



MANAPPURAM FINANCE LIMITED

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Ref: Sec/ SE/180/ 2024 - 25
18.10.2024

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
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Dear Sir/Madam,

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations").

In terms of provisions of Regulation 30 of the Listing Regulations read with Clause 20 of Para A of Part A to Schedule III of the Listing Regulations, we wish to inform you that the Reserve Bank of India ("RBI") vide its order and press release dated October 17, 2024, has directed Asirvad Micro Finance Limited ("AMFL"), a material subsidiary of the Company, to cease and desist from sanction or disbursal of loans effective from close of business of October 21, 2024 in exercise of the provision of section 45L(1)(b) of the Reserve Bank of India Act 1934. The direction is based on material supervisory concerns observed in the Pricing Policy of the subsidiary company in terms of its Weighted Average Lending Rate (WALR) and the Interest Spread charged over its cost of funds, which are found to be excessive and not in adherence with the regulations as laid down in the RBI's Master Direction on Regulatory Framework for Microfinance Loans dated March 14, 2022 (as updated from time to time) and the RBI's Master Direction on Non-Banking Financial Company - Scale Based Regulation dated October 19, 2023 (as updated from time to time). These were also found to be not in conformity with the provisions laid down under Fair Practices Code issued by the RBI.

These business restrictions do not preclude AMFL from servicing its existing customers and carrying out collection and recovery processes in accordance with the extant regulatory guidelines.

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



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These business restrictions will be reviewed by the RBI upon receipt of confirmation from AMFL regarding suitable remedial action having been taken to adhere to the regulatory guidelines at all times, more particularly AMFL's pricing policy, risk management processes, customer service and grievance redressal aspects, to the satisfaction of the RBI.

The requisite disclosures as required under the Listing Regulations read with SEBI circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, is attached herewith as **Annexure A**. Further, a copy of the press release issued by the RBI on October 17, 2024 is attached herewith as **Annexure B**.

The Company is currently studying the order passed by the RBI and AMFL is in the process of taking necessary steps to swiftly resolve the issues raised by the RBI in its order.

Request you to kindly take the same on your record.

Thanking you.

Yours faithfully,

For Manappuram Finance Limited

Manoj Kumar V.R

Company Secretary

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Annexure - A

Sl. No.	Particulars	Comments
1.	Name of the authority	Reserve Bank of India (RBI)
2.	Nature and Details of Action taken, initiated or order(s) passed	The RBI has directed Asirvad Micro Finance Limited (a material subsidiary of the Company) to a cease and desist from sanction and disbursal of loans, effective from close of business of October 21, 2024.
3.	Date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority	17 th October 2024.
4.	Details of the violation(s)/contravention(s) committed or alleged to be committed	Non-compliance with certain provisions of the RBI's Master Direction on Regulatory Framework for Microfinance Loans dated March 14, 2022 (as updated from time to time) and the RBI's Master Direction on Non-Banking Financial Company - Scale Based Regulation dated October 19, 2023 (as updated from time to time).
5.	Impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible	There is no impact on financial, operation or other activities of the listed entity.

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भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल/email : helpdoc@rbi.org.in



संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

October 17, 2024

Action against select NBFCs including NBFCs-MFIs

The Reserve Bank of India has today, in exercise of its powers under Section 45L(1)(b) of the Reserve Bank of India Act, 1934, issued Directions to the following NBFCs to cease and desist from sanction and disbursal of loans, effective from close of business of October 21, 2024:

Sl. No.	Name	NBFC-Category	CoR	Registered at
1.	Asirvad Micro Finance Limited	MFI	N-07-00769 dated September 27, 2016	Chennai
2.	Arohan Financial Services Limited	MFI	B-05.02932 dated June 28, 2018	Kolkata
3.	DMI Finance Private Limited	ICC	N-14.03176 dated January 5, 2009	New Delhi
4.	Navi Finserv Limited	ICC	N-02.00270 dated May 18, 2022	Bengaluru

These Directions have been conveyed today to the concerned NBFCs through the Reserve Bank's detailed supervisory orders.

This action is based on material supervisory concerns observed in the Pricing Policy of these companies in terms of their Weighted Average Lending Rate (WALR) and the Interest Spread charged over their cost of funds, which are found to be excessive and not in adherence with the regulations as laid down in the [Master Direction – Reserve Bank of India \(Regulatory Framework for Microfinance Loans\) Directions, 2022 dated March 14, 2022](#) (updated as on July 25, 2022) and [Master Direction – Reserve Bank of India \(Non-Banking Financial Company–Scale Based Regulation\) Directions, 2023, dated October 19, 2023](#) (updated as on March 21, 2024). These are also found to be not in conformity with the provisions laid down under Fair Practices Code issued by the Reserve Bank.

Over the last few months, the Reserve Bank has been sensitising its Regulated Entities through various channels on the need to use their regulatory freedom responsibly and ensure fair, reasonable and transparent pricing, especially for small value loans. However, unfair and usurious practices continued to be seen during the course of onsite examinations as well as from the data collected and analysed offsite.

In addition to usurious pricing, these NBFCs were variously found to be in non-adherence with the regulatory guidelines on assessment of household income and consideration of existing / proposed monthly repayment obligations in respect of their microfinance loans. Deviations were also observed in respect of Income Recognition & Asset Classification (IR&AC) norms resulting in evergreening of

loans, conduct of gold loan portfolio, mandated disclosure requirements on interest rates and fees, outsourcing of core financial services, etc.

These business restrictions have been made effective from the close of business on October 21, 2024 to facilitate closure of transactions in the pipeline, if any. These business restrictions do not preclude these companies from servicing their existing customers and carrying out collection and recovery processes in accordance with the extant regulatory guidelines.

These business restrictions will be reviewed upon receipt of confirmation from the companies regarding suitable remedial action having been taken to adhere to the regulatory guidelines at all times, more particularly their pricing policy, risk management processes, customer service and grievance redressal aspects, to the satisfaction of the Reserve Bank.

Press Release: 2024-2025/1323

(Puneet Pancholy)
Chief General Manager