Liabilities						
Financial Liabilities						
Derivative financial liabilities	-	-	-	273.78	-	273.78
Trade Payables	1,060.86	-	1,060.86	1,416.50	-	1,416.50
Debt Securities	28,586.00	34,055.86	62,641.86	63,138.46	30,079.82	93,218.28
Borrowings (other than debt security)	1,29,746.67	88,499.83	2,18,246.50	94,897.60	49,870.14	1,44,767.74
Deposits	0.91	-	0.91	0.70	-	0.70
Subordinated Liabilities	3,940.11	-	3,940.11	3,198.04	-	3,198.04
Lease Liability	1,211.21	5,626.10	6,837.31	746.77	6,233.11	6,979.88
Other Financial liabilities	1,685.83	1,617.50	3,303.33	1,497.25	1,003.60	2,500.85
Non-financial Liabilities						
Current tax liabilities (net)						
Provisions	722.60	9.38	731.98	718.12	9.74	727.86
Other non-financial liabilities	1,626.21	-	1,626.21	1,149.93	-	1,149.93
Total Liabilities	1,68,580.40	1,29,808.67	2,98,389.07	1,67,037.16	87,196.40	2,54,233.56
Net	1,47,630.98	(50,978.72)	96,652.26	1,08,296.02	(24,451.45)	83,844.55

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Note 44: Change in liabilities arising from financing activities

Changes in liabilities arising from financing activities

Particulars	As at 31 st March 2022	Cash Flows	Other	As at 31 st March 2023
Debt securities	93,218.28	(30,022.85)	(553.57)	62,641.86
Borrowings other than debt securities	1,44,767.74	73,585.19	(106.43)	2,18,246.50
Subordinated liabilities	3,198.04	742.07	-	3,940.11
Total liabilities from financing activities	2,41,184.06	44,304.40	(660.00)	2,84,828.47

Particulars	As at 31 st March 2021	Cash Flows	Other	As at 31 st March 2022
Debt securities	1,12,824.00	(19,280.12)	(325.60)	93,218.28
Borrowings other than debt securities	1,12,142.13	32,730.12	(104.51)	1,44,767.74
Subordinated liabilities	2,195.79	1,002.25	(0.00)	3,198.04
Total liabilities from financing activities	2,27,161.92	14,452.25	(430.11)	2,41,184.06

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 st March, 2023	As at 31 st March, 2022
i) Income tax demand under appeal before the Commissioner of Income Tax (Appeals) for the Assessment Year 2012-13 to 2017-18	1,015.63	769.91
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)	44.94	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	-
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	-
Total	1,561.55	816.23

- 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 Microfinance 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:

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

- (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. 2014-15)

In respect of AY 2011-12, Asirvad Micro Finance Ltd. has received an order passed by the Deputy Commissioner of Income Tax, Corporate Circle 1(1) on 7th June, 2018 (giving effect to the order dated 30th March, 2018 of the Commissioner of Income Tax – Appeals – 1, Chennai), a refund of ₹ 83,93,530 was determined. In response to the same, vide letters dated September 11, 2018[1] and November 29, 2018[2], our company requested for adjusting the demand of ₹ 2,32,270/- In addition, the request for adjusting the demand was also reiterated in the letter to DCIT Corp Circle (1) dated 12th December, 2022. and high chances of succeeding this appeal.

Income Tax (A.Y. 2015-16)

During the FY 2017-18, the Asirvad Micro Finance Ltd. 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 Ltd. 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.

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 Asirvad Micro Finance Ltd. 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. Assessing officer disallowed Demonetized currencies deposited to bank account subsequent to

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

8th November 2016 and 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 is advised by Tax Counsel to contest this demand on the ground that there is no specific provision in the Income Tax Act to tax the amounts received as demonetized currencies.

The company had filed appeals against both the above demands with the Commissioner of Income Tax-Appeals. Based on professional advice, the company strongly believes that the case will be decided in their favour and hence no provision has been considered. However, in the FY 2019-20, the company had paid an amount of ₹ 304.27 Lakhs, being 20% of the above total demands and the same has been disclosed as part of Deposit under Protest. 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. 2020-21)

During the FY 2022-23, the Asirvad Micro Finance Ltd. 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 ₹ 8,413.23 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.

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.

(B) Commitments

- (i) The Group has estimated amount of contracts remaining to be executed on capital account, net of advances as on 31 March 2023 is ₹ 98.57 Mn (31 March 2022: ₹ 97.27 Mn).
- (ii) The Group has ₹ 471.6 Mn undisbursed loans as at March 31, 2023. 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.

(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.

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

- (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 st March, 2023	As at 31 st March, 2022
Opening balance	6,371.42	5,759.99
Recognition of deferred lease rentals	-	-
Additions	816.33	1,682.92
Deletion	(6.06)	-
Depreciation	(1,216.30)	(1,071.49)
Closing balance	5,965.39	6,371.42

-Lease liabilities

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Opening balance	6,979.88	6,108.88
Additions	542.83	1,682.92
Deletion	(4.74)	(33.06)
Payment of Lease liabilities	(1,369.28)	(1,424.70)
Finance cost accrued during the period	688.62	645.83
Closing balance	6,837.31	6,979.88

- Amounts recognised in profit and loss

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Depreciation expense on right-of-use assets	1,216.31	1,071.49
Interest expense on lease liabilities	688.62	645.83

Maturity analysis of Lease Liability

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Not later than one year	1,211.22	746.77
Later than one year but not later than four years	1,598.29	1,783.51
Later than four years	4,027.81	4,449.60
Closing	6,837.32	6,979.88

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

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:

Computers

Particulars	31 March, 2023	31 March, 2022
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 st March 2023: ₹ Nil, Present value as on 31 st March 2022: ₹ NIL]	-	-
Later than one year but not later than five years [Present value on 31 st March, 2023: ₹ Nil, as on 31 st March, 2022 : ₹ Nil]	-	-

Note 46: Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interest

Particulars	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	92.89%	89,784.42	84.41%	12,662.63	91.86%	245.42	84.54%	12,908.05
Subsidiaries :								
Manappuram Home Finance Limited	0.35%	339.52	1.29%	193.12	0.02%	0.04	1.27%	193.16
Manappuram Insurance Brokers Limited	0.01%	12.47	0.21%	31.51	-0.45%	(1.19)	0.20%	30.32
Asirvad Microfinance Limited	6.44%	6,220.77	13.75%	2,063.33	6.88%	18.38	13.62%	2,081.71
Manappuram Comptech and Consultants Limited	0.10%	91.84	0.06%	9.20	1.56%	4.16	0.09%	13.37
Non controlling interest in subsidiaries	0.21%	203.35	0.28%	41.93	0.14%	0.37	0.28%	42.30
Total	100.00%	96,652.37	100.00%	15,001.72	100.00%	267.18	100.00%	15,268.91

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (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*
	Lions Coordination committee of India association
	Finance Industry Development Council
	LICHFL Trustee Company Pvt Ltd*
	FINTECH Products and Solutions (India)Pvt Ltd*
	FINSEC AA Solutions Pvt Ltd*
	Apax Partners India Private Limited
	Mkundapuram Educational Society
	Orange Retail Finance India Private Limited*
	Manappuram Group Gratuity Trust(Approved under IT Act)
	JSW Industrial Gases Pvt Ltd*
	Veritas Finance Private Limited*
	NETAFIM Agricultural Financing Agency Pvt Ltd*
	VISTAAR Financial services Pvt Ltd*
	SNST Advisories Pvt Ltd*
	Best Value Money Exchange Ltd *
	Cashpor Micro Credit *
	CDP (Climate Disclosure Project) India Ops Pvt Ltd*
	Fast Encash Money Transfer Services-Uk*
	Gateway Gardens (Block B) Management Ltd*
	Satsure Analytics India Pvt Ltd*
	Value Finance Corporation Limited*
	Value Finance Ltd*
	Lions Club International*
	IIM Calicut*
	Manappuram Finance Staff Welfare Fund
	Banking, Financial Services And Insurance(BFSI)*
	Morgan & Harvey Services Ltd*
	Svasti Microfinance Pvt Ltd
	Kaizen Infotech Solutions Pvt Ltd
	Myshopp Ecommerce Technologies Pvt Ltd
Brookfield India Real Estate Trust REIT	
Embassy Office Parks REIT	
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 Club 318 -D	
Federation of Indian Chambers of Commerce and Industry	

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Relationship	Name of the party
Key Management Personnel	Mr. V P Nandakumar - Managing Director & CEO
	Mr. Shailesh J Mehta-Chairman
	Mr.Jagdish Capoor - Ex Chairman
	Ms. Sumitha Nandan-Executive Director
	Ms. Pratima Ram-Director
	Mr. B.N Raveendra Babu - Non Executive Director (up to 18.05.2022)
	Mrs. Bindu AL - Chief Financial Officer
	Mr. Manoj Kumar VR - Company Secretary
	Mr. P.Manomohan-Director
	Adv. V.R.Ramachandran-Director
	Mr. Gautam Ravi Narayan - Director
	Ms. Sutapa Banerjee-Director
	Adv. Veliath Pappu Seemanthini
	Mr. Abhijit Sen-Director
	Mr. Harshan Kollara-Director
	Mr. S R Balasubramanian
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 (Relative of Mr. V.P Nandakumar)*
	Ms. Shruthi (Relative of Mr. V.P Nandakumar)*
	Ms. Niniraj (Relative of Mr. V.P Nandakumar)*
	Mrs. Rajalakshmi Raveendra Babu (wife of Mr. B.N Raveendra Babu)*
	Ms. Biji Babu (daughter of Mr. B.N Raveendra Babu)*
	Mr. Sanjai (Daughter's Husband)
	Mr. Bobby Arunkumar (Relative of Mr. B.N Raveendra Babu)*
	Mr. Arunkumar (Relative of Mr. B.N Raveendra Babu)*
	Ms. Leena NS (Relative of Mr. V.R. Ramachandran)*
	Ms. Anju VR (Relative of Mr. V.R. Ramachandran)*
	Mr. Rithwik V R (Relative of Mr. V.R. Ramachandran)*
	Mr. Sethunath S R(Relative of Mr. V.R. Ramachandran)*
	Ms. Indira (Relative of Mr. V.R. Ramachandran)*
	Mr. Sreedharan (Relative of Mr. V.R. Ramachandran)*
	Mr. Paranunni (Relative of Mr. V.R. Ramachandran)*
	Mr. Rishikeshan (Relative of Mr. V.R. Ramachandran)*
	Ms. Subhadra Manomohan (Relative of Mr. P.Manomohan)*
	Mr. Sajith (Relative of Mr. P.Manomohan)*
	Ms. Asha (Relative of Mr. P.Manomohan)*
	Mr. Balachandran (Relative of Mr. P.Manomohan)*
	Mr. Suresh Kumar (Relative of Mr. P.Manomohan)*
	Mr. Ragunath (Relative of Mr. P.Manomohan)*
	Mr. Sreedharan (Relative of Mr. P.Manomohan)*
	Ms. Archana Anand (Relative of Mr. Gautam Narayan)*
	Mr. Ravi Narayanyan (Relative of Mr. Gautam Narayan)*
	Ms. Gomathy Narayan (Relative of Mr. Gautam Narayan)*
	Mr. Advait Gautam Narayan (Relative of Mr. Gautam Narayan)*
	Ms. Gauri Narayan (Relative of Mr. Gautam Narayan)*
	Mr. Aniruddha Bhaskar Banerjee (Relative of Ms. Sutapa Banerjee)*
	Mr Joydeb Banerjee (Relative of Ms. Sutapa Banerjee)*
	Smt. Nibedita Banerjee (Relative of Ms. Sutapa Banerjee)*
	Ms. Diya Banerjee (Relative of Ms. Sutapa Banerjee)*
	Ms. Suchandra Banerjee (Relative of Ms. Sutapa Banerjee)*
	Ms. Tamashree Sen (Relative of Mr. Abhijit Sen)*
	Ms. Arati sen (Relative of Mr. Abhijit Sen)*
Mr. Rohan Sen (Relative of Mr. Abhijit Sen)*	

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Relationship	Name of the party
	Mr. Vivek Sen (Relative of Mr. Abhijit Sen)*
	Ms. Snehal Naik (Relative of Mr. Abhijit Sen)*
	Ms. Amanda Barbee (Relative of Mr. Abhijit Sen)*
	Mr. Bishwajit Sen (Relative of Mr. Abhijit Sen)*
	Mr. Nandakumar Kollara (Relative of Mr. Harshan Kollara)*
	Mr. Jaihari Kollara (Relative of Mr. Harshan Kollara)*
	Mrs. Elena T Kollara (Relative of Mr. Harshan Kollara)*
	Dr. Sugathan Kollara (Relative of Mr. Harshan Kollara)*
	Mr. Sreenath Kollara (Relative of Mr. Harshan Kollara)*
	Ms. Sarala K S (Relative of Mr. Harshan Kollara)*
	Ms. Jayanthi K S (Relative of Mr. Harshan Kollara)*
	Ms. Sunitha K S (Relative of Mr. Harshan Kollara)*
	Mr. Sameet S. Mehta (Relative of Mr. Shailesh J. Mehta)*
	Ms. Kirtee S. Mehta (Relative of Mr. Shailesh J. Mehta)*
	Ms. Sheetal Fisher (Relative of Mr. Shailesh J. Mehta)*
	Ms. Sean Fisher (Relative of Mr. Shailesh J. Mehta)*
	Mr. Sanjay Jayantilal Mehta (Relative of Mr. Shailesh J. Mehta)*
	Mr. Umesh Jayantilal Mehta (Relative of Mr. Shailesh J. Mehta)*
	Ms. Geeta Balasubramanian (Relative of Mr.S R Balasubramanian)*
	Mr. Ramnath Balasubramanian (Relative of Mr.S R Balasubramanian)*
	Ms. Rajni Ramnath (Relative of Mr.S R Balasubramanian)*
	Mr. S R Gopalakrishnan (Relative of Mr.S R Balasubramanian)*
	Mr. S Ramasubramanian (Relative of Ms. Pratima Ram)*
	Ms. Jyotsna Ram (Relative of Ms. Pratima Ram)*
	Mr. Prakash Patel (Relative of Ms. Pratima Ram)*
	Mr. Prabhuling Patel (Relative of Ms. Pratima Ram)*
	Ms. Pramila Byahatti (Relative of Ms. Pratima Ram)*
	Ms. Poornima Jairaj (Relative of Ms. Pratima Ram)*
	Ms. Vijayalakshmi Patel (Relative of Ms. Pratima Ram)*
	Ms. Anushka Jayasankar (Relative of Ms. Sumitha Nandan)*
	Ms. Aashirya Jayasankar (Relative of Ms. Sumitha Nandan)*
	Ms. Aswathy Sreevatsan (Relative of Adv. Veliath Pappu Seemanthini)*
	Mr. Sumit Saseendran (Relative of Adv. Veliath Pappu Seemanthini)*
	Mr. V P Sugunan (Relative of Adv. Veliath Pappu Seemanthini)*
	Ms. V P Lalitha (Relative of Adv. Veliath Pappu Seemanthini)*
	Ms. V P Surabhi (Relative of Adv. Veliath Pappu Seemanthini)*
	Ms. V P Geetha (Relative of Adv. Veliath Pappu Seemanthini)*
	Ms. Siji M G (Relative of Mr. Manoj Kumar V R)*
	Mr. V K Raman (Relative of Mr. Manoj Kumar V R)*
	Ms. V K Vilasini (Relative of Mr. Manoj Kumar V R)*
	Mr. Harikrishna M Manoj (Relative of Mr. Manoj Kumar V R)*
	Mr. Naveen (Relative of Mr. Manoj Kumar V R)*
	Mr. Praveen V R (Relative of Mr. Manoj Kumar V R)*
	Ms. Geetha V R (Relative of Mr. Manoj Kumar V R)*
	Mr. Benny (Relative of Mrs. Bindhu AL)*
	Mr. Lonappan (Relative of Mrs. Bindhu AL)*
	Ms. Rosily Lonappan (Relative of Mrs. Bindhu AL)*
	Mr. Amal Benny (Relative of Mrs. Bindhu AL)*
	Ms. Anna Ben (Relative of Mrs. Bindhu AL)*
	Mr. Biju A L (Relative of Mrs. Bindhu AL)*
	Mr. Nelson A L (Relative of Mrs. Bindhu AL)*
	Mr. Vivek Capoor (Relative of Mr. Jagdish Capoor)*
	Ms. Shivani Capoor (Relative of Mr. Jagdish Capoor)*
	Mr. Satish Capoor (Relative of Mr. Jagdish Capoor)*
	Mr. Girish Capoor (Relative of Mr. Jagdish Capoor)*
	Ms. Nirmala Mehrotra (Relative of Mr. Jagdish Capoor)*
	Ms. Pramila Bhatia (Relative of Mr. Jagdish Capoor)*

* No transactions with these related parties

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (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 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement Of Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received	-	-	-	1.34	-	1.34	-	-	-	-	-	-	-	1.34
Manapuram Asset Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	1.34
Spendana Sphoorty Financial Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sitting Fee To Directors:	-	-	-	-	-	7.42	7.40	0.39	0.37	-	-	-	7.81	7.77
Mr. Abhijit Sen	-	-	-	-	-	1.46	2.37	-	-	-	-	-	1.46	2.37
Mr. Harshan Kollara	-	-	-	-	-	1.45	1.07	-	-	-	-	-	1.45	1.07
Mr. Jagdish Capoor	-	-	-	-	-	-	0.28	-	-	-	-	-	-	0.28
Mr. P Manomohan	-	-	-	-	-	1.02	0.63	-	-	-	-	-	1.02	0.63
Mr. Shailesh J. Mehta	-	-	-	-	-	1.06	0.88	-	-	-	-	-	1.06	0.88
Mrs. Sutapa Banerjee	-	-	-	-	-	0.26	0.83	-	-	-	-	-	0.26	0.83
Mr. V.R. Ramachandran	-	-	-	-	-	0.76	0.69	-	-	-	-	-	0.76	0.69
Mr. Balasubrahmanian	-	-	-	-	-	0.34	0.26	-	-	-	-	-	0.34	0.26
Ms. Pratima	-	-	-	-	-	0.91	-	-	-	-	-	-	0.91	-
Ms. Seemadhini	-	-	-	-	-	0.08	-	-	-	-	-	-	0.08	-
Mr. Raveendra Babu	-	-	-	-	-	0.08	0.40	-	-	-	-	-	0.08	0.40
Mrs. Sushama Nandakumar	-	-	-	-	-	-	-	0.13	0.13	-	-	-	0.13	0.13
Ms. Jyothy Prasanna	-	-	-	-	-	-	-	0.26	0.24	-	-	-	0.26	0.24
Commission Fee To Directors:	-	-	-	-	-	126.17	116.03	0.30	0.30	-	-	-	126.47	116.33
Mr. V.P.Nandakumar	-	-	-	-	-	85.00	80.00	-	-	-	-	-	85.00	80.00
Mr. Shailesh J. Mehta	-	-	-	-	-	10.00	6.50	-	-	-	-	-	10.00	6.50
Mr. P Manomohan	-	-	-	-	-	2.80	2.82	-	-	-	-	-	2.80	2.82
Mr. V.R. Ramachandran	-	-	-	-	-	4.20	3.52	-	-	-	-	-	4.20	3.52
Mrs. Sutapa Banerjee	-	-	-	-	-	0.88	3.50	-	-	-	-	-	0.88	3.50
Mr. Abhijit Sen	-	-	-	-	-	6.22	5.40	-	-	-	-	-	6.22	5.40
Mr. Harshan Kollara	-	-	-	-	-	4.62	4.80	-	-	-	-	-	4.62	4.80
Mr. Balasubrahmanian	-	-	-	-	-	2.80	2.10	-	-	-	-	-	2.80	2.10
Ms. Pratima	-	-	-	-	-	2.20	-	-	-	-	-	-	2.20	-
Ms. V.P. Seemadhini	-	-	-	-	-	0.70	-	-	-	-	-	-	0.70	-
Ms. Sumitha Jayasankar	-	-	-	-	-	0.75	-	-	-	-	-	-	0.75	-
Mr. Jagdish Capoor	-	-	-	-	-	-	1.40	-	-	-	-	-	-	1.40
Mr. Raveendra Babu	-	-	-	-	-	6.00	6.00	-	-	-	-	-	6.00	6.00
Ms. Jyothy Prasanna	-	-	-	-	-	-	-	0.30	0.30	-	-	-	0.30	0.30

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (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 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022
Incentive	-	-	-	-	-	2.20	2.00	-	-	-	-	-	2.20	2.00
Mrs. Bindu AL - CFO	-	-	-	-	-	2.20	2.00	-	-	-	-	-	2.20	2.00
Remuneration To Directors	-	-	-	-	-	116.65	113.65	-	-	-	-	-	116.65	113.65
Mr. VP Nandakumar	-	-	-	-	-	101.25	95.62	-	-	-	-	-	101.25	95.62
Ms. Sumitha Jayasankar	-	-	-	-	-	2.53	-	-	-	-	-	-	2.53	-
Mr. Raveendra Babu	-	-	-	-	-	12.87	18.03	-	-	-	-	-	12.87	18.03
Remuneration To Other Kmps	-	-	-	-	-	15.69	13.21	-	-	-	-	-	15.69	13.21
Ms. Bindu AL	-	-	-	-	-	11.78	9.68	-	-	-	-	-	11.78	9.68
Mr. Manoj Kumar V R	-	-	-	-	-	3.91	3.53	-	-	-	-	-	3.91	3.53
Remuneration Paid To Relative Of Kmp	-	-	-	-	-	-	-	1.38	1.33	-	-	-	1.38	1.33
Mr. Suhas Nandan	-	-	-	-	-	-	-	1.38	1.33	-	-	-	1.38	1.33
Travelling Expense Paid	-	-	-	-	-	0.60	2.12	-	-	-	-	-	0.60	2.12
Manappuram Travels	-	-	-	-	-	0.60	2.12	-	-	-	-	-	0.60	2.12
Rent Waived	-	-	-	-	-	17.25	5.74	-	-	-	-	-	17.25	5.74
Manappuram Foundation	-	-	-	-	-	17.25	5.74	-	-	-	-	-	17.25	5.74
Transfer Of Vehicle (Donation)	-	-	-	-	-	-	1.15	-	-	-	-	-	-	1.15
Manappuram Foundation	-	-	-	-	-	-	1.15	-	-	-	-	-	-	1.15
Donation Paid	-	-	-	-	-	37.99	14.99	-	-	-	-	-	37.99	14.99
Manappuram Foundation	-	-	-	-	-	37.99	14.99	-	-	-	-	-	37.99	14.99
Csr Paid	-	-	-	-	-	473.65	270.33	-	-	-	-	-	473.65	270.33
Manappuram Foundation	-	-	-	-	-	473.65	270.33	-	-	-	-	-	473.65	270.33
Payment To	-	-	-	-	-	199.82	189.82	-	-	-	-	-	199.82	189.82
Lions Co-Ordination Committee Of India Association	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Group Gratuity Trust(Approved)	-	-	-	-	-	199.82	189.82	-	-	-	-	-	199.82	189.82
Rent Paid	-	-	-	-	-	4.95	5.57	-	0.16	0.15	-	-	5.11	5.72
Mr. Suhas Nandan	-	-	-	-	-	-	-	-	0.16	0.15	-	-	0.16	0.15
Manappuram Agro Farms Limited	-	-	-	-	-	4.95	5.57	-	-	-	-	-	4.95	5.57
Rent Received	-	-	-	0.00	-	1.71	5.43	-	-	-	-	-	1.71	5.43
Manappuram Jewellers Limited	-	-	-	-	-	1.40	4.04	-	-	-	-	-	1.40	4.04
Manappuram Agro Farms Limited	-	-	-	-	-	0.31	1.39	-	-	-	-	-	0.31	1.39
Electricity Charge Received	-	-	-	-	-	0.50	0.49	-	-	-	-	-	0.50	0.49
Manappuram Jewellers Limited	-	-	-	-	-	0.40	0.40	-	-	-	-	-	0.40	0.40
Manappuram Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Agro Farms Limited	-	-	-	-	-	0.10	0.09	-	-	-	-	-	0.10	0.09
Purchase Of Assets & Others	-	-	-	-	-	-	31.66	-	-	-	-	-	-	31.66
Manappuram Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Agro Farms Limited (Purchase Of Land)	-	-	-	-	-	-	31.66	-	-	-	-	-	-	31.66

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (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 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Subscription Fee Paid	-	-	0.05	0.05	-	-	-	-	-	-	-	-	0.05	0.05
Finance Industry Development Council	-	-	0.05	0.05	-	-	-	-	-	-	-	-	0.05	0.05
Advertisement Expense	-	-	0.70	0.13	-	-	-	-	-	-	-	-	0.70	0.13
Finance Industry Development Council	-	-	-	0.03	-	-	-	-	-	-	-	-	-	0.03
Lions Co-Ordination Committee Of India Association	-	-	-	0.10	-	-	-	-	-	-	-	-	-	0.10
Federation Of Indian Chambers Of Commerce & Industry (Ficci)	-	-	0.70	-	-	-	-	-	-	-	-	-	0.70	-
Fee Received for Legal, Audit, Technical, IT, secretarial services	-	-	84.67	62.15	-	-	-	-	-	-	-	-	84.67	62.15
Manappuram Construction & Consultants Limited	-	-	15.87	56.40	-	-	-	-	-	-	-	-	15.87	56.40
Manappuram Foundation	-	-	14.98	5.68	-	-	-	-	-	-	-	-	14.98	5.68
Mukundapuram Educational and Cultural Society	-	-	0.18	0.07	-	-	-	-	-	-	-	-	0.18	0.07
Manappuram Chits (Karnataka) Private Limited	-	-	2.86	-	-	-	-	-	-	-	-	-	2.86	-
Maben Nidhi Limited	-	-	14.66	-	-	-	-	-	-	-	-	-	14.66	-
MACARE DENTAL CARE PRIVATE LTD	-	-	0.50	-	-	-	-	-	-	-	-	-	0.50	-
MAFIN Enterprises	-	-	0.50	-	-	-	-	-	-	-	-	-	0.50	-
Manappuram Agro Farms Limited	-	-	4.32	-	-	-	-	-	-	-	-	-	4.32	-
Manappuram Asset Finance Limited	-	-	14.52	-	-	-	-	-	-	-	-	-	14.52	-
Manappuram Chits (India) Limited	-	-	4.19	1.01	-	-	-	-	-	-	-	-	4.19	1.01
Manappuram Health Care Limited	-	-	5.67	-	-	-	-	-	-	-	-	-	5.67	-
Manappuram Jewellers Limited	-	-	6.39	-	-	-	-	-	-	-	-	-	6.39	-
Manappuram Chits	-	-	0.02	-	-	-	-	-	-	-	-	-	0.02	-
Manappuram Travels	-	-	0.01	-	-	-	-	-	-	-	-	-	0.01	-
Reimbursement Expense Paid	-	-	-	-	0.73	0.18	-	-	-	-	-	-	0.73	0.18
Mr. V.P.Nandakumar	-	-	-	-	0.73	0.18	-	-	-	-	-	-	0.73	0.18
Ms. Sumitha Jayasankar	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education And Training Services Provided	-	-	3.73	6.40	-	-	-	-	-	-	-	-	3.73	6.40
Manappuram Jewellers Limited	-	-	0.44	0.69	-	-	-	-	-	-	-	-	0.44	0.69
Maben Nidhi Limited	-	-	0.67	2.05	-	-	-	-	-	-	-	-	0.67	2.05
Manappuram Asset Finance Limited	-	-	0.61	1.65	-	-	-	-	-	-	-	-	0.61	1.65
Manappuram Chits India Limited	-	-	0.41	0.94	-	-	-	-	-	-	-	-	0.41	0.94
Manappuram Agro Farms Limited	-	-	0.86	0.25	-	-	-	-	-	-	-	-	0.86	0.25
Manappuram Health Care Ltd	-	-	0.74	0.63	-	-	-	-	-	-	-	-	0.74	0.63
Manappuram Construction And Consultants Limited	-	-	-	0.19	-	-	-	-	-	-	-	-	-	0.19
Other Expenses Paid	-	-	-	1.01	-	-	-	-	-	-	-	-	-	1.01
Manappuram Agro Farms Limited	-	-	-	1.01	-	-	-	-	-	-	-	-	-	1.01
Manappuram Construction And Consultants Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Health Care Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (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 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Maintenance And Repairs Paid	-	-	-	-	-	0.19	-	-	-	-	-	-	-	0.19
Manappuram Construction And Consultants Limited	-	-	-	-	-	0.19	-	-	-	-	-	-	-	0.19
Staff Welfare Expenses Paid	-	-	-	-	-	2.62	-	-	-	-	-	-	-	2.62
Manappuram Health Care Ltd	-	-	-	-	-	1.31	-	-	-	-	-	-	-	1.31
Adlux Medicity And Convention Centre Private Ltd	-	-	-	-	-	1.31	-	-	-	-	-	-	-	1.31
Manappuram Foundation	-	-	-	-	-	0.00	-	-	-	-	-	-	-	0.00
Construction Expenses	-	-	-	-	-	46.25	-	-	-	-	-	-	-	46.25
Manappuram Construction And Consultants Limited	-	-	-	-	-	46.25	-	-	-	-	-	-	-	46.25
Money Transfer - Principal Amount Paid	-	-	-	-	-	0.04	-	-	-	-	-	-	-	0.04
Manappuram Asset Finance Limited	-	-	-	-	-	0.04	-	-	-	-	-	-	-	0.04
Amount Paid To	-	-	-	-	-	23.48	-	-	-	-	-	-	-	23.48
Manappuram Finance Staff Welfare Fund	-	-	-	-	-	23.48	-	-	-	-	-	-	-	23.48
Gratuity Transferred	-	-	-	-	-	1.26	-	-	-	-	-	-	-	1.26
Manappuram Jewellers Limited	-	-	-	-	-	0.04	-	-	-	-	-	-	-	0.04
Manappuram Foundation	-	-	-	-	-	1.11	-	-	-	-	-	-	-	1.11
Manappuram Foundation - Mukundapuram	-	-	-	-	-	0.11	-	-	-	-	-	-	-	0.11
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
Receipt Of Principal On Account Of Securitisation	-	-	-	-	-	14.27	-	-	-	-	-	-	-	14.27
Manappuram Asset Finance Limited	-	-	-	-	-	14.27	-	-	-	-	-	-	-	14.27
Balance Outstanding As At The Year End:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Deposit	-	-	-	-	-	0.99	-	-	-	-	-	-	-	0.99
Manappuram Foundation	-	-	-	-	-	0.79	-	-	-	-	-	-	-	0.79
Manappuram Jewellers Limited	-	-	-	-	-	0.16	-	-	-	-	-	-	-	0.16
Manappuram Agro Farms Limited	-	-	-	-	-	0.04	-	-	-	-	-	-	-	0.04
Corporate Loan Outstanding	-	-	-	-	-	-	-	-	-	-	150.00	-	-	150.00
Spandana Sphoorty Financial Limited	-	-	-	-	-	-	-	-	-	-	150.00	-	-	150.00
Svasti Microfinance Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amounts receivable (net) from related parties	-	-	-	-	-	0.07	13.32	-	-	-	-	-	-	0.07
Manappuram Construction and Consultants Limited	-	-	-	-	-	0.05	12.96	-	-	-	-	-	-	0.05
Mukundapuram Education and Cultural Society	-	-	-	-	-	0.02	0.05	-	-	-	-	-	-	0.02
Manappuram Foundation	-	-	-	-	-	-	0.30	-	-	-	-	-	-	0.30

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (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 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2023	As at 31 st March 2022
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Amounts Payable (Net) To Related Parties	-	-	4.09	6.62	128.20	118.04	0.30	0.31	-	-	132.59	124.97	-	-
Mr. V.P.Nandakumar	-	-	-	-	85.00	80.00	-	-	-	-	85.00	80.00	-	-
Mr. Abhijit Sen	-	-	-	-	6.32	5.40	-	-	-	-	6.32	5.40	-	-
Mr. Harshan Kollara	-	-	-	-	4.74	4.80	-	-	-	-	4.74	4.80	-	-
Mr. Jagdish Capoor	-	-	-	-	-	1.40	-	-	-	-	-	1.40	-	-
Mr. P. Manomohan	-	-	-	-	2.90	2.82	-	-	-	-	2.90	2.82	-	-
Mr. Shailesh J. Mehta	-	-	-	-	10.12	6.50	-	-	-	-	10.12	6.50	-	-
Mrs. Sutapa Banerjee	-	-	-	-	0.88	3.50	-	-	-	-	0.88	3.50	-	-
Mr. V.R. Ramachandran	-	-	-	-	4.27	3.52	-	-	-	-	4.27	3.52	-	-
Mr. Balasubrahmanian	-	-	-	-	2.84	2.10	-	-	-	-	2.84	2.10	-	-
Mr. Suhas Nandan	-	-	-	-	-	-	-	0.01	-	-	-	-	-	0.01
Ms. Sumitha Jayasankar	-	-	-	-	0.75	-	-	-	-	-	0.75	-	-	-
Pratima	-	-	-	-	1.44	-	-	-	-	-	1.44	-	-	-
V.P. Seemanthini	-	-	-	-	0.74	-	-	-	-	-	0.74	-	-	-
Ms. Jyothy Prasanna	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Construction And Consultants Limited	-	-	3.90	3.90	-	-	0.30	0.30	-	-	0.30	0.30	-	-
Manappuram Travels	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Agro Farms Limited	-	-	0.19	0.32	-	-	-	-	-	-	0.19	0.32	-	-
Manappuram Finance Staff Welfare Trust	-	-	-	2.24	-	-	-	-	-	-	-	2.24	-	-
Ms. Bindu AL	-	-	-	-	2.20	2.00	-	-	-	-	2.20	2.00	-	-
Mr. Raveendra Babu	-	-	-	-	6.00	6.00	-	-	-	-	6.00	6.00	-	-
Manappuram Health Care Limited	-	-	-	0.00	-	-	-	-	-	-	-	-	-	0.00
Manappuram Foundation	-	-	-	0.16	-	-	-	-	-	-	-	-	-	0.16

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%
- The loans have been utilised by the Manappuram Home Finance Limited and Asirvad Micro Finance Limited for lending and 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.

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (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 st March 2023				31 st March 2022			
	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	-	277.25	-	277.25	-	494.49	-	494.49
Forward Rate Agreements	-	-	-	-	-	-	-	-
Total derivative financial instruments	-	277.25	-	277.25	-	494.49	-	494.49
Financial investment held for trading								
Equity Shares	0.75	-	-	0.75	0.71	-	-	0.71
Total financial investment held for trading	0.75	-	-	0.75	0.71	-	-	0.71
Total assets measured at fair value on a recurring basis	0.75	277.25	-	277.99	0.71	494.49	-	495.20
Assets measured at fair value on a non-recurring basis								
Liabilities measured at fair value on a recurring basis								
Derivative financial instruments								
Forward contracts	-	(32.85)	-	(32.85)	-	(768.27)	-	(768.27)
Total derivative financial instruments	-	(32.85)	-	(32.85)	-	(768.27)	-	(768.27)
Liabilities measured at fair value on a non-recurring basis	-	(32.85)	-	(32.85)	-	(768.27)	-	(768.27)

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 2023 (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 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022
Financial assets					
Cash and cash equivalents	2	25,004.78	23,707.66	25,004.78	23,707.66
Bank Balance other than above	2	5,346.18	3,265.88	5,346.18	3,265.88
Loans	3	3,41,945.05	2,89,710.45	3,41,945.05	2,89,710.45
Investments	1	4,140.88	4,140.88	4,140.88	4,071.53
Investments	3	1,199.25	66.15	1,199.25	66.15
Derivative financial instruments	2	244.40	-	244.40	-
Other Financial assets	2	3,172.21	3,181.23	3,172.21	3,181.23
Other Financial assets	3	101.56	120.36	101.56	120.36
Total financial assets		3,81,154.31	3,24,192.61	3,81,154.31	3,24,123.26
Financial Liabilities					
Derivative financial instruments	2	-	273.78	-	273.78
Payables	2	1,060.86	1,416.50	1,060.86	1,416.50
Debt Securities	2	62,641.86	93,218.28	62,512.08	93,218.28
Borrowings (other than debt security)	2	2,18,246.50	1,44,767.74	2,18,246.50	1,44,767.74
Deposits	2	0.91	0.70	0.91	0.70
Subordinated Liabilities	2	3,940.11	3,198.04	3,940.11	3,198.04
Other Financial liabilities	2	3,303.33	2,500.85	3,303.33	2,500.85
Lease Liabilities		6,837.31	6,979.88	6,837.31	6,979.88
Total Financial Liabilities		2,96,030.88	2,52,355.77	2,95,901.10	2,52,355.77

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (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.

Concentration risk: As on 31 March 2023, our gold loan portfolio is 55.7% 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.

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

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.

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 5 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:

A) Manappuram Finance Limited

Pools	31 st March 2023			31 st March 2022		
	Stage I	Stage II*	Stage III	Stage I	Stage II	Stage III
1) Gold Loan-Normal risk**	15.54%	15.54%	100.00%	10.42%	10.42%	100.00%
2) Vehicle Loan						
CV	5.81%	12.09%	100.00%	5.24%	9.40%	100.00%
BUS	8.38%	14.66%	100.00%	6.94%	11.71%	100.00%
FE	2.49%	7.29%	100.00%	1.89%	4.96%	100.00%
CAR/AUTO	3.76%	9.01%	100.00%	3.46%	8.20%	100.00%
TW	6.61%	8.02%	100.00%	5.74%	7.74%	100.00%
3) SME Loan	6.93%	23.49%	100.00%	7.12%	24.60%	100.00%

* Excluding restructured loans, where in Vehicle loan Stage II restructured loans for CV -63%, BUS -55% and CAR - 93% as at March 31, 2023.

- 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%

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

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 Microfinance Limited

Pools	31 st March 2023			31 st March 2022		
	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III
1) Micro Finance Loans	1.84%	18.43%	100.00%	1.24%	14.44%	80.00%
2) SME loans						
3) MSME loans	0.40%	0.40%	10.00%	0.40%	0.40%	100.00%

C) Manappuram Home Finance Limited

Pools	31 st March 2023			31 st March 2022		
	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III
1) Construction	1.18%	7.96%	100.00%	1.03%	7.08%	100.00%
2) Ready to use House	3.17%	19.50%	100.00%	3.12%	24.06%	100.00%
3) Home Improvement	1.31%	8.84%	100.00%	1.26%	8.51%	100.00%
4) Home Extension	1.53%	10.22%	100.00%	1.53%	10.22%	100.00%
5) Balance Transfer & Top-Up	2.84%	18.28%	100.00%	2.74%	17.65%	100.00%
6) LAP	1.83%	11.92%	100.00%	1.68%	10.55%	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, the Group has assessed that significant recoveries happen in the year in which default has occurred. In estimating LGD, the Group reviews macro-economic developments taking place in the economy.

A) Manappuram Finance Limited

Pools	31 st March, 2023	31 st March, 2022
1) Gold Loan	3.04%	2.21%
2) Vehicle Loan		
CV	16.07%	20.60%
BUS	18.61%	29.98%
FE	13.01%	31.16%
CAR/AUTO	10.80%	21.36%
TW	23.95%	18.68%
3) SME Loan	67.99%	19.01%
4) Onlending	60%	60%
5) Corporate Finance	100%	65%

B) Asirvad Microfinance Limited

Pools	31 st March 2023			31 st March 2022		
	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III
1) Micro Finance Loans	58.77%	58.77%	58.77%	80%	80%	80%
2) SME loans	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
3) MSME loans	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

C) Manappuram Home Finance Limited

Portfolio	31 st March, 2023	31 st March, 2022
1) Construction	16.17%	43.50%
2) Ready to use House	16.17%	43.50%
3) Home Improvement	16.17%	43.50%
4) Home Extension	16.17%	43.50%
5) Balance Transfer & Top-Up	16.17%	43.50%
6) LAP	16.17%	43.50%

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.

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 (c) 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

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

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 31st 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	2,10,445.15
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	1,33,907.33	77,825.85	36,810.15	11,353.42	11,275.98	3,41,945.05
Investments	-	-	-	30.69	23.27	-	23.32	3,132.69	93.32	2,036.84	5,340.13

Maturity pattern of assets and liabilities as on 31st March 2022

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	9,388.33	5,486.82	12,435.51	16,660.15	32,765.64	15,499.38	17,296.01	35,105.65	4,974.93	2,519.56	1,52,131.98
Foreign Currency Term Loan	-	-	-	-	-	1,945.64	1,820.00	7,270.00	-	-	11,035.64
Debt Security	1.98	-	0.63	3,057.41	7,206.68	3,098.25	34,588.06	22,121.63	3,834.94	4,123.25	78,032.83
Subordinated Debts	0.06	1.61	3.85	0.48	-	-	-	-	-	-	6.00
Securitisation	-	-	-	-	-	-	-	-	-	-	-
Advances	4,741.64	5,287.30	14,807.93	30,288.50	62,603.55	99,502.41	27,406.23	30,616.62	6,933.36	7,522.91	2,89,710.45
Investments	-	-	9.94	39.93	32.86	16.60	19.99	-	3,016.10	1,071.61	4,207.03

*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 two 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.

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

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 62% 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.

Note 50: Details of Financial Assets sold to Securitisation Company

Manappuram Finance Limited :

Particulars	31 st March, 2023	31 st March, 2022
(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 st March, 2023	31 st March, 2022
Total number of loan assets securitized during the year	-	-
Book value of loan assets securitized during the year	-	-
Sale consideration received during the year	-	-
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	-	-
Quantum of Credit Enhancement as at year end	-	-
Interest spread Recognised in the Statement of Profit and Loss during the Year	-	-

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Asirvad Microfinance Limited

Particulars	31 st March, 2023	31 st March, 2022
(i) No of SPVs sponsored by the NBFC for securitisation transactions		
a. Through Direct assignment	28	22
b. Through PTC	3	-
Total	31	22
(ii) Total amount of securitised assets as per books of the SPVs Sponsored		
a. Through Direct assignment	10,554.16	12,125.61
b. Through Pass through Certificates	4,304.14	-
Total	14,858.30	12,125.61
(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	1,195.37	1,473.36
b. Pass through Certificates	-	-
- Others	-	-
(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	-	-

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Details of Financial Assets sold to Securitisation Company

Particulars	31 st March, 2023	31 st March, 2022
Total number of loan assets securitized during the year	5,19,059.00	-
a. Through Direct assignment (no. of accounts)	3,81,103.00	-
b. Through PTC (no. of accounts)	1,37,956.00	-
Book value of loan assets securitized during the year	17,791.52	13,598.97
a. Through Direct assignment	12,572.53	13,598.97
b. Through PTC	5,218.99	-
Sale consideration received during the year	15,832.92	12,125.61
a. Through Direct assignment	11,315.36	12,125.61
b. Through PTC	4,517.56	-
MFI Loans Subordinated as Credit Enhancement on Assets Derecognised	1,958.61	1,473.35
a. Through Direct assignment	1,257.18	1,473.36
b. Through PTC	701.43	-
Gain / (loss) on the securitization transaction recognised in P&L	-	-
a. Through Direct assignment	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	-	-
a. Through Direct assignment	-	-
b. Through PTC	-	-
Quantum of Credit Enhancement as at year end	-	-
a. Through Direct assignment	-	-
b. Through PTC	-	-
Interest spread Recognised in the Statement of Profit and Loss during the Year	1,036.95	1,169.72
a. Through Direct assignment	1,036.95	1,169.72
b. Through PTC	-	-

Details of assignment transactions

Manappuram Finance Limited

Particulars	31 st March, 2023	31 st March, 2022
(i) Number of Accounts	4,804.00	-
(ii) Aggregate value (net of provisions) of accounts sold	2,658.29	-
(iii) Aggregate consideration	2,392.46	-
(iv) Aggregate consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	217	-

Asirvad Microfinance Limited

Particulars	31 st March, 2023	31 st March, 2022
(i) Number of Accounts	5,19,014.00	4,92,020
(ii) Aggregate value (net of provisions) of accounts sold	14,867.24	1,415
(iii) Aggregate consideration	15,832.91	1,259
(iv) Aggregate consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value (As Per Ind AS)	1036.952	117

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Manappuram Home Finance Limited

Particulars	31 st March, 2023	31 st March, 2022
Number of Accounts	563	-
Aggregate amount	391.98	-
Sale consideration ²	274.39	-
Number of transactions	1	-
Aggregate gain/(loss) over net book value	(116.20)	-

Details of stressed loans transferred to ARC

Manappuram Home Finance Limited

Particulars	31 st March, 2023
	To ARCs
No. of accounts	563
Aggregate principal outstanding of loans transferred	3919.81
Weighted average residual tenor of the loans transferred	144
Net book value of loans transferred (at the time of transfer)	223.38
Aggregate Consideration	274.4
Additional consideration realized in respect of accounts transferred in earlier years	-

Note 51: Segment reporting

Sl. No	Particulars	Year Ended	
		31 st March, 2023	31 st March, 2022
1	Segment revenue		
	Gold loan and others	49,906.71	47,266.14
	Microfinance	17,592.76	13,997.00
	Total Segment revenue	67,499.47	61,263.14
2	Segment results (Profit before tax)		
	Gold loan and others	17,303.34	17,649.09
	Microfinance	3,107.16	186.14
	Total Segment results	20,410.50	17,835.23
3	Segment assets		
	Gold loan and others	2,93,208.66	2,69,968.73
	Microfinance	1,01,832.66	68,136.79
	Total Segment assets	3,95,041.32	3,38,105.52
4	Segment liabilities		
	Gold loan and others	2,11,995.22	1,96,844.71
	Microfinance	86,393.85	57,416.26
	Total Segment liabilities	2,98,389.07	2,54,260.97

Note 52: Derivatives disclosures as per RBI

As at 31 March 2023, the Group has recognised net Market to Market (MTM) Loss of ₹ 244.40 Mn (31 March 2022 ₹ 158.18 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'.

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Details of outstanding derivative contracts as at the year end.

Type of Derivatives	31 st March 2023		31 st March 2022	
	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	9,06,54,951	24	29,15,31,804
Cross currency with interest rate (USD)	1	1,50,00,000	1	1,50,00,000
Cross currency with interest rate (EURO)	3	2,50,00,000	2	2,50,00,000
Currency Swaps	-	-	4	16,41,00,000

Type of Derivatives	31 st March 2023		31 st March 2022	
	No of contracts	Value ₹ In Mn	No of contracts	Value ₹ In Mn
Forward Contracts entered into hedge the currency risk of future interest payments (in USD)	8	7,449	24	22,095.92
Cross currency with interest rate (USD)	1	1,233	1	11,115.00
Cross currency with interest rate (EURO)	3	2,240	2	21,645
Currency Swaps	-	-	4	12,437.62

Disclosure required as per RBI

Forward rate agreement / Interest rate swap

Particulars	31 st March, 2023	31 st March, 2022
i) The notional principal of swap agreements	3,276.00	15,713.62
ii) The notional principal of forward rate agreements	7,449.12	22,095.92
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements.	(277.25)	(27.41)
iii) Collateral required by the NBFC upon entering into swaps	2,600.00	2,088.10
iv) Concentration of credit risk arising from the swap	-	-
v) The fair value of the swap agreements	277.25	439.67
vi) The fair value of the forward rate agreements	(32.85)	(768.27)

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 st March 2023		31 st March 2022	
	Swaps	Forward Agreements	Swaps	Forward Agreements
i) Derivatives (Notional principal amount)				
For Hedging	3,276.00	7,449.12	12,437.62	25,371.92
ii) Marked to Market Positions	-	-	-	-
a) Asset (+)	277.25	-	582.68	27.41
b) Liability (-)	-	32.85	-	768.27
iii) Credit Exposure	-	-	-	-
iv) Unhedged Exposure	-	-	-	-

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Note 53: Disclosure as per amended Schedule III to the Companies Act, 2013

Note 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.

Note 53B: 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 Group 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 Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- No funds have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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	8.72	22.89	128.49	-	160.10
Projects temporarily suspended	-	-	-	-	-
Intangibles under development	6.54	0.13	0	0	6.67

Note 53D: Relationship with struck off companies

Name of struck off company	Nature of transaction with struck off company	Balance outstanding*	Relationship with struck off company if any
Heidelberg India Private Limited	Payable	1.51	Nil
Godrej & Boyce Mfg. Co. Ltd	Payable	6.95	Nil
Singh Intelligence Security Pvt Ltd	Payable	31.63	Nil
Sulekha Com New Media Private Limited	Payable	3.25	Nil

*As on reporting date (31-03-2023)

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.

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 ₹ 291.24 Mn (31 March 2022: ₹ 266.89 Mn) of which the Group has recovered ₹ 106.08 Mn (31 March 2022: ₹ 48.02 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

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

employees and taking legal actions, where applicable. The Group has created provision aggregating to ₹ 185.16 Mn (31st March 2022: ₹ 218.87 Mn) towards these losses based on its estimate.

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 2023.

Note 56: RBI SCN

During the course of Annual Inspection of the Holding Company's books for the FY 2020-21, the RBI had highlighted certain aspects on due date extension on Gold loans and subsequent collection against non performing assets post Balance Sheet date. In respect of the same matter, the Holding Company has received a show cause notice from the RBI on January 27, 2023. The Holding Company filed its responses to the SCN and also had a personal hearing with the RBI to discuss the responses to the matters covered by the SCN. Additionally, the Holding Company has complied with similar matter which was verified by the RBI during its annual inspection for FY 21-22 and no adverse comments were made on these matters. The Holding Company has also made available all the details as have been sought by RBI in this matter. However, as of date, the matter continues to be pending further hearing and the extent of penalty that will be imposed on the Holding Company in this matter is currently unascertainable.

Note 57: 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 31st March, 2023 and 31st March, 2022.

Note 58: 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 59: Disclosure on Investor Education and Protection Fund

Amount of Unclaimed dividend 4.59 Mn transferred to the Investor Education and Protection Fund during the year 2022-23.

Note 60: Restatement of Comparative Financial Statement

During the quarter ended June 30, 2022, Asirvad Micro Finance Ltd (AMFL) started recognizing the revenue on the gross credit impaired portfolio net off provision harmonious with the requirements of IND AS 109 which was being recognized on actual receipt basis till March 31, 2022, thereby aligning its accounting policy of recognition of revenue on credit impaired portfolio (Stage 3 portfolio) with the parent entity's accounting policy. Accordingly, as per para 14 (b) of INDAS 8, AMFL has retrospectively changed the policy to reflect the above changes in the financial statement, thereby providing reliable and more relevant information about the AMFL's financial position, financial performance or cash flows. The impact of such change is as under :

Financial line item	As at and for the year ended 31 st March, 2023	As at and for the year ended 31 st March, 2022
	(increase / (decrease))	(increase / (decrease))
Interest Income	2,726.93	1,219.00
Impairment of financial instruments	1,349.03	975.20
Tax Expense	346.79	61.36
Profit after Tax for the year	1,031.11	182.44
Loans	1,377.90	243.80
Current tax assets (net)	(652.00)	(291.50)
Deferred tax assets (net)	305.21	230.14
Other Equity	1,031.11	182.44
Earnings per share (in ₹) (Face value of ₹ 10 per equity share)		
- Basic	1.64	0.34
- Diluted	1.64	0.34

Note: Opening balance sheet as on April 01, 2021 is not restated as there is no impact due to change in accounting policy

Notes

to Consolidated Financial Statements for the year ended 31st March 2023 (All amounts are in millions, unless otherwise stated)

Note 61: 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).

Note 62: Disclosure of penalties imposed by RBI and other regulators

- i) Manappuram Finance Ltd.
- Imposed by BSE and NSE during the year ended 31st March, 2023 is ₹ 0.11 Mn and during the year ended 31st March, 2022 is ₹ Nil
 - Penalty amounted to ₹ Nil have been imposed by RBI during the year ended 31st March, 2023 and during the year ended 31st March, 2022 is ₹ 1.76 Mn.
- ii) Asirvad Micro Finance Ltd.

Regulator	Reason	Amount (in ₹)
SEBI	Fine for ISIN- INE516Q07309 under Regulation 60(2)	11,800
SEBI	Fine for ISIN- INE516Q08364 under Regulation 57(1)	3,540

Note 63: Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to confirm current year's classification.

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

For **S K Patodia & Associates**
Chartered Accountants
ICAI Firm Registration No: 112723W

Sd/-
Sandeep Mandawewala
Partner
Membership No: 117917

Place: Mumbai
Date: May 12, 2023

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 12, 2023

Sd/-
V.R.Ramachandran
Non Executive Director
DIN:00046848

Sd/-
Manoj Kumar V.R
Company Secretary

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 Manomohanan
Adv. V R Ramachandran
Mr. Abhijit Sen
Mr. Harshan Kollara
Mr. S R Balasubramanian
Ms. Pratima Ram
Adv. V P Seemandini

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

S.K.D.C. Consultants Limited
(a Subsidiary of Link Intime India Pvt Ltd)
"Surya" 35, Mayflower Avenue, Behind
Senthil Nagar, Sowripalayam Road
Coimbatore - 641028, TN, India
Phone: +91 422 4958995,
2539835/836
Email: info@skdc-consultants.com

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 BOB (Bank of Baroda)
- 13 UCO Bank
- 14 RBL Bank
- 15 Indian Bank
- 16 Dhanlaxmi Bank
- 17 Nabard
- 18 KVB - Karur Vysya Bank
- 19 IFC - International Finance Corporation
- 20 YES Bank
- 21 Shinhan Bank
- 22 HSBC Bank
- 23 UCO Bank
- 24 Bajaj Finance
- 25 CSB Bank
- 26 Canara Bank
- 27 Karnataka Bank
- 28 Bandhan Bank
- 29 Bank of Maharashtra
- 30 Bank of India
- 31 CITI Bank
- 32 SMBC



REGISTERED OFFICE:
W-4/638A, MANAPPURAM HOUSE
VALAPAD PO, THRISSUR - 680 567, KERALA
CIN NO.: L65910KL1992PLC006623

www.manappuram.com