



Muthoot Finance Limited

Registered Office :
2nd floor, Muthoot Chambers,
Opp. Saritha Theatre Complex,
Banerji Road, Ernakulam - 682 018
Kerala, India.
CIN : L65910KL1997PLC 011300

Phone : +91 484 2396478, 2394712
Fax : +91 484 2396506, 2397399
mails@muthootgroup.com
www.muthootgroup.com

Ref: SEC/MFL/SE/2024/5862

September 7, 2024

National Stock Exchange of India Ltd.
Exchange Plaza
Plot No. C/1, G Block, Bandra - Kurla Complex,
Bandra (E), Mumbai - 400 051
Symbol: MUTHOOTFIN

**Department of Corporate Services
BSE Limited**
P.J. Tower, Dalal Street
Mumbai - 400 001
Scrip Code: 533398

NSE IFSC Limited (NSE IX)
Unit 1201, Brigade, International Financial
Center, 12th Floor, Building No. 14-A, GIFT
SEZ Gandhinagar,
Gujarat 382 355

Dear Sir/Madam,

Sub: Disclosure under Regulation 30, 34 (1), 53 and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations")

Re: 27th AGM Notice and Annual Report of Muthoot Finance Limited for the FY 2023-24

The 27th Annual General Meeting (AGM) of the members of Muthoot Finance Limited will be held on Monday, September 30, 2024, at 3:30 PM. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") without the physical presence of the members in accordance with the applicable provisions of the Companies Act, 2013, and the Listing Regulations.

We herewith enclose a copy of the Notice of the AGM including instructions for e-voting and the Annual Report for the FY 2023-24, which are being sent to the members of the Company in electronic mode.

In accordance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide e-voting facility to the Members to cast their vote electronically on all resolutions as outlined in the Notice convening the AGM. Members may cast their votes remotely, using an electronic voting system (remote e-voting), which shall be available during the following voting period:

| | |
|---------------------------------|---|
| Commencement of remote e-voting | Friday, September 27, 2024, at 09:00 A.M (IST). |
| Conclusion of remote e-voting | Sunday, September 29, 2024, at 05:00 P.M (IST) |

Remote e-voting will not be allowed beyond the aforesaid date and time and the said facility shall be forthwith disabled by CDSL upon expiry of the aforesaid period.



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The Cut-off date for determining the eligibility of Members entitled to vote at the AGM is Monday, September 23, 2024.

The voting rights of members shall be in the proportion to the shares held by them in the paid-up equity share capital of the Company as on the Cut-off date. Any person, who is a member of the Company as on the Cut-off date is eligible to cast vote electronically on all the resolutions outlined in the Notice of the AGM.

The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/ OAVM but shall not be entitled to cast their vote again.

Notice of the AGM and the Annual Report for the Financial Year 2023-24 (“Annual Report”) are available on the website of the Company and can be accessed from the below links:

| | |
|------------------------------------|----------------------------|
| Notice of the 27 th AGM | Click Here |
| Annual Report for FY 2023-24 | Click Here |

For **Muthoot Finance Limited**

Rajesh A
Company Secretary
ICSI Membership No. FCS 7106



Muthoot Finance

Muthoot Finance Limited

(CIN: L65910KL1997PLC011300)

2nd Floor, Muthoot Chambers,

Opposite Saritha Theatre Complex, Banerji Road, Ernakulam, Kerala, India - 682 018

(T): +91-484-2396478, 2394712, Fax: +91-484-2396506, 2397399

Email: cs@muthootgroup.com

Website: www.muthootfinance.com

NOTICE TO SHAREHOLDERS

Notice is hereby given pursuant to Section 96 and 101 of the Companies Act, 2013 (“Act”) that the 27th Annual General Meeting (AGM) of the members of Muthoot Finance Limited (“the Company”) will be held on **Monday, September 30, 2024, at 03.30 P.M. (IST)** through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) facility to transact the following businesses:-

ORDINARY BUSINESS:

Item No. 1: Adoption of financial statements

To receive, consider and adopt:

- The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon; and
- The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024, together with the Report of the Auditors thereon.

Item No. 2: Appointment of Mr. George Muthoot George as a director, liable to retire by rotation

To appoint a director in place of Mr. George Muthoot George (holding DIN: 00018329), who retires by rotation at the Annual General Meeting and being eligible, offers himself for re-appointment: -

Members are requested to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. George Muthoot George (holding DIN: 00018329), who retires by rotation at this meeting, and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

Item No. 3: Appointment of Mr. George Alexander (DIN: 00018384) as Director, liable to retire by rotation

To appoint a director in place of Mr. George Alexander (holding DIN:

00018384), who retires by rotation at the Annual General Meeting and being eligible, offers himself for re-appointment: -

Members are requested to consider and if thought fit, pass the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. George Alexander (holding DIN: 00018384), who retires by rotation at this meeting, and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

Item No. 4: Appointment of Mr. George Muthoot Jacob (DIN: 00018955) as Director, liable to retire by rotation

To appoint a director in place of Mr. George Muthoot Jacob (holding DIN: 00018955), who retires by rotation at the Annual General Meeting and being eligible, offers himself for re-appointment: -

Members are requested to consider and if thought fit, pass the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. George Muthoot Jacob (holding DIN: 00018955), who retires by rotation at this meeting, and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

Item No. 5: Appointment of M/s Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Kochi as Joint Statutory Auditors of the Company

To appoint M/s Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Kochi (ICAI Firm Registration No: 001488S) as Joint Statutory Auditors of the Company and to fix remuneration and in this regard, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the Companies (Audit and Auditors) Rules, 2014 and

Circular no. RBI/2021-22/25-Ref.No.DoS.CD.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 (“RBI Guidelines”) issued by the Reserve Bank of India (“RBI”) (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), approval of the Members of the Company be and is hereby accorded, for the appointment of M/s Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Kochi (ICAI Firm Registration No: 001488S) as Joint Statutory Auditors of the Company to hold office from the conclusion of 27th Annual General Meeting till the conclusion of 30th Annual General Meeting of the Company to be held in the year 2027, to conduct the audit of accounts of the Company for the financial year ending March 31, 2025, March 31, 2026 and March 31, 2027, 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 Joint Statutory Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this resolution.”

Item No. 6: Appointment of M/s P S D Y & Associates, Chartered Accountants, Kochi as Joint Statutory Auditors of the Company

To appoint M/s P S D Y & Associates, Chartered Accountants, Kochi (ICAI Registration No: 010625S) as Joint Statutory Auditors of the Company and to fix remuneration and in this regard, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the Companies (Audit and Auditors) Rules, 2014 and Circular no. RBI/2021-22/25-Ref.No.DoS.CD.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 (“RBI Guidelines”) issued by the Reserve Bank of India (“RBI”) (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), approval of the Members of the Company be and is hereby accorded, for the appointment of M/s P S D Y & Associates, Chartered Accountants, Kochi (ICAI Registration No: 010625S) as Joint Statutory Auditors of the Company to hold office from the conclusion of 27th Annual General Meeting till the conclusion of 30th Annual General Meeting of the Company to be held in the year 2027, to conduct the audit of accounts of the Company for the financial year ending March 31, 2025, March 31, 2026 and March 31, 2027 , 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 Joint Statutory Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this resolution.”

SPECIAL BUSINESS:

Item No. 7: Re-appointment of Mr. Abraham Chacko (DIN: 06676990) as an Independent Director for a second consecutive term

To re-appoint Mr. Abraham Chacko (holding DIN: 06676990) as Independent Director of the Company and approve continuation of his tenure as a Non-Executive Independent Director of the Company:-

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Abraham Chacko (holding DIN: 06676990), who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member, signifying his intention to propose Mr. Abraham Chacko ‘s candidature for the office of Director, be and is hereby re-appointed as a Director (Non-Executive & Independent) of the Company, not liable to retire by rotation, for a second consecutive term commencing from September 30, 2024, till the 32nd Annual General Meeting of the Company to be held in the year 2029.

“**RESOLVED FURTHER THAT** pursuant to the provisions of Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, consent of the members of the Company be and is hereby accorded to the re-appointment and continuation of Mr. Abraham Chacko (DIN: 06676990) as an Independent Director of the Company who will attain the age of 75 Years during his second term as an Independent Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and/ or the Company Secretary of the Company be and are hereby authorized to do all such 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.”

Item No. 8: Approve continuation of Mr. Vadakkakara Antony George (DIN: 01493737) as a Non-Executive Independent Director who attain the age of 75 years during the term

To approve continuation of Mr. Vadakkakara Antony George (DIN: 01493737) as a Non-Executive Independent Director who attain the age of 75 years during the term.

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

“RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, consent of the members of the Company be and is hereby accorded to the continuation of Mr. Vadakkakara Antony George (DIN: 01493737) as an Independent Director of the Company who attain the age of 75 Years during his second term as an Independent Director of the Company.

Item No. 9: Re-appointment of Mr. George Jacob Muthoot (holding DIN: 00018235) as Whole Time Director of the Company for a period of 5 (five) years with effect from April 01, 2025.

To re-appoint Mr. George Jacob Muthoot (holding DIN: 00018235) as Whole Time Director of the Company for a period of 5 (five) years with effect from April 01, 2025.

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and Regulation 17(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, approval of members of the Company be and is hereby accorded to the re-appointment of Mr. George Jacob Muthoot (DIN: 00018235) as Whole Time Director of the Company, for a period of 5 (five) years with effect from April 1, 2025 on the terms and conditions specified herein:

| Sl. No | Category | Description |
|---------------------|--|--|
| Remuneration | | |
| 1 | Basic Salary | Rs. 35,00,000/- per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Basic Salary as stated above. |
| 2 | Special Allowance | Rs. 35,00,000/- per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Special Allowance as stated above. |
| 3 | Annual Performance Incentive | Rs. 1,80,00,000/- per annum or 1% of profit before tax before charging annual performance incentive whichever is higher, payable quarterly or at other intervals, subject to a maximum amount as may be decided by the Board from time to time within the limit as stated above. |
| Perquisites | | |
| 1 | Residential Accommodation | Company’s owned / hired / leased accommodation or house rent allowance at 50% of the basic salary in lieu of Company provided accommodation. |
| 2 | Expenses relating to residential accommodation | Reimbursement of expenses on actuals not exceeding the basic salary per annum each year, pertaining to gas, fuel, water, electricity and telephones as also reasonable reimbursement of upkeep and maintenance expenses in respect of residential accommodation. |
| 3 | Others | Other perquisites, not exceeding the basic salary per annum each year, such as furnishing of residential accommodation, security guards at residence, attendants at home, reimbursement of medical expenses for self and family, travelling expenses, leave travel allowance for self and family, club fees, personal accident insurance, provident fund contribution and superannuation fund, gratuity contribution, encashment of earned/privilege leave, cars and conveyance facilities, provision for driver or driver's salary and other policies and benefits that may be introduced from time to time by the Company shall be provided to Whole Time Director as per the rules of the Company subject to approval of the Board. |

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Nomination and Remuneration Committee) be and is hereby authorised to do all acts and take all such steps as may be necessary for giving effect to the resolution.

Item No. 10: Re-appointment of Mr. George Thomas Muthoot (holding DIN: 00018281) as Whole Time Director of the Company for a period of 5 (five) years with effect from April 01, 2025.

To re-appoint Mr. George Thomas Muthoot (holding DIN: 00018281) as Whole Time Director of the Company for a period of 5 (five) years with effect from April 01, 2025.

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

“RESOLVED THAT in accordance with the provisions of Sections 196,

197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and Regulation 17(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,

as amended from time to time, approval of members of the Company be and is hereby accorded to the re-appointment of Mr. George Thomas Muthoot (DIN: 00018281) as Whole Time Director of the Company, for a period of 5 (five) years with effect from April 1, 2025 on the terms and conditions specified herein:

| Sl. No | Category | Description |
|---------------------|--|--|
| Remuneration | | |
| 1 | Basic Salary | Rs. 35,00,000/- per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Basic Salary as stated above. |
| 2 | Special Allowance | Rs. 35,00,000/- per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Special Allowance as stated above. |
| 3 | Annual Performance Incentive | Rs. 1,80,00,000/- per annum or 1% of profit before tax before charging annual performance incentive whichever is higher, payable quarterly or at other intervals, subject to a maximum amount as may be decided by the Board from time to time within the limit as stated above. |
| Perquisites | | |
| 1 | Residential Accommodation | Company's owned / hired / leased accommodation or house rent allowance at 50% of the basic salary in lieu of Company provided accommodation. |
| 2 | Expenses relating to residential accommodation | Reimbursement of expenses on actuals not exceeding the basic salary per annum each year, pertaining to gas, fuel, water, electricity and telephones as also reasonable reimbursement of upkeep and maintenance expenses in respect of residential accommodation. |
| 3 | Others | Other perquisites, not exceeding the basic salary per annum each year, such as furnishing of residential accommodation, security guards at residence, attendants at home, reimbursement of medical expenses for self and family, travelling expenses, leave travel allowance for self and family, club fees, personal accident insurance, provident fund contribution and superannuation fund, gratuity contribution, encashment of earned/privilege leave, cars and conveyance facilities, provision for driver or driver's salary and other policies and benefits that may be introduced from time to time by the Company shall be provided to Whole-Time Director as per the rules of the Company subject to approval of the Board. |

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Nomination and Remuneration Committee) be and is hereby authorised to do all acts and take all such steps as may be necessary for giving effect to the resolution.”

Item No. 11: Re-appointment of Mr. George Alexander Muthoot (holding DIN: 00016787) as Managing Director of the Company for a period of 5 (five) years with effect from April 01, 2025.

To re-appoint Mr. George Alexander Muthoot (holding DIN: 00016787) as Managing Director of the Company for a period of 5 (five) years with effect from April 01, 2025.

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and Regulation 17(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, approval of members of the Company be and is hereby accorded to the re-appointment of Mr. George Alexander Muthoot (DIN: 00016787) as Managing Director of the Company, for a period of 5 (five) years with effect from April 1, 2025 on the terms and conditions specified herein:

| Sl. No | Category | Description |
|---------------------|--|--|
| Remuneration | | |
| 1 | Basic Salary | Rs. 35,00,000/- per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Basic Salary as stated above. |
| 2 | Special Allowance | Rs. 35,00,000/- per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Special Allowance as stated above. |
| 3 | Annual Performance Incentive | Rs. 1,80,00,000/- per annum or 1% of profit before tax before charging annual performance incentive whichever is higher, payable quarterly or at other intervals, subject to a maximum amount as may be decided by the Board from time to time within the limit as stated above. |
| Perquisites | | |
| 1 | Residential Accommodation | Company's owned / hired / leased accommodation or house rent allowance at 50% of the basic salary in lieu of Company provided accommodation. |
| 2 | Expenses relating to residential accommodation | Reimbursement of expenses on actuals not exceeding the basic salary per annum each year, pertaining to gas, fuel, water, electricity and telephones as also reasonable reimbursement of upkeep and maintenance expenses in respect of residential accommodation. |
| 3 | Others | Other perquisites, not exceeding the basic salary per annum each year, such as furnishing of residential accommodation, security guards at residence, attendants at home, reimbursement of medical expenses for self and family, travelling expenses, leave travel allowance for self and family, club fees, personal accident insurance, provident fund contribution and superannuation fund, gratuity contribution, encashment of earned/privilege leave, cars and conveyance facilities, provision for driver or driver's salary and other policies and benefits that may be introduced from time to time by the Company shall be provided to Managing Director as per the rules of the Company subject to approval of the Board. |

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Nomination and Remuneration Committee) be and is hereby authorised to do all acts and take all such steps as may be necessary for giving effect to the resolution.”

Item No. 12: Revision in the terms of remuneration of Mr. George Muthoot George, (holding DIN: 00018329) Whole Time Director

To approve revision in the terms of remuneration of Mr. George Muthoot George, Whole Time Director: -

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

“**RESOLVED THAT** pursuant to the recommendation of the nomination and remuneration committee and the approval of the Board of Directors and pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, 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) and in partial

modification to the resolutions passed by the members at the 24th AGM in respect of the appointment and remuneration of Mr. George Muthoot George (holding DIN: 00018329), as Managing Director, the approval of the members of the Company be and is hereby accorded to revise the terms of remuneration of Mr. George Muthoot George as under:

| Sl. No | Category | Description |
|---------------------|--|--|
| Remuneration | | |
| 1 | Basic Salary | Rs. 16,00,000/- per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Basic Salary as stated above. |
| 2 | Special Allowance | Rs. 16,00,000/- per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Special Allowance as stated above. |
| 3 | Annual Performance Incentive | Rs. 1,20,00,000/-per annum or 0.50% of profit before tax before charging annual performance incentive whichever is higher, payable quarterly or at other intervals, subject to a maximum amount as may be decided by the Board from time to time within limit as stated above. |
| Perquisites | | |
| 1 | Residential Accommodation | Company's owned/hired/leased accommodation or house rent allowance at 50% of the basic salary in lieu of Company provided accommodation. |
| 2 | Expenses relating to residential accommodation | Reimbursement of expenses on actuals not exceeding the basic salary per annum each year, pertaining to gas, fuel, water, electricity and telephones as also reasonable reimbursement of upkeep and maintenance expenses in respect of residential accommodation. |
| 3 | Others | Other perquisites not exceeding the basic salary per annum each year such as furnishing of residential accommodation, security guards at residence, attendants at home, reimbursement of medical expenses for self and family, travelling expenses, leave travel allowance for self and family, club fees, personal accident insurance, provident fund contribution and superannuation fund, gratuity contribution, encashment of earned/privilege leave, cars and conveyance facilities, provision for driver or driver's salary and other policies and benefits that may be introduced from time to time by the Company shall be provided to Whole Time Director as per the rules of the Company, subject to the approval of the Board of Directors. |

RESOLVED FURTHER THAT effective from April 01, 2025, the above terms of remuneration shall be deemed to have been included to the terms and conditions of the appointment and remuneration of Mr. George Muthoot George (holding DIN: 00018329), Whole Time Director, and the employment agreement shall be amended accordingly.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter and vary the terms and conditions of appointment and/ or remuneration within the aforesaid monetary limits and further subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactments(s) thereof, for the time being in force).”

Item No. 13: Revision in the terms of remuneration of Mr. George Muthoot Jacob, Whole Time Director

To approve revision in the terms of remuneration of Mr. George Muthoot

Jacob, Whole Time Director: -

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

“RESOLVED THAT pursuant to the recommendation of the nomination and remuneration committee and the approval of the Board of Directors and pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, 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) and in partial modification to the resolutions passed by the members at the 24th AGM, in respect of the appointment and remuneration of Mr. George Muthoot Jacob (holding DIN: 00018955), as Whole Time Director, the approval of the members of the Company be and is hereby accorded to revise the terms of remuneration of Mr. George Muthoot Jacob as under:

| Sl. No | Category | Description |
|---------------------|--|--|
| Remuneration | | |
| 1 | Basic Salary | Rs. 16,00,000/- per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Basic Salary as stated above. |
| 2 | Special Allowance | Rs. 16,00,000/- per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Special Allowance as stated above. |
| 3 | Annual Performance Incentive | Rs. 1,20,00,000/-per annum or 0.50% of profit before tax before charging annual performance incentive whichever is higher, payable quarterly or at other intervals, subject to a maximum amount as may be decided by the Board from time to time within limit as stated above. |
| Perquisites | | |
| 1 | Residential Accommodation | Company's owned/hired/leased accommodation or house rent allowance at 50% of the basic salary in lieu of Company provided accommodation. |
| 2 | Expenses relating to residential accommodation | Reimbursement of expenses on actuals not exceeding the basic salary per annum each year, pertaining to gas, fuel, water, electricity and telephones as also reasonable reimbursement of upkeep and maintenance expenses in respect of residential accommodation. |
| 3 | Others | Other perquisites not exceeding the basic salary per annum each year such as furnishing of residential accommodation, security guards at residence, attendants at home, reimbursement of medical expenses for self and family, travelling expenses, leave travel allowance for self and family, club fees, personal accident insurance, provident fund contribution and superannuation fund, gratuity contribution, encashment of earned/privilege leave, cars and conveyance facilities, provision for driver or driver's salary and other policies and benefits that may be introduced from time to time by the Company shall be provided to Whole-Time Director as per the rules of the Company, subject to the approval of the Board of Directors. |

RESOLVED FURTHER THAT effective from April 01, 2025, the above terms of remuneration shall be deemed to have been included to the terms and conditions of the appointment and remuneration of Mr. George Muthoot Jacob (holding DIN: 00018955), Whole Time Director, and the employment agreement shall be amended accordingly.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter and vary the terms and conditions of appointment and/ or remuneration within the aforesaid monetary limits and further subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactments(s) thereof, for the time being in force).”

Item No. 14: Revision in the terms of remuneration of Mr. George Alexander (holding DIN:00018383), Whole Time Director

To approve revision in the terms of remuneration of Mr. George Alexander, Whole Time Director: -

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

“RESOLVED THAT pursuant to the recommendation of the nomination and remuneration committee and the approval of the Board of Directors and pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, 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) and in partial modification to the resolutions passed by the members at the 24th AGM, in respect of the appointment and remuneration of Mr. George Alexander (holding DIN: 00018384), as Whole Time Director, the approval of the members of the Company be and is hereby accorded to revise the terms

of remuneration of Mr. George Alexander as under:

| Sl. No | Category | Description |
|---------------------|--|--|
| Remuneration | | |
| 1 | Basic Salary | Rs. 16,00,000/- per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Basic Salary as stated above. |
| 2 | Special Allowance | Rs. 16,00,000/- per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Special Allowance as stated above. |
| 3 | Annual Performance Incentive | Rs. 1,20,00,000/-per annum or 0.50% of profit before tax before charging annual performance incentive whichever is higher, payable quarterly or at other intervals, subject to a maximum amount as may be decided by the Board from time to time within limit as stated above. |
| Perquisites | | |
| 1 | Residential Accommodation | Company's owned/hired/leased accommodation or house rent allowance at 50% of the basic salary in lieu of Company provided accommodation. |
| 2 | Expenses relating to residential accommodation | Reimbursement of expenses on actuals not exceeding the basic salary per annum each year, pertaining to gas, fuel, water, electricity and telephones as also reasonable reimbursement of upkeep and maintenance expenses in respect of residential accommodation. |
| 3 | Others | Other perquisites not exceeding the basic salary per annum each year such as furnishing of residential accommodation, security guards at residence, attendants at home, reimbursement of medical expenses for self and family, travelling expenses, leave travel allowance for self and family, club fees, personal accident insurance, provident fund contribution and superannuation fund, gratuity contribution, encashment of earned/privilege leave, cars and conveyance facilities, provision for driver or driver's salary and other policies and benefits that may be introduced from time to time by the Company shall be provided to Whole-Time Director as per the rules of the Company, subject to the approval of the Board of Directors. |

RESOLVED FURTHER THAT effective from April 01, 2025, the above terms of remuneration shall be deemed to have been included to the terms and conditions of the appointment and remuneration of Mr. George Alexander (holding DIN: 00018384), Whole Time Director, and the employment agreement shall be amended accordingly.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter and vary the terms and conditions of appointment and/ or remuneration within the aforesaid monetary limits and further subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re- enactments(s) thereof, for the time being in force).”

Item No. 15: Appointment of Mr. Eapen Alexander as Executive director – IT & Digital Initiatives

To approve the appointment of Mr. Eapen Alexander, a relative of Managing Director as Executive director – IT & Digital Initiatives: -

Members are requested to consider, and if thought fit, pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188(1)(f) of the Companies Act, 2013 (the ‘Act’) read with Rule 15(3)(b) of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), other applicable laws and in accordance with the recommendation of the Nomination & Remuneration Committee, the Audit Committee and the Board of Directors, consent of the members of the Company be and is hereby accorded for the appointment of Mr. Eapen Alexander, who is a relative of Mr. George Alexander Muthoot, Managing Director and Mr. George Alexander, Whole time Director of the Company, to hold office or place of profit in the Company as an employee with the designation as Executive director (IT & Digital Initiatives) or with such designation as the Board of Directors of the Company may, from time to time, decide, on such terms and conditions for a period of five years from October 01, 2024 on the following terms of remuneration:

| Sl. No | Category | Description |
|---------------------|--|---|
| Remuneration | | |
| 1 | Basic Salary | Rs. 16,00,000/- per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Basic Salary as stated above. |
| 2 | Special Allowance | Rs. 16,00,000/- per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Special Allowance as stated above. |
| 3 | Annual Performance Incentive | Rs. 1,20,00,000/-per annum or 0.50% of profit before tax before charging annual performance incentive whichever is higher, payable quarterly or at other intervals, subject to a maximum amount as may be decided by the Board from time to time within limit as stated above. |
| Perquisites | | |
| 1 | Residential Accommodation | Company's owned/hired/leased accommodation or house rent allowance at 50% of the basic salary in lieu of Company provided accommodation. |
| 2 | Expenses relating to residential accommodation | Reimbursement of expenses on actuals not exceeding the basic salary per annum each year, pertaining to gas, fuel, water, electricity and telephones as also reasonable reimbursement of upkeep and maintenance expenses in respect of residential accommodation. |
| 3 | Others | Other perquisites not exceeding the basic salary per annum each year such as furnishing of residential accommodation, security guards at residence, attendants at home, reimbursement of medical expenses for self and family, travelling expenses, leave travel allowance for self and family, club fees, personal accident insurance, provident fund contribution and superannuation fund, gratuity contribution, encashment of earned/privilege leave, cars and conveyance facilities, provision for driver or driver's salary |

RESOLVED FURTHER THAT the Board of Directors of the Company is hereby authorised to alter and vary the terms and conditions of the said appointment and remuneration from time to time, within the limits approved by the Members and subject to such other approvals, as may be necessary.

RESOLVED FURTHER THAT the Board of Directors of the Company and the Company Secretary of the Company, be and are hereby authorized severally to execute and perform such acts, deeds, matters and things as may be necessary and to give such directions as may be desirable that may arise in giving effect to this resolution.”

By Order of the Board of Directors
For **Muthoot Finance Limited**

Sd/
Rajesh A
Company Secretary
FCS7106

Place: Kochi
Date: September 03, 2024

NOTES:

1. Pursuant to the General Circulars 14/2020, 17/2020, 20/2020, 02/2021, 21/2021, 2/2022, 10/2022, and 09/2023 issued by the Ministry of Corporate Affairs (MCA) and SEBI Circulars dated May 12, 2020, January 15, 2021, May 13, 2022, January 05, 2023 and October 07,2023 (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”), without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the 27th AGM of the Company is being held through VC/OAVM. The deemed venue for holding the AGM will be the Registered Office of the Company.
2. Further, Securities and Exchange Board of India (SEBI), vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 January 5, 2023 and October 07,2023 (SEBI Circulars) and other applicable circulars issued in this regard, have provided relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).
3. As per the provisions of Clause 3.A.II. of the General Circular No.20/2020 dated May 5, 2020, the matters of Special Business as appearing in the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice
4. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the Act), setting out material facts relating to business under Item Numbers 5 to 15 to be transacted at the AGM, is annexed hereto and forms part of this Notice.
5. The relevant details, pursuant to Regulations 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment at this AGM is annexed.
6. In case of joint holders, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote at the meeting.
7. The Company has appointed Central Depository Services (India) Limited (CDSL) as the authorised agency, to provide VC/OAVM facility for the AGM of the Company.
8. **SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/ OAVM, PHYSICAL ATTENDANCE OF MEMBERS DOES NOT ARISE. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE AGM CONDUCTED THROUGH VC/OAVM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.**
9. The Company has appointed Dr. C.V. Madhusudhanan, Practising Company Secretary (Membership No. FCS 5367; CP 4408) or failing him Mr. V R Sankaranarayanan, Partner, Practising Company Secretary (Membership No. FCS 11684; CP 11367), Partners of M/s. KSR & Co., Company Secretaries LLP, Coimbatore as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner, on resolutions proposed in the Notice.
10. The Company has fixed Monday, September 23, 2024 as the ‘Cut-off Date’ to record the entitlement of the shareholders to cast their voting through remote e-voting/e-voting during the AGM.
11. Any person who is not a Member on the Cut-off date should treat this Notice for information purposes only.
12. Members holding shares in physical form are requested to note that 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 dematerialized form with a depository. Members holding shares in physical form are required to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical form.
13. The facility for joining AGM through VC/OAVM will be available for up to 1,000 members and members may join on first come first serve basis. However, the above restriction shall not be applicable to members holding more than 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel(s), the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholder’s Relationship Committee, Auditor’s, Scrutinizers etc. Members can login and join 30 (thirty) minutes prior to the scheduled time of meeting and the window for joining shall be kept open till the expiry of 30 (thirty) minutes after the scheduled time.
14. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc, authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to madhu@ksrandco.in with a copy marked to rajesh.warrier@muthootgroup.com
16. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM,

i.e. September 30, 2024. Members seeking to inspect such documents can send an email to rajesh.warrier@muthootgroup.com

17. The Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2024 to September 30, 2024 (both days inclusive). Transfers received during book closure will be considered only after reopening of the Register of Members.
18. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”). The shares in respect to such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, members whose dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to the Corporate Governance report which forms part of this Annual Report and Company’s website, www.muthootfinance.com
19. Members may please note that there is a facility for nomination, in the prescribed form, available at request, from the Company or Registrar and Transfer Agent of the Company to any person to whom shares in the Company held by such Member, shall vest in the event of his/her death. Members holding shares in dematerialized form may contact their Depository Participant for recording the nomination in respect of their holdings.
20. Members should notify the changes in their address immediately to the Registrar and Transfer Agent of the Company/Depository Participants (DP) as the case may be. Members who are holding shares in Dematerialised form (Demat) are requested to keep their Bank Account details including IFSC and/or MICR updated with their respective DPs (Depository Participant) and those members who are holding shares in physical form, by sending a request to the Registrar and Transfer Agent by quoting their Folio No, PAN along with cancelled cheque or other acceptable Bank Account proof.
21. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, bank details such as name of the bank and branch details, bank account number, MICR Code, IFSC Code, etc., to their DPs and in case the shares are held by them in electronic form and, to Link Intime India Private Limited in case the shares are held by them in physical form. The process for registration of e-mail address is mentioned below:

| | |
|------------------|---|
| Physical Holding | Please send a request to the Registrar and Transfer Agents of the Company, Link Intime India Private Limited at coimbatore@linkintime.co.in providing the Folio No, Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN Card), Aadhaar (self-attested scanned copy of Aadhaar Card) for registering email address. |
| Demat Holding | Please contact your Depository Participant (DP) and register your email address in your demat account, as per the process advised by your DP. |

22. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.
23. A brief profile of the Directors, who are appointed/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 and relationships between directors inter-se as stipulated under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 are provided as annexure to this notice.
24. Notice of the AGM including instructions for e-voting along with the Annual Report for the FY 2023-24 are being sent through electronic mode only to those Members whose email addresses are registered with the Company/DP. Members may note that the Notice and Annual Report for the FY 2023-24 will also be available on the Company’s website, www.muthootfinance.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL, [https:// www.evotingindia.com](https://www.evotingindia.com)
25. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
26. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

27. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.muthootfinance.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

28. Instructions for e-voting and joining AGM through VC/OAVM are as follows:

The remote e-voting period commences on Friday, September 27, 2024 at 09:00 A.M (IST) and ends on Sunday, September 29, 2024 at 05:00 P.M (IST). The remote e-voting module shall be disabled by CDSL for voting thereafter. The Members, whose names appear in the Register of Members/ Beneficial Owners as on the record date (cut-off date) i.e. Monday, September 23, 2024 may cast their vote electronically. The voting rights of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, September 23, 2024

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

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 <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date> 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 above said SEBI Circular, Login method for e-Voting and joining virtual meetings **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"> 1) 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. 2) 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. 3) 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. 4) 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"> 1) 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.nsdl.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 or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" "Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.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 or joining virtual meeting & voting during the meeting |
| Individual Shareholders (holding securities in demat mode) login through their 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 or joining virtual meeting & voting during the meeting.</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: (i) Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(ii) Login method for e-Voting and joining virtual meetings 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 OR Date of Birth (DOB) | 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. <ul style="list-style-type: none"> • 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. |

- (ii)** After entering these details appropriately, click on “SUBMIT” tab.
- (iii)** 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.
- (iv)** For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v)** Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(vi) 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.

(vii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(viii) 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.

(ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(x) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xi) 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.

(xii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xiii) 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; rajesh.warrier@muthootgroup.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer

to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at rajesh.warrier@muthootgroup.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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 coimbatore@linkintime.co.in.
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 attending AGM & 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 toll free no. 1800 22 55 33.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to ordinary and special businesses mentioned in the accompanying Notice:

Item No. 5 & 6: Appointment of M/s Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Kochi (ICAI Firm Registration No: 001488S) and M/s P S D Y & Associates, Chartered Accountants, Kochi (ICAI Registration No: 010625S) as Joint Statutory Auditors

Reserve Bank of India, vide its circular dated 27 April 2021, issued Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs, and NBFCs (including HFCs) (the “Guidelines”/”Circular”), which mandated NBFCs (including HFCs) with an asset size of Rs. 15,000 crores and above to appoint minimum two audit firms as joint auditors for a continuous period of three years. Further, the Guidelines also specified that an auditor who had completed a period of 3 years (counted as one tenure) as on the date of the Circular shall not be

eligible for re-appointment in the same entity for six years (two tenures) after completion of one tenure of 3 years. Subsequently, the RBI had also released Frequently Asked Questions (FAQs) dated 11 June 2021..

Consequently, in terms of the RBI Guidelines and related FAQs, M/s. Elias George & Co., Chartered Accountants & M/s Babu A. Kallivayalil & Co. completes their term as the Joint Statutory Auditors at the conclusion of the 27th Annual General Meeting of the Company consequent upon completion of the said tenure of 3 years.

The Board of Directors, based on the recommendation of the Audit Committee, at their meeting held on 03 September 2024, has recommended the appointment of M/s Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Kochi (ICAI Firm Registration No: 001488S) and M/s P S D Y & Associates, Chartered Accountants, Kochi (ICAI Registration No: 010625S) as Joint Statutory Auditors for a period of 3 years to conduct the statutory audit of the financial statements of the Company for the financial years ended 31 March 2025, 31 March 2026 and 31 March 2027, as under:

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| First Term | From the conclusion of the 27th Annual General Meeting till the conclusion of the 28th Annual General Meeting to conduct the statutory audit of the accounts of the Company for the financial year ending 31 March 2025. |
| Second Term | From the conclusion of the 28th Annual General Meeting till the conclusion of the 29th Annual General Meeting to conduct the statutory audit of the accounts of the Company for the financial year ending 31 March 2026. |
| Third Term | From the conclusion of the 29th Annual General Meeting till the conclusion of the 30th Annual General Meeting to conduct the statutory audit of the accounts of the Company for the financial year ending 31 March 2027. |

The Board of Directors have recommended the appointment of Joint Statutory Auditors 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. Both the Joint Statutory Auditors have confirmed that their appointment if made, will be within the limit specified under the Act and RBI Guidelines. They

have also confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of Section 141 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014 and the RBI Guidelines. Consent letters issued by the Joint Statutory Auditors are available at the registered office of the Company for inspection by any member of the Company.

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| Proposed statutory audit fee of Joint Statutory Auditors | <p>Audit fees of Joint Statutory Auditors shall be fixed by the Board of Directors as may be mutually agreed upon between the Board of Directors of the Company and the said joint Statutory Auditors.</p> <p>The proposed audit fee commensurate with various parameters including the volume, scale, complexity, scope of work, activities, and functions of the joint statutory auditors for conducting the statutory audit of accounts of the Company for the financial years 2024-25, 2025-26, and 2026-27</p> |
| Term of appointment | <p>The Joint Statutory Auditors of the Company, shall hold office commencing from the conclusion of the 27th Annual General Meeting up to the conclusion of the 30th Annual General Meeting to be held in the year 2027 to conduct the audit of accounts of the Company for the financial year ending March 31, 2025, March 31, 2026, and March 31, 2027 on such terms and conditions as may be agreed upon between the Joint Statutory Auditors and the Board of Directors of the Company.</p> |
| Material change in fee payable to the Joint Statutory Auditors | <p>There are no material changes in the audit fee payable to the Joint Statutory Auditors.</p> <p>The proposed audit fee commensurate with various parameters including the volume, scale, complexity, scope of work, activities, and functions of the Joint Statutory Auditors for conducting the statutory audit of accounts of the Company.</p> |
| Basis of recommendation and auditor credentials | <p>The Audit Committee and the Board of Directors of the Company based on the credentials of the firm and partners, statutory audit experience of NBFCs, capability, assessment of independence, the asset size of the Company, eligibility criteria prescribed under the Companies Act, 2013 and RBI Guidelines and the Policy for Appointment of Statutory Auditors of the Company, recommends the appointment of M/s Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Kochi (ICAI Firm Registration No: 001488S), and M/s P S D Y & Associates, Chartered Accountants, Kochi (ICAI Registration No: 010625S) as Joint Statutory Auditors of the Company.</p> <p>M/s Krishnamoorthy & Krishnamoorthy, Chartered Accountants:</p> <p>M/s Krishnamoorthy & Krishnamoorthy, Chartered Accountants is one of the oldest firm of Chartered Accountants from Kerala established in the year 1971 by Late Mr. Krishnamoorthy, FCA and Late Mr. D. Krishnamoorthy, FCA. The firm currently has 6 full time partners with a staff strength of 62 members. Firm's profile of assignments of various clients include statutory audits, internal audits, systems audit, bank audits, bank internal audits, and risk management consulting services.</p> <p>The firm specializes in corporate audits and assurance services and is having deep rooted knowledge and understanding of Direct Taxation. The firm undertake audits as per the requirements of the Companies Law, Income-Tax Law, GST Law, Internal Audits, Concurrent Audits, Quality Assurance Audits, Due Diligence Audits etc. The Firm has carried out Central Statutory audit of listed entities like State Bank of India, Cochin Shipyards and Dhanlaxmi Bank Limited. The Firm was the Statutory Auditors of Cochin Shipyards Limited during their Initial Public Offering.</p> <p>M/s P S D Y & Associates, Chartered Accountants:</p> <p>M/s. P S D Y & Associates, formerly known as P.S.Ramachandran & Co was established in 1967 as a sole proprietary concern by Late P.S. Ramachandran. The firm was converted into a partnership in 2004. With its headquarters in Kochi, Kerala the firm has made dynamic strides in professional area and has provided variety of services to many Indian Corporates. The firm has a committed team of professionals headed by 10 Chartered Accountants. Internal and external training programs are a part of the work culture ensuring constant improvement in knowledge and skill. The firm has its principal office at "Deepam", Plot No. 9-A, Jawahar Nagar, Kadavanthara, Kochi - 682 020. The firm has branches at Chennai, Madurai, Puducherry, and Bangalore.</p> <p>The firm specializes in audit and assurance services including statutory audits, internal audits, depository services audits, IT Systems audit, tax and regulatory services including international taxation, transfer pricing advisory with variety of industry wide experience ranging from manufacturing, FMCG, hospitality, real estate, banking and financial services, power sector, software and telecom etc. Firm has been undertaking bank branch statutory audit engagements of State Bank of Travancore, Federal Bank, CSB Bank, Canara Bank, Indian Bank, State Bank of India etc. in the past. The firm had also carried out risk based internal audits of ICICI Bank in Kerala and Tamil Nadu, Depository Participant Audits of ICICI Bank, Federal Bank etc.</p> |

In compliance with the general circular no. 02/2022 issued by the MCA, this item is considered unavoidable and hence forms part of this Notice.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested (financially or otherwise) in the Resolution.

The Board recommends the Ordinary Resolution as set out in Item Nos. 5 & 6 for the approval of the members.

Item No.7: Re-appointment of Mr. Abraham Chacko as an Independent Director for second consecutive term.

Shareholders of the Company at the Annual General Meeting held on September 18, 2021 had approved the appointment of Mr Abraham Chacko as a Director (Non-Executive & Independent) for a period of 3 year commencing from September 18, 2021. The term of office of Mr. Abraham Chacko as an Independent Director on the Board of the Company is expiring at the 27th Annual General Meeting of the Company. Mr. Abraham Chacko has been a key contributor to the Board functions during the last three years. His expertise in the financial and banking sector has contributed immensely to our governance and strategic oversight. Mr. Abraham Chacko had actively participated in Board meetings and committees, ensuring rigorous scrutiny and adherence to corporate governance practices and has consistently demonstrated independence in the meetings.

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on September 03, 2024 has recommended the reappointment of Mr. Abraham Chacko as Independent Director for a second consecutive term of 5 years commencing from September 30, 2024. The present resolution seeks the re-appointment of Mr. Abraham Chacko as a Director (Non-Executive, Independent) for a second consecutive term commencing from September 30, 2024, in terms of the requirements of Sections 149, 152 read with Schedule IV of the Companies Act, 2013 and Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Nomination and Remuneration Committee has recommended the re-appointment after a comprehensive review of Mr. Abraham Chacko's performance, contributions, and adherence to the requirements of an Independent Director including adherence to the fit and proper criteria prescribed by the Reserve Bank of India.

In terms of Sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013, the Board of Directors have received declarations from Mr. Abraham Chacko confirming that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Board of Directors is of the opinion that Mr. Abraham Chacko fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management. Particulars of the proposed appointee as required under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the notice. Mr. Abraham Chacko has also provided a declaration that he is not disqualified from being appointed as a Director of the Company in terms of Section 164 of the Companies Act, 2013.

The nomination and remuneration committee of the Board has evaluated the 'Fit and Proper Criteria' prescribed by the Reserve Bank of India

(RBI) in accordance with the "Master Direction -Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023" and has recommended the re-appointment.

The Board of Directors has thus recommended the proposal for the re-appointment of Mr. Abraham Chacko as Director (Non-Executive, Independent), not liable to retire by rotation, for a period as specified in the proposed resolution. A detailed profile of Mr. Abraham Chacko is provided along with the Notice of AGM. Pursuant to the provisions of Section 149 (10) of the Companies Act, 2013, an independent director shall be eligible for re-appointment for the second consecutive term as a Director (Non-Executive, Independent) upon passing a special resolution by the members of the Company. During the second tenure as an Independent Director on the Board, Mr. Abraham Chacko will attain the age of 75 years and hence, Board recommends the appointment of Mr. Abraham Chacko through a special resolution as required under Regulation 17A of the SEBI Listing Regulations.

As per the recommendation of the Nomination and Remuneration Committee, an approval of the Board of Directors in the meeting held on September 03, 2024, subject to approval of members at this Annual General Meeting and pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and any other applicable provisions, if any of the Companies Act 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 and the applicable provisions of the Listing Regulations (including any statutory modifications or re-enactment thereof for the time being in force) and based on his skills rich experience, knowledge, contributions, continued valuable guidance to the management during his tenure and outcome of performance evaluation of the Independent Directors, requisite approval from shareholders is sought for. Further Mr. Abraham Chacko shall not be liable to retire by rotation as provided under Section 152 (6) of Companies Act 2013. In terms of Section 160 of the Companies Act 2013, the Company has received a notice in writing from a member proposing the candidature of Mr. Abraham Chacko to be reappointed as an Independent Non- Executive Director of the Company as per the provision of the Companies Act 2013.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

In compliance with the general circular no. 02/2022 issued by the MCA, this item is considered unavoidable and hence forms part of this Notice.

The Board of Directors of the Company is confident that the proposal for the re-appointment of Mr. Abraham Chacko as Director (Non-Executive, Independent) will be beneficial to the Company and will have the support of the members.

The Board thus recommends Resolution No. 7 for the approval of members as a Special Resolution.

Except Mr. Abraham Chacko, being appointee in the resolution, none of the Directors or Key Managerial Personnel or their relatives thereof are in any way, concerned or interested in the above resolution.

Item No.8: Approve continuation of Mr. Vadakkakara Antony George (DIN: 01493737) as a Non-Executive Independent Director beyond the age of 75 years

In terms of Regulation 17 (1A) of the SEBI Listing Regulations, the appointment or continuation of a Non-Executive Director after attaining age of 75 years requires approval of the members of the Company by way of special resolution. Mr. Vadakkakara Antony George attains the age of 75 years during the second term of office as the independent director. In view of the same Board seeks approval of the shareholders by means of Special Resolution under item no 8 for the continuation of Mr. Vadakkakara Antony George as Independent Director on the Board of the Company.

In compliance with the general circular no. 02/2022 issued by the MCA, this item is considered unavoidable and hence forms part of this Notice.

The Board of Directors of the Company is confident that the proposal will have the support of the members. The Board thus recommends Resolution No. 8 for the approval of members as a Special Resolution.

Except Mr. Vadakkakara Antony George, being the appointee in the resolution, none of the Directors or Key Managerial Personnel or their relatives thereof are in any way, concerned or interested in the above resolution.

Item No.9: Re-appointment of Mr. George Jacob Muthoot (holding DIN: 00018235) as Whole Time Director of the Company for a period of 5 (five) years with effect from April 01, 2025

Mr George Jacob Muthoot was appointed as Whole Time Director for a period of 5 years with effect from April 01, 2020 and his present term is expiring on March 31, 2025. Mr. George Jacob Muthoot is a key contributor in overall Management of the Company. His vast experience and his association would be of immense benefit to the Company and it is desirable to continue to avail his services as Whole Time Director. Mr. George Jacob Muthoot has lead the Board and the Company with exceptional strategic acumen and vision which saw the organisation scale new heights during the last 5 years.

The Nomination and Remuneration Committee of the Board had carried out a thorough review of the proposal for the re-appointment of Mr. George Jacob Muthoot as the Whole Time Director of the Company. Committee having satisfied with the fit and proper criteria prescribed by the Reserve Bank of India has recommended the re-appointment of Mr. George Jacob Muthoot as the Whole Time Director for a period of 5 years with effect from 01st April 2025.

The Board of Directors considers that his re-appointment as Whole Time Director will be beneficial to the Company. Due to the following reasons the appointment of Mr. George Jacob Muthoot requires approval of the shareholders by means of special resolution:

(a) The Annual remuneration payable to him may exceed Rs. 5 crores or 2.5 percent of the net profits of the Company in terms of Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(b) In the event of decrease in the profits of the Company during, in terms of second proviso to Section 197(1) of the Companies Act, 2013, the proposed tenure of appointment, it is likely that the remuneration payable to him together with remuneration payable to other whole-time directors might exceed 10% of the net profits calculable in terms of Section 198 of the said Act.

In compliance with the general circular no. 02/2022 issued by the MCA, this item is considered unavoidable and hence forms part of this Notice.

The Board of Directors of the Company is confident that the proposal will have the support of the members. The Board thus recommends Resolution No. 9 for the approval of members as a Special Resolution.

Except Mr George Jacob Muthoot, being the proposed appointee, and Mr. George Thomas Muthoot, Mr. George Alexander Muthoot, Mr. George Muthoot Jacob, being relatives of appointee, none of the Directors and other Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution.

Item No.10: Re-appointment of Mr. George Thomas Muthoot (holding DIN: 00018281) as Whole Time Director of the Company for a period of 5 (five) years with effect from April 01, 2025

Mr George Thomas Muthoot was appointed as Whole Time Director for a period of 5 years with effect from April 01, 2020 and his present term is expiring on March 31, 2025. Mr. George Thomas Muthoot is a key contributor in overall Management of the Company. His vast experience and his association would be of immense benefit to the Company and it is desirable to continue to avail his services as the Whole Time Director.

The Nomination and Remuneration Committee of the Board had carried out a thorough review of the proposal for the re-appointment of Mr. George Thomas Muthoot as the Whole Time Director of the Company. Committee having satisfied with the fit and proper criteria prescribed by the Reserve Bank of India has recommended the re-appointment of Mr. George Thomas Muthoot as the Whole Time Director for a period of 5 years with effect from 01st April 2025.

The Board of Directors considers that his re-appointment as Whole Time Director will be beneficial to the Company. Due to the following reasons the appointment of Mr. George Thomas Muthoot requires approval of the shareholders by means of special resolution:

(a) The Annual remuneration payable to him may exceed Rs. 5 crores or 2.5 percent of the net profits of the Company in terms of Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(b) In the event of decrease in the profits of the Company during, in terms of second proviso to Section 197(1) of the Companies Act, 2013, the proposed tenure of appointment, it is likely that the remuneration payable to him together with remuneration payable to other whole-time directors might exceed 10% of the net profits calculable in terms of Section 198 of the said Act.

In compliance with the general circular no. 02/2022 issued by the MCA, this item is considered unavoidable and hence forms part of this Notice.

The Board of Directors of the Company is confident that the proposal will have the support of the members. The Board thus recommends Resolution No. 10 for the approval of members as a Special Resolution.

Except Mr George Thomas Muthoot, being the proposed appointee, and Mr. George Jacob Muthoot, Mr. George Alexander Muthoot, being relatives of appointee, none of the Directors and other Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution.

Item No.11: Re-appointment of Mr. George Alexander Muthoot (holding DIN: 00016787) as Managing Director of the Company for a period of 5 (five) years with effect from April 01, 2025

Mr. George Alexander Muthoot was appointed as Managing Director for a period of 5 years with effect from April 01, 2020 and his present term is expiring on March 31, 2025. Mr. George Alexander Muthoot is a key contributor in overall Management of the Company. His vast experience and his association would be of immense benefit to the Company and it is desirable to continue to avail his services as Managing Director. Mr. George Alexander Muthoot has, over the years, nurtured a strong organizational culture, focusing on team development and employee engagement, leading to exceptional growth and sustained development of the organisation and its stakeholders. Mr. George Alexander Muthoot has consistently demonstrated strong leadership, strategic foresight, and a commitment to the company's long-term success and has effectively navigated challenges, seized opportunities, and driven the organisation towards achieving its strategic objectives.

The Nomination and Remuneration Committee of the Board had carried out a thorough review of the proposal for the re-appointment of Mr. George Alexander Muthoot as the Managing Director of the Company. Committee having satisfied with the fit and proper criteria prescribed by the Reserve Bank of India has recommended the re-appointment of Mr. George Alexander Muthoot as the Managing Director for a period of 5 years with effect from 01st April 2025.

The Board of Directors considers that his re-appointment as Managing Director will be beneficial to the Company. Due to the following reasons the appointment of Mr. George Alexander Muthoot requires approval of the shareholders by means of special resolution:

(a) The Annual remuneration payable to him may exceed Rs. 5 crores or 2.5 percent of the net profits of the Company in terms of Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(b) In the event of decrease in the profits of the Company during, in terms of second proviso to Section 197(1) of the Companies Act, 2013, the proposed tenure of appointment, it is likely that the remuneration payable to him together with remuneration payable to other whole-time directors might exceed 10% of the net profits calculable in terms of Section 198 of the said Act.

In compliance with the general circular no. 02/2022 issued by the MCA, this item is considered unavoidable and hence forms part of this Notice.

The Board of Directors of the Company is confident that the proposal will have the support of the members. The Board thus recommends Resolution No. 11 for the approval of members as a Special Resolution.

Except Mr George Alexander Muthoot, being the proposed appointee, and Mr. George Thomas Muthoot, Mr. George Jacob Muthoot, Mr. George Alexander being relatives of appointee, none of the Directors and other Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution.

Item No.12, 13, 14: Approval for revision in the terms of remuneration of Mr. George Muthoot George, Mr. George Muthoot Jacob and Mr. George Alexander, Whole Time Directors

The Board of Directors of the Company at the meeting held on September 03, 2024 on the recommendation of the Nomination and Remuneration Committee, recommended for the approval of the members, variation in the terms of remuneration payable to Mr. George Muthoot George, Mr. George Alexander and Mr. George Muthoot Jacob, Whole time Directors, with effect from 1st April 2025. The proposed variation in remuneration is based on the Company's remuneration strategy of being market competitive, performance driven and long term oriented, while recognizing the enduring impact of leadership talent on business performance and operational efficacy. Their tenure has been marked by notable achievements in all segments of the business viz gold loan, personal loan, business loan etc. Their leadership has been instrumental in driving the Company's growth and success, and their continued dedication is crucial for sustaining and enhancing operational performance in the long run. The said variation in remuneration also recognizes for market benchmarks, compensation trends and the Company's context. Given the evolving business environment and to align Whole Time Directors' remuneration with the industry standards and the increased responsibilities associated with their role, the Board of Directors considers it appropriate to revise the remuneration package.

As per the provisions of Sections 196(4) and 197(4) of the Companies Act, 2021, and the Rules made thereunder, remuneration payable to a Whole Time Director shall be determined by way of a resolution passed by the members of the Company at General Meeting. Further, in terms of Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members of the Company by means of a special resolution is required if-

(i) the annual remuneration payable to such executive director exceeds Rs. 5 crores or 2.5% 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% of the net profits of the listed entity.

Further, in the event of decrease in the profits of the Company during the proposed tenure of appointment, in terms of the second proviso to Section 197(1) of the Companies Act, 2013, it is likely that the

remuneration payable to the executive directors on the Board of the Company including the proposed revised remuneration payable to Mr. George Muthoot George, Mr. George Muthoot Jacob and Mr. George Alexander may exceed 5% of the net profits calculable as per Section 198 of the Companies Act, 2013.

In compliance with the general circular no. 02/2022 issued by the MCA, this item is considered unavoidable and hence forms part of this Notice.

The Board of Directors of the Company is confident that the proposals will have the support of the members. The Board thus recommends Resolutions No. 12, 13, and 14 for the approval of members as a Special Resolutions.

Except Mr George Alexander Muthoot, Mr. George Jacob Muthoot, Mr. George Alexander, Mr. Alexander George, Mr. George Muthoot Jacob, and Mr. George Muthoot George, none of the Directors and other Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution.

Item No.15: Appointment of Mr. Eapen Alexander as Executive director – IT & Digital Initiatives

In order to achieve the strategic objectives to enhance our digital capabilities and drive innovation in the IT service delivery within the organisation especially in the new era where analytics is the key source of knowledge for driving business, the Board of Directors thought it fit to appoint Mr. Eapen Alexander as the Executive director – IT & Digital Initiatives. Mr. Eapen Alexander brings a wealth of expertise that will be instrumental in advancing our IT infrastructure, analytics and digital transformation initiatives. Management believes that Mr. Eapen Alexander’s leadership will significantly contribute to achieving our organizational goals. This strategic appointment aligns with our ongoing commitment to enhancing our technological capabilities and driving digital transformation across the organization. With years of experience

in IT & Digital transformation, Mr. Eapen Alexander has demonstrated a strong track record of successfully leading IT projects, implemented digital solutions, and managing cross-functional teams. The Board of Directors is of the opinion that in today’s rapidly changing technological landscape, a clear and forward-thinking digital strategy is crucial. Mr. Eapen Alexander has a proven ability to develop and execute comprehensive IT and digital strategies that drive business growth and operational efficiency. Mr. Eapen Alexander’s vision for leveraging emerging technologies and optimizing our digital infrastructure will be instrumental in achieving our strategic objectives.

The Audit Committee, Nomination & Remuneration Committee and the Board of Directors of the Company have recommended the appointment and remuneration of Mr. Eapen Alexander, who is relative of Mr. George Alexander Muthoot, Managing Director and Mr. George Alexander, Whole time Director of the Company in terms of the provisions of Section 177, 188 and other applicable provisions of the Companies Act, 2013.

Section 188(1) (f) of the Companies Act, 2013 read with Rule 15(3) (b) of Companies (Meetings of Board and its Powers) Rules, 2014 as amended, provides that related party’s appointment to any office or place of profit in the Company carrying monthly remuneration exceeding ₹250,000/- shall be subject to approval by the Board of Directors of the Company and the shareholders of the Company. Further, fourth proviso to Section 188(1) of the Act prescribes that nothing in this sub-section shall apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm’s length basis. Although, the above transaction is considered to be at arms’ length basis and in ordinary course of business for the Company, approval of shareholders is sought by way of Ordinary resolution as a good governance practice.

Given below is a statement of disclosures as required under the Companies (Meetings of Board and its Powers) Rules, 2014:

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|---|---|
| Name of the related party | Mr. Eapen Alexander |
| Name of the director or key managerial personnel who is related, if any | George Alexander Muthoot, Managing Director and George Alexander, Whole time Director |
| Nature of relationship | Mr. Eapen Alexander, is related to Mr. George Alexander Muthoot, Managing Director as Son and Mr. George Alexander, Whole time Director as Brother |
| Nature, material terms, monetary value and particulars of the contract or arrangement | Remuneration as contained in the Resolution given above in the notice |
| Any other information relevant or important for the members to take a decision on the proposed resolution | Mr. Eapen Alexander, aged 36 years, holds an MBA from Duke University, an MSC in International Political Economy from the London School of Economics and a BA Economics (Honours) degree from St. Xavier’s College, Mumbai. He is currently associated with The Muthoot Group overseeing the IT & Digital Transformation Initiatives, Business Analytics and Strategic Initiatives. Mr. Eapen Alexander also serves as Non Executive Director on the Board of Muthoot Homefin (India) Limited, Muthoot Money Limited, two wholly owned subsidiaries of the Company. Additionally, he is also a Director for CRIF High Mark Credit Information Services Private Limited, a Credit Information Bureau. Eapen also serves as a member on the India & Middle Eastern advisory board of Fuqua School of Business – Duke University |

In compliance with the general circular no. 02/2022 issued by the MCA, this item is considered unavoidable and hence forms part of this Notice.

The Board of Directors of the Company is confident that the proposal will have the support of the members. The Board thus recommends Resolution No. 15 for the approval of members as a Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives, other than Mr. George Alexander Muthoot, Managing Director and Mr. George Alexander, Whole time Director, and their relatives, are deemed to be concerned or interested financially or otherwise, in the resolution set out at Item No. 15 of this Notice.

By Order of the Board of Directors
For **Muthoot Finance Limited**

Sd/

Rajesh A

Company Secretary
FCS7106

Place: Kochi

Date: September 03, 2024

ADDITIONAL INFORMATION OF DIRECTORS AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2) ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA.

1.Mr. Abraham Chacko

| DIN | 06676990 | | | | | | | | | | | | | | |
|---|--|-------------------|-------------|-----------------|-------------------|-------------|-----------------------------------|-----------------|----------|----------------------|-----------------|--------|-----------------------|-----------------|----------|
| Age & Date of Birth | 72 Years, July 29, 1952 | | | | | | | | | | | | | | |
| Nationality | Indian | | | | | | | | | | | | | | |
| Date of First Appointment on the Board | 18/09/2021 | | | | | | | | | | | | | | |
| Qualifications | <ol style="list-style-type: none"> 1. B.Com (Hons) 2. Post Graduate Diploma in Business Management (XLRI) | | | | | | | | | | | | | | |
| Brief Profile | <p>Mr. Abraham Chacko is an experienced banking professional with an experience of over 38 years in India and abroad. During his early career, he served HSBC India for a period 14 years and has held varied roles over there. He was also the Country Manager in ABN AMRO Bank N.V before his elevation as the Executive Director at the Bank.</p> <p>He was also employed as the Executive Director at The Royal Bank of Scotland for a span of 2 years and he retired as Executive Director and the President - Treasury from The Federal Bank Limited, India, after serving for a period 4 years. Post retirement from a full-time career, he is currently the independent director of few companies.</p> | | | | | | | | | | | | | | |
| Directorship in other Companies | <ol style="list-style-type: none"> 1. Liberty General Insurance Limited 2. Jana Capital Limited 3. Jana Holdings Limited 4. Dia Vikas Capital Private Limited 5. India Ratings and Research Private Limited 6. Capsave Finance Private Limited | | | | | | | | | | | | | | |
| Chairmanship/Membership of Audit Committee and Stakeholders Relationship Committee of the Board of Directors of other Indian Companies of which he is a Director as required under Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 | <table border="1"> <thead> <tr> <th>Name of Company</th> <th>Name of Committee</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Liberty General Insurance Limited</td> <td>Audit Committee</td> <td>Chairman</td> </tr> <tr> <td>Jana Capital Limited</td> <td>Audit Committee</td> <td>Member</td> </tr> <tr> <td>Jana Holdings Limited</td> <td>Audit Committee</td> <td>Chairman</td> </tr> </tbody> </table> | | | Name of Company | Name of Committee | Designation | Liberty General Insurance Limited | Audit Committee | Chairman | Jana Capital Limited | Audit Committee | Member | Jana Holdings Limited | Audit Committee | Chairman |
| | Name of Company | Name of Committee | Designation | | | | | | | | | | | | |
| | Liberty General Insurance Limited | Audit Committee | Chairman | | | | | | | | | | | | |
| | Jana Capital Limited | Audit Committee | Member | | | | | | | | | | | | |
| Jana Holdings Limited | Audit Committee | Chairman | | | | | | | | | | | | | |
| Listed entities from which the director has resigned in the past three years | Nil | | | | | | | | | | | | | | |
| Terms and conditions of appointment or re-appointment | The present appointment is for a period of five years and he is not liable to retire by rotation during the said tenure. | | | | | | | | | | | | | | |
| Details of remuneration sought to be paid | Being appointed as the Non-Executive Independent Director, he will be eligible for a Commission (in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, as the Board of Directors may from time to time determine) not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013, or any statutory modification(s) or re- enactment(s) thereof and subject to the recommendation of Nomination and Remuneration Committee of the Board of Directors. | | | | | | | | | | | | | | |

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| Details of remuneration last drawn by such person (Financial Year 2023-2024) | During the financial year 2023-24, Mr. Abraham Chacko was paid sitting fee of Rs. 0.77 million and Commission of Rs. 1.50 million. |
| Relationship with other Directors and Key Managerial Personnel | None of the Directors or Key Managerial Personnel of the Company or their relatives are related to the appointee. |
| Number of Meetings of the Board attended during the Financial Year 2023-2024 | Mr. Abraham Chacko attended 5 board meetings held during the Financial Year 2023-24 |
| Shareholding in the Company | NIL |
| Skills and Capabilities | Mr. Abraham Chacko is an experienced banking professional with an experience of over 38 years in India and abroad. During his early career, he served HSBC India for a period of 14 years and has held varied roles over there. He was also the Country Manager in ABN AMRO Bank N. V before his elevation as the Executive Director at the Bank. He was also employed as the Executive Director at The Royal Bank of Scotland for a span of 2 years and he retired as Executive Director and the President - Treasury from The Federal Bank Ltd, India, after serving for a period of 4 years. |

2.Mr. George Jacob Muthoot

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| DIN | 00018235 |
| Age & Date of Birth | 71 Years, September 21,1952 |
| Nationality | Indian |
| Date of First Appointment on the Board | August 16, 2005 |
| Qualifications | Degree in Civil Engineering |
| Brief Profile | George Jacob Muthoot has a degree in civil engineering from Manipal University and is a businessman by profession. He is a member of the Trivandrum Management Association, The Confederation of Real Estate Developers Association of India (Trivandrum) and the Trivandrum Agenda Task Force. He is also a member of the Rotary Club, Trivandrum (South), governing body member of the Charitable and Educational Society of Trivandrum Orthodox Diocese and Finance Committee Member, Mar Diocese College of Pharmacy, Althara, Trivandrum. He has over four decades of experience in managing businesses operating in the field of financial services. |
| Directorship in other Companies | <ol style="list-style-type: none"> 1. Xandari Resorts Private Limited 2. Muthoot Infopark Private Limited 3. Muthoot Insurance Brokers Private Limited 4. Muthoot Forex Limited 5. M G M Muthoot Medical Centre Private Limited 6. Geem Marketing Services Private Limited 7. Xandari Pearl Beach Resorts Private Limited 8. MMG Developers Private Limited 9. Muthoot Commodities Limited 10. Adams Properties Private Limited 11. Oxbow Properties Private Limited 12. Muthoot M George Institute of Technology 13. Xandari Heritage Resorts Private Limited 14. Geobros Properties and Realtors Private Limited 15. Muthoot Health Care Private Limited 16. MMG Investment Services Private Limited. 17. Muthoot Money Limited 18. Muthoot Global UK Limited |

| Listed entities from which the director has resigned in the past three years | Nil | | | | | | |
|---|---|-----------------|-------------------|-------------|-----------------------|-----------------|--------|
| Chairmanship/Membership of Audit Committee and Stakeholders Relationship Committee of the Board of Directors of other Indian Companies of which he is a Director as required under Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 | <table border="1"> <thead> <tr> <th>Name of Company</th> <th>Name of Committee</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Muthoot Forex Limited</td> <td>Audit Committee</td> <td>Member</td> </tr> </tbody> </table> | Name of Company | Name of Committee | Designation | Muthoot Forex Limited | Audit Committee | Member |
| Name of Company | Name of Committee | Designation | | | | | |
| Muthoot Forex Limited | Audit Committee | Member | | | | | |
| Terms and conditions of appointment or re-appointment | Mr. George Jacob Muthoot was appointed as Whole Time Director w.e.f April 01, 2020, on such terms and conditions as approved by the members of the Company by a special resolution at the Annual General Meeting held on September 28, 2019, for a period of five years and liable to retire by rotation. Present re-appointment of Mr. George Jacob Muthoot on retirement by rotation is within the above said period of appointment as Whole Time Director and hence there is no change in the terms and conditions of appointment. | | | | | | |
| Details of remuneration sought to be paid | As stated in the terms and conditions of the appointment above. | | | | | | |
| Details of remuneration last drawn by such person (Financial Year 2023-2024) | Rs. 245.46 million. | | | | | | |
| Relationship with other Directors and Key Managerial Personnel | Mr. George Jacob Muthoot is the brother of Mr. George Alexander Muthoot, Managing Director, and Mr. George Thomas Muthoot, Whole Time Director of the Company; Mr. George Muthoot Jacob is the son of Mr. George Jacob Muthoot; Except for the above, none of the other Directors, Key Managerial Personnel and their relatives are related. | | | | | | |
| Number of Meetings of the Board attended during the Financial Year 2023-24 | Mr. George Jacob Muthoot attended 5 board meetings held during the Financial Year 2023-24 | | | | | | |
| Shareholding in the Company | 4,36,30,900 equity shares constituting 10.87% of the paid up share capital as on 31.03.2024. | | | | | | |

3.Mr. George Thomas Muthoot

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| DIN | 00018281 |
| Age & Date of Birth | 73 Years, December 25, 1950 |
| Nationality | Indian |
| Date of First Appointment on the Board | August 16, 2005 |
| Qualifications | Undergraduate |
| Brief Profile | Mr. George Thomas Muthoot is a businessman by profession. He has over three decades of experience in managing business operations in the field of financial services. He has received the 'Sustainable Leadership Award 2014' by the CSR Congress in the individual category. |
| Directorship in other Companies | <ol style="list-style-type: none"> 1. Xandari Resorts Private Limited 2. M G M Muthoot Medical Centre Private Limited 3. MMG Holiday Homes Private Limited 4. Muthoot M George Chits India Limited 5. Xandari Pearl Beach Resorts Private Limited 6. Adams Properties Private Limited |

| | |
|---|--|
| | <ol style="list-style-type: none"> 7. Muthoot M George Institute of Technology 8. Muthoot Homefin (India) Limited 9. Xandari Heritage Resorts Private Limited 10. Geobros Properties and Realtors Private Limited 11. Muthoot Synergy Nidhi Limited 12. Muthoot Health Care Private Limited 13. Muthoot Infopark Private Limited 14. MMG Investment Services Private Limited |
| Listed entities from which the director has resigned in the past three years | Nil |
| Chairmanship/Membership of Audit Committee and Stakeholders Relationship Committee of the Board of Directors of other Indian Companies of which he is a Director as required under Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 | Nil |
| Terms and conditions of appointment or re-appointment | <p>Mr. George Thomas Muthoot was appointed as Whole Time Director w.e.f April 01, 2020 on such terms and conditions as approved by the members of the Company by an ordinary resolution at the Annual General Meeting dated September 28, 2019 for a period of five years and liable to retire by rotation.</p> <p>Present re-appointment of Mr. George Thomas Muthoot on retirement by rotation is within the above said period of appointment as Whole Time Director and hence there is no change in the terms and conditions of appointment</p> |
| Details of remuneration sought to be paid | As stated in the terms and conditions of the appointment above. |
| Details of remuneration last drawn by such person (Financial Year 2023-2024) | Rs. 245.46 million. |
| Relationship with other Directors and Key Managerial Personnel | <p>Mr. George Thomas Muthoot is the brother of Mr. George Alexander Muthoot and, Mr. George Jacob Muthoot, Directors on the Board.</p> <p>Except for the above none of the Directors and other Key Managerial Personnel of the Company and their relatives are related</p> |
| Number of Meetings of the Board attended during the Financial Year 2023-24 | Mr. George Thomas Muthoot attended 5 board meetings held during the Financial Year 2023-24 |
| Shareholding in the Company | 4,36,30,900 equity shares constituting 10.87% of the paid up share capital as on 31.03.2024. |

4.Mr. George Alexander Muthoot

| | |
|--|------------------------------|
| DIN | 00016787 |
| Age & Date of Birth | 69 years, September 16, 1955 |
| Nationality | Indian |
| Date of First Appointment on the Board | November 20, 2006 |
| Qualifications | Chartered Accountant |

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|---|--|
| Brief Profile | George Alexander Muthoot is a chartered accountant who qualified with first rank in Kerala and was ranked 20th overall in India, in 1978. He has a bachelor's degree in commerce from Kerala University where he was a rank holder and gold medalist. He was also awarded the Times of India group Business Excellence Award in customised Financial Services in March 2009. He was also awarded the CA Business Leader Award under Financial Services Sector from the Institute of Chartered Accountants of India for 2013. He served as the Chairman of the Kerala Non-banking Finance Companies Welfare Association from 2004 to 2007. He is also the Chairman of Finance Companies Association, Chennai. He is the founder member for the Indus Entrepreneurs International, Kochi Chapter and is now a member of the Core Committee of the Indus Entrepreneurs International Kochi Chapter. He has over four decades of experience in managing businesses operating in the field of financial services. |
| Directorship in other Companies | <ol style="list-style-type: none"> 1. Muthoot Infopark Private Limited 2. Muthoot Forex Limited 3. M G M Muthoot Medical Centre Private Limited 4. Muthoot Insurance Brokers Private Limited 5. Muthoot Vehicle & Asset Finance Limited 6. Xandari Pearl Beach Resorts Private Limited 7. Adams Properties Private Limited 8. Muthoot Commodities Limited 9. Geem Marketing Services Private Limited 10. Muthoot M George Institute of Technology 11. Muthoot Homefin (India) Limited 12. Xandari Heritage Resorts Private Limited 13. Geobros Properties and Realtors Private Limited 14. MMG Investment Services Private Limited) 15. Finance Companies' Association (India) |
| Listed entities from which the director has resigned in the past three years | Nil |
| Chairmanship/Membership of Audit Committee and Stakeholders Relationship Committee of the Board of Directors of other Indian Companies of which he/she is a Director as required under Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 | Nil |
| Terms and conditions of appointment or re-appointment | Mr. George Alexander Muthoot was appointed as Managing Director w.e.f April 01, 2020, on such terms and conditions as approved by the members of the Company by a special resolution at the Annual General Meeting held on September 28, 2019, for a period of five years and liable to retire by rotation. Present re-appointment of Mr. George Alexander Muthoot on retirement by rotation is within the above said period of appointment as Managing Director and hence there is no change in the terms and conditions of appointment. |
| Details of remuneration sought to be paid | As stated in the terms and conditions of the appointment above. |
| Details of remuneration last drawn by such person (Financial Year 2023-2024) | Rs. 245.46 million |

| | |
|--|--|
| Relationship with other Directors and Key Managerial Personnel | Mr. George Alexander Muthoot is the brother of Mr. George Jacob Muthoot, Whole Time Director, and Mr. George Thomas Muthoot, Whole Time Director of the Company; Mr. George Alexander (Jr.) is the son of Mr. George Alexander Muthoot; Except for the above, none of the other Directors, Key Managerial Personnel and their relatives are related. |
| Number of Meetings of the Board attended during the Financial Year 2023-2024 | Mr. George Alexander Muthoot attended 5 board meetings held during the Financial Year 2023-2024 |
| Shareholding in the Company | 2,36,30,900 equity shares constituting 5.89% of the paid-up share capital as on 31.03.2024 |

5.Mr. George Muthoot George

| | |
|--|---|
| DIN | 00018329 |
| Age & Date of Birth | 49 Years, March 13,1975 |
| Nationality | Indian |
| Date of First Appointment on the Board | 15/12/2021 |
| Qualifications | 1. Bachelor's Degree in Hospitality Management from Welcomgroup Graduate school of Hotel Administration in Manipal 2. Master's degree at the prestigious Essec-Cornell University in Paris, France. |
| Brief Profile | Mr. George Muthoot George is a graduate in Hospitality Management from Welcomgroup Graduate school of Hotel Administration in Manipal and holds a Master's degree from prestigious Essec-Cornell University in Paris, France. Mr. George Muthoot George was instrumental in taking the hospitality and media division in the Muthoot Group to much higher levels over the last two decades including establishing new brands of hospitality in India, Africa, and Central America. Mr. George Muthoot George was instrumental in launching Chennai's first English radio station (Chennai Live 104.8FM) and India's first Talk radio format in 2007. He was also instrumental in launching local brands like Travel Jango and Via Kerala amongst others, in areas as diverse as online travel and handcrafted products that support local entrepreneurs. Over the years, Mr. George Muthoot George has demonstrated his capabilities in brand building, image management, PR management, social reengineering etc., through various ventures he has undertaken. |
| Directorship in other Companies | <ol style="list-style-type: none"> 1. Green Guardians Organic Farms and Exports Private Limited. 2. Halaval Rubber & Plantations Private Limited 3. Kasal Rubber & Plantations Private Limited 4. Kottayam Property Developers Private Limited 5. MMG Holiday Homes Private Limited 6. Patgaon Plantations Private Limited 7. Nuevo Cap Fintech Private Limited 8. Xandari Hospitality Services Private Limited 9. Xandari Heritage Resorts Private Limited 10. Muthoot Securities Limited 11. Muthoot Insurance Brokers Private Limited 12. Xandari Resorts Private Limited 13. Emgee Muthoot Nidhi Limited 14. Xandari Pearl Beach Resorts Private Limited 15. MMG Holidays Private Limited 16. Muthoot Broadcasting Private Limited 17. Muthoot Aurum Private Limited 18. Freelander Restaurants (OPC) Private Limited |

| | |
|---|---|
| Listed entities from which the director has resigned in the past three years | Nil |
| Chairmanship/Membership of Audit Committee and Stakeholders Relationship Committee of the Board of Directors of other Indian Companies of which he/she is a Director as required under Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 | Nil |
| Chairmanship/Membership of Audit Committee and Stakeholders Relationship Committee of the Board of Directors of other Indian Companies of which he is a Director as required under Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 | Nil |
| Terms and conditions of appointment or re- appointment | Mr. George Muthoot George was appointed as Whole Time Director w.e.f December 15, 2021, on such terms and conditions as approved by the members of the Company, for a period of five years and liable to retire by rotation. Present re-appointment of Mr. George Muthoot George on retirement by rotation is within the above said period of appointment as Whole Time Director and hence there is no change in the terms and conditions of appointment. |
| Details of remuneration sought to be paid | As stated in the terms and conditions of the appointment above |
| Details of remuneration last drawn by such person (Financial Year 2023-2024) | Rs. 23.84 million. |
| Relationship with other Directors and Key Managerial Personnel | Mr. Alexander George, Whole Time Director, is the Brother of Mr. George Muthoot George. Except for the above, none of the other Directors, Key Managerial Personnel and their relatives are related. |
| Number of Meetings of the Board attended during the Financial Year 2023-24 | Mr. George Muthoot George attended 5 board meetings held during the Financial Year 2023-24 |
| Shareholding in the Company | 2,22,89,710 equity shares constituting 5.55% of the paid up share capital. |

6.Mr. George Muthoot Jacob

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| DIN | 00018955 |
| Age & Date of Birth | 41 Years, August 16, 1983 |
| Nationality | Indian |
| Date of First Appointment on the Board | 15/12/2021 |
| Qualifications | <ol style="list-style-type: none"> 1. Bachelor's degree in Law, BA.LLB (Hons), from the National University of Advanced Legal Studies, Kochi. 2. LLM in International Economic Law from the University of Warwick, UK 3. Master's in Management from CASS Business School, London. |
| Brief Profile | <p>Mr. George Muthoot Jacob is a graduate in Law from National University of Advanced Legal Studies, Kochi. Mr. George Muthoot Jacob has also completed LLM in International Economic Law from University of Warwick, UK and has a Master's Degree in Management from CASS Business School, London.</p> <p>Mr. George Muthoot Jacob has joined Muthoot Finance Limited in the year 2010 and is currently acting as the Executive Director heading the legal, compliance, governance, and marketing functions in the Company. Under his leadership, Muthoot Finance Limited has set high benchmarks in governance and compliance and he has been spearheading the marketing function in the Company with innovative marketing strategies which has enabled the Company to grow its brand visibility to rural and semi-urban areas.</p> |

| | <p>Mr. George Muthoot Jacob also serves as a member on the Board of many financial services companies including Belstar Microfinance Limited, Muthoot Money Limited and Muthoot Vehicle & Asset Finance Limited.</p> <p>Mr. George Muthoot Jacob serves as an Independent Director on the Board of V Guard Industries Limited, one of the listed Company in Kerala.</p> | | | | | | | | | | | | | | | |
|---|---|-----------------|-------------------|-------------|----------------------------|-----------------|--------|----------------------------|-------------------------------------|--------|---|-----------------|--------|---|-------------------------------------|--------|
| Directorship in other Companies | <ol style="list-style-type: none"> 1. Green Guardians Organic Farms and Exports Private Limited. 2. Halaval Rubber & Plantations Private Limited 3. Kasal Rubber & Plantations Private Limited 4. Vatul Plantations Private Limited 5. Xandari Hospitality Services Private Limited 6. MMG Credit Marketing Services Private Limited 7. Emsyne Technologies Private Limited 8. Geobros Properties and Realtors Private Limited 9. Udeli Rubber and Plantations Private Limited 10. Muthoot Securities Limited 11. V Guard Industries Limited 12. Venus Diagnostics Limited 13. Muthoot Vehicle & Asset Finance Limited 14. Emgee Muthoot Nidhi Limited 15. Belstar Microfinance Limited 16. Muthoot Broadcasting Private Limited 17. Muthoot Money Limited 18. Muthoot Finance UK Limited 19. Muthoot Global UK Limited 20. Muthoot Aurum Private Limited 21. Sunflame Enterprises Private Limited | | | | | | | | | | | | | | | |
| Chairmanship/Membership of Audit Committee and Stakeholders Relationship Committee of the Board of Directors of other Indian Companies of which he is a Director as required under Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 | <table border="1"> <thead> <tr> <th>Name of Company</th> <th>Name of Committee</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>V Guard Industries Limited</td> <td>Audit Committee</td> <td>Member</td> </tr> <tr> <td>V Guard Industries Limited</td> <td>Stakeholders Relationship Committee</td> <td>Member</td> </tr> <tr> <td>Muthoot Vehicle & Asset Finance Limited</td> <td>Audit Committee</td> <td>Member</td> </tr> <tr> <td>Muthoot Vehicle & Asset Finance Limited</td> <td>Stakeholders Relationship Committee</td> <td>Member</td> </tr> </tbody> </table> | Name of Company | Name of Committee | Designation | V Guard Industries Limited | Audit Committee | Member | V Guard Industries Limited | Stakeholders Relationship Committee | Member | Muthoot Vehicle & Asset Finance Limited | Audit Committee | Member | Muthoot Vehicle & Asset Finance Limited | Stakeholders Relationship Committee | Member |
| Name of Company | Name of Committee | Designation | | | | | | | | | | | | | | |
| V Guard Industries Limited | Audit Committee | Member | | | | | | | | | | | | | | |
| V Guard Industries Limited | Stakeholders Relationship Committee | Member | | | | | | | | | | | | | | |
| Muthoot Vehicle & Asset Finance Limited | Audit Committee | Member | | | | | | | | | | | | | | |
| Muthoot Vehicle & Asset Finance Limited | Stakeholders Relationship Committee | Member | | | | | | | | | | | | | | |
| Terms and conditions of appointment or re- appointment | <p>Mr. George Muthoot Jacob was appointed as Whole Time Director w.e.f December 15, 2021, on such terms and conditions as approved by the members of the Company, for a period of five years and liable to retire by rotation. Present re-appointment of Mr. George Muthoot Jacob on retirement by rotation is within the above said period of appointment as Whole Time Director and hence there is no change in the terms and conditions of appointment.</p> | | | | | | | | | | | | | | | |
| Details of remuneration sought to be paid | As stated in the terms and conditions of the appointment above | | | | | | | | | | | | | | | |
| Details of remuneration last drawn by such person (Financial Year 2023-24) | Rs. 23.84 million | | | | | | | | | | | | | | | |
| Relationship with other Directors and Key Managerial Personnel | Mr. George Jacob Muthoot, Whole Time Director, is the father of Mr. George Muthoot Jacob. | | | | | | | | | | | | | | | |
| Number of Meetings of the Board attended during the Financial Year 2023-24 | Mr. George Muthoot Jacob attended 4 board meetings held during the Financial Year 2023-24 | | | | | | | | | | | | | | | |
| Shareholding in the Company | 1,50,50,000 equity shares constituting 3.75% of the paid up share capital. | | | | | | | | | | | | | | | |

7.Mr. George Alexander (s/o Mr. George Alexander Muthoot)

| DIN | 00018384 | | | | | | | | |
|---|--|-------------|--|-----------------|-------------------|-------------|----------------------------|-----------------|--------|
| Age & Date of Birth | 41 Years, June 30,1983 | | | | | | | | |
| Nationality | Indian | | | | | | | | |
| Date of First Appointment on the Board | 15/12/2021 | | | | | | | | |
| Qualifications | <ol style="list-style-type: none"> 1. Master's in Business Administration from University of North Carolina's Kenan & Flagler Business School 2. Bachelor's degree in Mechanical Engineering from University of Kerala - TKM College of Engineering | | | | | | | | |
| Brief Profile | <p>Mr. George Alexander is a graduate in Mechanical Engineering from University of Kerala - TKM College of Engineering. Mr. George Alexander has also completed Master's in Business Administration from University of North Carolina's Kenan & Flagler Business School.</p> <p>Mr. George Alexander has over 15 years of experience in the field of financial services and is currently acting as the Executive Director in Muthoot Finance Limited heading operations and administration in the states of Karnataka, Goa and Telangana.</p> <p>Mr. George Alexander was tasked with the overall responsibility of overseeing the operations and administration wing of the Company in the Southern Region and under his leadership, your Company has streamlined its operations, enhanced its reach and improved the overall business over the years. Southern region of the Company continues to contribute 50% of the total loan assets and Mr. George Alexander has demonstrated excellent management skills in overseeing the operations in the region.</p> <p>Mr. George Alexander also serves as a member on the Boards of Asia Asset Finance PLC, Muthoot Insurance Brokers Private Limited and Belstar Microfinance Limited. Prior to joining Muthoot Finance Limited, Mr. George Alexander worked in ING Vysya Bank and Toyota at varied roles.</p> | | | | | | | | |
| Directorship in other Companies | <ol style="list-style-type: none"> 1. Emsyne Technologies Private Limited 2. Pangrad Plantations Private Limited 3. Nuevo Cap Fintech Private Limited 4. Sawanthavadi Rubber and Plantation Private Limited 5. Vagade Plantations Private Limited 6. Vaghotham Plantations Private Limited 7. Varavade Plantations Private Limited 8. Unix Properties Private Limited 9. Xandari Heritage Resorts Private Limited 10. Muthoot Royalex Forex Services Private Limited 11. Rangana Rubber & Plantations Private Limited 12. Maneri Rubber & Plantations Private Limited 13. Amboli Rubber & Plantations Private Limited 14. Muthoot Securities Limited 15. Muthoot Insurance Brokers Private Limited 16. Muthoot Infopark Private Limited 17. Venus Diagnostics Limited 18. Belstar Microfinance Limited 19. Muthoot Finserve USA INC 20. Asia Asset Finance PLC | | | | | | | | |
| Chairmanship/Membership of Audit Committee and Stakeholders Relationship Committee of the Board of Directors of other Indian Companies of which he is a Director as required under Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 | <table border="1"> <thead> <tr> <th>Name of Company</th> <th>Name of Committee</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Muthoot Securities Limited</td> <td>Audit Committee</td> <td>Member</td> </tr> </tbody> </table> | | | Name of Company | Name of Committee | Designation | Muthoot Securities Limited | Audit Committee | Member |
| Name of Company | Name of Committee | Designation | | | | | | | |
| Muthoot Securities Limited | Audit Committee | Member | | | | | | | |

| | |
|--|---|
| Terms and conditions of appointment or re- appointment | Mr. George Alexander was appointed as Whole Time Director w.e.f December 15, 2021, on such terms and conditions as approved by the members of the Company, for a period of five years and liable to retire by rotation. Present re-appointment of Mr. George Alexander on retirement by rotation is within the above said period of appointment as Whole Time Director and hence there is no change in the terms and conditions of appointment. |
| Details of remuneration sought to be paid | As stated in the terms and conditions of the appointment above |
| Details of remuneration last drawn by such person (Financial Year 2023-24) | Rs. 23.84 million |
| Relationship with other Directors and Key Managerial Personnel | Mr. George Alexander Muthoot, Managing Director, is the father of Mr. George Alexander. Except for the above, none of the other Directors, Key Managerial Personnel and their relatives are related. |
| Number of Meetings of the Board attended during the Financial Year 2023-24 | Mr. George Alexander attended 5 board meetings held during the Financial Year 2023-24 |
| Shareholding in the Company | 1,75,25,000 equity shares constituting 4.37 % of the paid up share capital. |

- END -



Muthoot Finance

Compassionate. Committed. Consistent.



Annual Report 2023-24

Compassionate. Committed. Consistent.

As the unrivalled leader and pioneer in India's gold loan sector with diversified businesses, we see ourselves as catalysts of positive transformation — in the lives of millions of customers in their journey towards financial empowerment.

Apart from consciously pivoting our efforts towards growing our non-gold loan book in FY24, we also focused on strengthening our digital strategies for transformative growth across our product portfolio.

Notwithstanding industry headwinds, we have continued to maintain our leadership position in the gold loan industry and capitalised on the strong growth opportunities in affordable housing, microfinance, personal loans, small business loans and vehicle finance.

The robust domestic consumption growth emanating from India's middle-income segment and their rising aspirations provide ample opportunities for future growth. To leverage these opportunities, we are ramping up our physical and digital infrastructure and are constantly enhancing operational efficiencies and brand recall to amplify value for all stakeholders.

In a dynamic industry scenario, we remain consistent in our business approach, stay committed to our core values and foster a culture of respect, compassion and collaboration with our customers, colleagues, communities and all other stakeholders. Our industry-best ESG practices is a testament to this guiding principle.



Our Guiding Inspiration



Our founder, Late Shri M. George Muthoot, envisioned the prospects of gold loan in India long back in 1939. His business insight and vision helped transform India's gold loan business. Guided by his values, we have strengthened our reputation over the years and established ourselves as a trusted pan-India brand.



Our visionary chairman Late Shri. M. G. George Muthoot was instrumental in making Muthoot Finance a Pan India Company and largest gold loan NBFC in India. Under his strategic leadership, the Muthoot group grew into a multi dimensional business behemoth from 31 branches in 4 states in 1979 to 4600+ branches across the country by 2021.

What's inside

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CORPORATE OVERVIEW

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Forward-looking statement

Some information in this report may contain forward-looking statements. We have based these forward looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances.



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" Commitment, consistency and above all compassion towards our customers, employees, communities and the environment represent the hallmark of 'The Muthoot Group' in its glittering legacy of over 137 years.



Scan the QR code to know more about our company

Serving Diverse Financial Needs


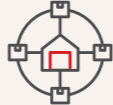


With Compassion, Commitment and Consistency

Founded in 1887, Muthoot Finance continues to uphold a rich legacy of over 130 years in the gold loans business.

We have emerged as India's largest and most reliable gold loan NBFC, with an extensive network of branches nationwide. Headquartered in Kochi, Kerala, we specialise in providing personal and business loans secured by gold jewellery, offering essential short-term liquidity to individuals and enterprises.

We create value by offering reliable financial services, conducting our business with integrity, and striving for excellence. We prioritise understanding and addressing our customers' unique needs, ensuring accessible and dependable financial solutions. Our goal is to provide a seamless experience, delivering consistent and considerate services to our clients across the social spectrum.

We are committed and consistent in our strategies and execution to enrich and uplift the lives of millions of citizens, enabling them to fulfil their financial needs, while caring for the environment and the communities we serve.

| | |
|---|---|
|  <h1>130+</h1> Years of Legacy |  <h1>6,541+</h1> Branches Groupwise Nationwide |
|  <h1>Headquarters</h1> in Kochi, Kerala |  <h1>Backed by</h1> Strong Credit Ratings |

Organisational Structure

Incorporation and Public Listing

We were incorporated as Muthoot Finance Limited in 1997. In 2008, we incorporated ourselves as a public limited company. We are listed on the BSE and NSE.

Part of the Muthoot Group

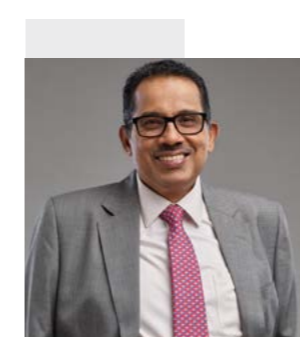
Founded by the late Mr. M. G. George Muthoot, our current promoters are:



Mr. George Thomas Muthoot








Mr. George Jacob Muthoot



Mr. George Alexander Muthoot

Key subsidiaries

| | | |
|--|--|---|
|  Muthoot Homefin Muthoot Homefin (India) Limited |  Muthoot Insurance Brokers Muthoot Insurance Brokers Private Limited |  Belstar Microfinance Limited |
|  Muthoot Money Muthoot Money Limited |  ASIA ASSET FINANCE PLC ASIA ASSET FINANCE PLC | |

Offerings

Gold Loans

Target Markets

Small businesses, vendors, farmers, traders, SME owners, salaried individuals

Personal Loans

Target Markets

Salaried individuals, small business owners, vendors

Business Loans

Target Markets

Small businesses, traders, SME owners

Home Loans

Target Markets

Salaried individuals, SME owners, traders

Vehicle Loans

Target Markets

Salaried individuals, small business owners, vendors

Money Transfer Services

Target Markets

Migrant workers, small businesses, vendors

Insurance Broking

Target Markets

Small businesses, SME owners, salaried individuals

Mutual Funds

Target Markets

Salaried individuals, small business owners, traders

Microfinance

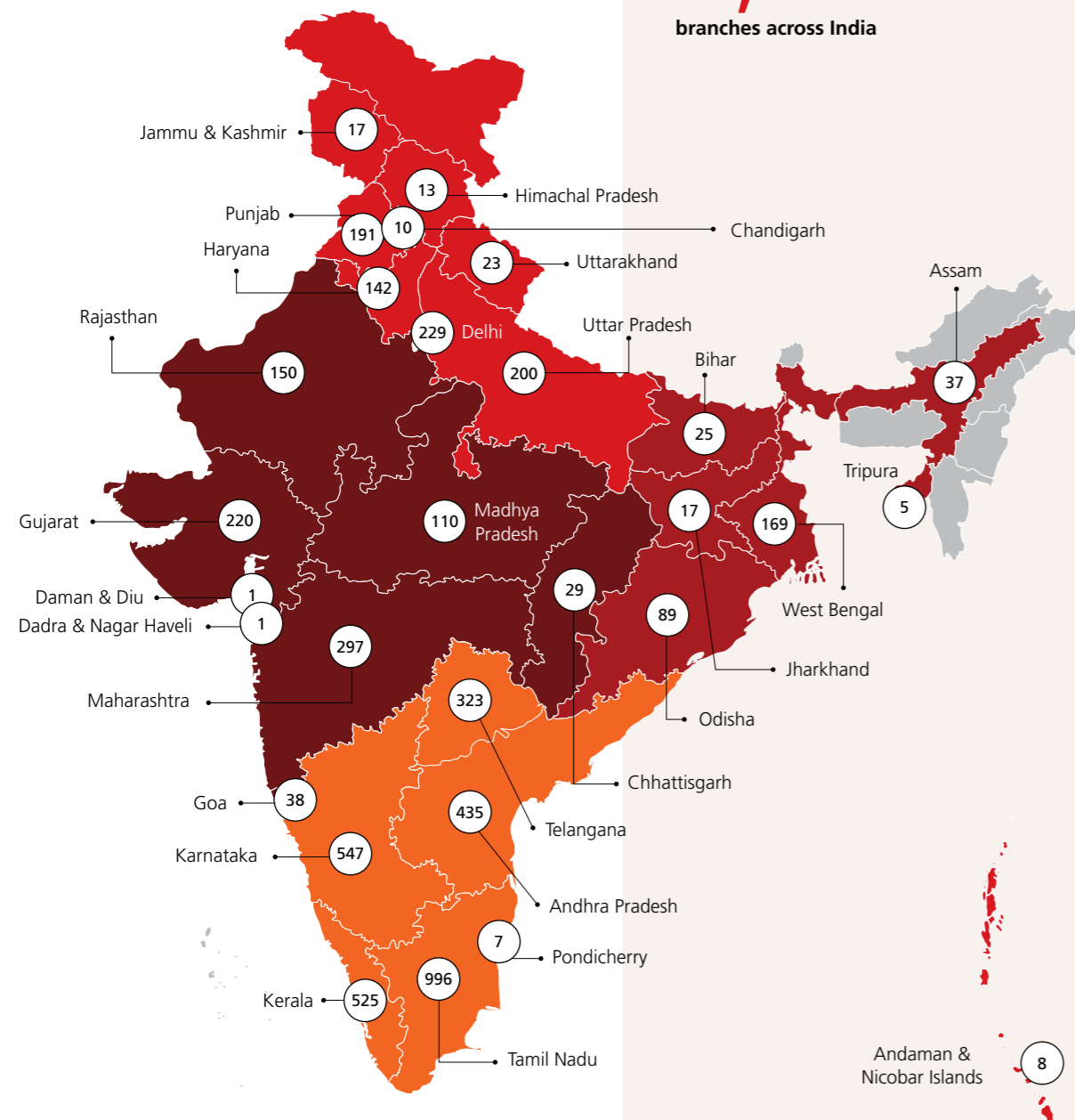
Target Markets

Farmers, small vendors, low-income individuals

A Strong Pan-India Presence

Got India Covered

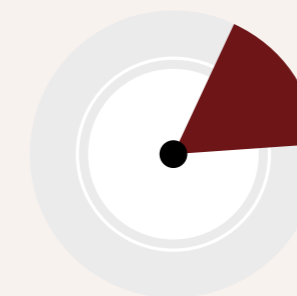
State-wise Branch Network



A strong presence of
4,854
branches across India

(%) Branches Region-wise

(As of March 31, 2024)



Rural India accounts for about
65%
of total gold stock in the country

Large portion of the rural population has
limited credit access

Catering to under-served rural and semi-urban markets through
strong presence

Milestones

Crossing New Milestones Consistently

1887

Commenced operations as a trading business in a Kerala village

1939

Embarked on the gold loan business

2001

Received the RBI licence to function as an NBFC

2004

Received the highest rating of F1 from Fitch Ratings for a short-term debt of ₹200 million

2005

Retail loan and debenture portfolio crossed ₹ 5 billion

2007

- Retail loan portfolio crossed ₹14 billion
- Net owned funds crossed ₹1 billion
- Accorded NBFC-ND-SI status
- Branch network crossed 500

2008

- Retail loan portfolio crossed ₹21 billion
- Retail debenture portfolio crossed ₹1 billion
- Converted into a Public Limited Company

2010

- Retail loan portfolio crossed ₹ 74 billion
- Retail debenture portfolio crossed ₹ 27 billion
- CRISIL assigned P1+ rating for short term debt of ₹ 4 billion, ICRA assigned A1+ for short term debt of ₹ 2 billion.
- Net owned funds crossed ₹ 5 billion
- Gross annual income crossed ₹ 10 billion
- Bank credit limit crossed ₹17 billion
- Branch network crossed 1,600

2011

- Retail loan portfolio crossed ₹158 billion
- Retail debenture portfolio crossed ₹47 billion
- CRISIL assigned long-term rating of AA-/Stable for ₹1 billion subordinated debt issue and for ₹4 billion nonconvertible debentures issue respectively
 - ICRA assigned long-term rating of AA-/Stable for ₹1 billion subordinated debt issue and for ₹2 billion nonconvertible debentures issue respectively
 - PE investments of ₹2,556.85 million received from Matrix Partners, LLC, The Welcome Trust, Kotak PE, Kotak Investments and Baring India PE
- Net owned funds crossed ₹13 billion
- Gross annual income crossed ₹23 billion
- Bank credit limit crossed ₹60 billion
- Branch network crossed 2,700

2012

Retail loan portfolio crossed ₹246 billion

- Retail debenture portfolio crossed ₹80 billion
- ICRA assigned long-term rating of AA-/Stable and short-term rating of A1+ for ₹93,530 million line of credit
- Raised ₹9,012.50 million in April 2011 through a successful IPO
- Raised ₹6.93 billion through Non-convertible Debenture Public Issue (Series I)
- Raised ₹4.59 billion through Non-convertible Debenture Public Issue (Series II)
- Net owned funds crossed ₹29 billion
- Gross annual income crossed ₹45 billion
- Bank credit limit crossed ₹92 billion
- Branch network crossed 3,600

2014

- Retail loan portfolio crossed ₹219 billion
- Net owned funds crossed ₹42 billion
 - Gross annual income touched ₹49 billion
 - Branch network crossed 4,200

2015

- Issued 25,351,062 fresh equity shares by way of an institutional placement programme under Chapter VIII-A of the SEBI ICDR Regulations, aggregating up to ₹4,182.93 million
- Listed debenture portfolio raised through public issue ₹14.62 billion
 - Retail loan portfolio touched ₹ 234.09 billion
- Net owned funds crossed ₹50 billion
 - Gross annual income touched ₹43.25 billion
 - PAT for the year touched ₹6.71 billion
- Acquired 51% equity shares of Colombo-based Asia Asset Finance PLC (AAF)

2016

- Retail loan portfolio crossed ₹243 billion
- Listed debenture portfolio raised through public issue ₹12.39 billion
 - Net owned funds crossed ₹55 billion
 - Gross annual income touched ₹48.75 billion
 - PAT for the year touched ₹8.10 billion
- Acquired 79% of the equity capital of Muthoot Homefin (India) Limited (MHIL), a housing finance company registered with the National Housing Bank
 - Acquired Muthoot Insurance Brokers Private Limited (MIBPL), an unlisted private limited company holding a license to act as direct broker from IRDAI (Insurance Regulatory and Development Authority of India) since 2013, as a wholly-owned subsidiary in June 2016
 - Acquired 46.83% of the capital of Belstar Investment and Finance Private Limited (BIFPL), reclassified as an NBFC-MFI by the RBI (Reserve Bank of India) with effect from December 11, 2013, in July 2016
 - CRISIL and ICRA upgraded long-term debt rating from AA-/Stable to AA/Stable

2017

- Loan assets portfolio crossed ₹272 billion
- Listed debenture portfolio raised through public issue ₹18.31 billion
 - Net owned funds crossed ₹64 billion
- Gross annual income touched ₹57.46 billion
- PAT for the year touched ₹11.80 billion
- Increased stake in BIFPL to 64.60%, thus making it a subsidiary
- Enlarged stake in MHIL to 88.27%
- Improved stake in AAF to 60%

2018

- Loan assets portfolio crossed ₹291 billion
- Listed debenture portfolio raised through public issue of ₹19.69 billion
- Net owned funds crossed ₹77 billion
 - Gross annual income touched ₹62.43 billion
- PAT for the year touched ₹17.20 billion
 - Branch network crossed 4,300
- Increased stake in BIFPL to 66.61%
- Enlarged stake in MHIL to 100% making it a wholly-owned subsidiary

2020

- Loan assets portfolio crossed ₹416.00 billion
- Listed debentures raised through public issue of ₹21.02 billion and through private placement of ₹14.25 billion
- Net owned funds crossed ₹113.09 billion
- Gross annual income touched ₹87.23 billion
 - PAT for the year touched ₹30.18 billion
- Branch network crossed 4,500
 - Increased stake in M/s. Asia Asset Finance PLC to 72.92%.
- Muthoot Finance was assigned issuer ratings by three international credit rating agencies – Fitch Ratings at BB+/Stable, S&P Global at BB/Stable and Moody's Investor Service at Ba2/Stable
- In October 2019, we raised \$450 million by issuing 6.125% senior secured notes and in March 2020, we raised \$550 million by issuing 4.40% senior secured notes under both Rule 144A and Regulation S of the US Securities Act, 1933

2021

- Loan assets portfolio crossed ₹526.00 billion
 - Listed debentures raised through public issue of ₹22.93 billion and through private placement of ₹36.46 billion.
- Net owned funds crossed ₹151.88 billion
- Gross annual income touched ₹105.74 billion
 - PAT for the year touched ₹37.22 billion
- Branch network crossed 4,600
 - CRISIL and ICRA upgraded long-term credit rating from AA to AA+/Stable

2022

- Loan assets portfolio crossed ₹580 billion
- Listed debentures raised through public issue of ₹17 billion and through private placement of ₹15.32 billion.
 - Net owned funds crossed ₹182.96 billion
- Gross annual income touched ₹110.98 billion
 - PAT for the year touched ₹39.54 billion
- Consolidated PAT of the group for the year crossed ₹40 billion
 - Raised fresh equity of ₹2,750 million in Belstar Microfinance Limited, resulting in reduction of Muthoot Finance's equity stake to 60.69%

2023

- Roped in Madhuri Dixit as the brand ambassador, alongside Amitabh Bachchan
- Loan assets portfolio crossed ₹632 billion
 - Net owned funds crossed ₹208.94 billion
 - Gross annual income touched ₹105.44 billion
- Profit after tax for the year touched ₹34.74 billion
 - Branch network crossed 4,700

2024

- Loan Assets portfolio crossed ₹758 billion.
- Net owned funds crossed ₹241.57 billion.
- Gross annual income touched ₹126.94 billion.
- Profit after tax for the year touched ₹40.50 billion.
- Branch Network crossed 4800.

Chairman's Perspective

Leading with Consistency, Commitment and Compassion



Dear Shareholders,

It gives me immense pleasure to present before you our annual performance for the financial year 2023-24. A landmark year of growth and achievements, which saw us achieving many significant milestones and expanding our horizons to amplify the value for all customers, shareholders and various stakeholders.

We believe, it is a natural progression for us, as we have always remained committed towards driving financial inclusion, achieving operational efficiencies, diversifying our offerings to derisk our business model and raising our ESG performance benchmarks.

Commitment, consistency and above all compassion towards our customers, employees, communities and the environment represent the hallmark of 'The Muthoot Group' in its glittering legacy of over 137 years.

Operating Environment

When we look at the big picture, though a lacklustre global economic environment, India continued to be one of the fastest growing major economies of the world, registering 8.2% growth in FY2023-24.

Global uncertainties, supply chain disruptions and the vagaries of monsoons intermittently fuelled domestic inflationary pressures. However, these headwinds were managed to a great extent by administrative and monetary policy responses. The fiscal balances of the Government of India and state governments have improved progressively, despite growing public investments in various sectors.

The country's real GDP in FY24 was 20% higher than the level in FY20, a feat that only a very few major economies have achieved, while also leaving a strong possibility for robust growth in FY25 and beyond.

The country's NBFC sector is also benefiting from a huge credit demand, improved asset quality and the drive towards greater financial inclusion to empower the last-mile citizen. Moreover, robust domestic consumption growth, expanding middle-class segment and rising aspirations provide ample opportunities for future growth.

On the other hand, as risks evolve and unprecedented challenges emerge, the regulator's emphasis on staying vigilant, adaptive and proactive with regard to the regulatory frameworks and supervisory systems to safeguard the stability of the financial system is also a welcome measure.

Gold Loan Opportunities Glitter

Gold prices may see temporary volatility owing to various global macro-economic factors and government measures to curb surging prices. However, it is worthwhile to mention that the long-term demand for gold loans in India will remain unaffected by these temporary developments.

It is driven by various factors such as need-based nature of gold loans and large-scale economic revival from the grassroots creating huge credit demand especially in the MSME sector. Gold loans have emerged as a powerful tool to empower MSMEs and gold loan NBFCs have served as a catalyst for growth. Simplicity and accessibility of gold loans through digitalisation of services have also played an important role.

“ The country's real GDP in FY24 was 20% higher than its level in FY20. A feat that only a very few major economies have achieved, while also leaving a strong possibility for robust growth in FY25 and beyond. ”

Outperformance Across the Board

We continue to be India's most trusted pan-India brand in the gold loans sector and the largest gold loan company in terms of loan portfolio, empowering millions of people across the social pyramid.

I must say, this was a year of achieving the 'highest ever' performance metrics on multiple fronts, reinforcing our industry leadership. Our consolidated loan assets under management (Loan AUM) crossed the milestone of ₹890 billion and standalone Loan AUM exceeded the milestone of ₹750 billion. The consolidated Loan AUM increased by 25% year-on-year and the standalone Loan AUM increased by 20%.

The Loan AUM growth rate was also accelerated by increase in loan disbursements to new customers and we witnessed highest ever gold loan disbursements to new customers in any year during FY24 of ₹164 billion. Further, appreciation in gold prices during the last few quarters of FY24 gave an attractive proposition to borrowers and increased the visibility of gold loan as a convenient and hassle free borrowing option. This enabled us to increase the number of active customers who has outstanding borrowing with us to 5.67 million as on March 31, 2024 as compared to 5.32 million as on March 31, 2023. Similarly, the number of loan accounts also increased to 8.74 million as on March 31, 2024, from 8.14 million as of March 31, 2023.

The contribution of subsidiaries on loan assets increased from 12% to 15% last year, reflecting our strategic diversification efforts. Our consolidated profit after tax for the year surged by 22% year-on-year and stood at ₹ 44,676 million.

The contribution of subsidiaries in the consolidated profit after tax also increased to 10% from earlier 6%, which underscores the resilience of our diversified business model. Seen through that lens FY24 was a landmark year of transformation for us.

On the operational front, the Group opened 703 new branches across multiple locations in India as well as in Sri Lanka by our subsidiary located there.

Our capital position remains very strong owing to large accretions to net worth from strong internal cash generation from the gold loan business. Our Capital Adequacy Ratio stood at 30.37% against a regulatory requirement of 15%.

We are gradually pivoting our efforts towards growing our non-gold loan book. We are also strengthening our digital strategies for a transformative growth across our product portfolio. Despite various industry headwinds, we have continued to maintain our position as a leader in the gold loan industry and capitalised on the strong growth opportunities in micro finance, affordable housing, personal loans and business loans.

Muthoot Finance's extensive branch network and customer base, which is relatively more diverse in terms of geographies and which is gradually improving further, will strengthen our overall competitive position in the foreseeable future.

Performance of Subsidiaries

We are firmly focused on cross-selling opportunities. A customer who takes out a gold loan from us should also be able to access home, personal, business, or vehicle loans if needed, and vice versa. This way, we ensure that our relationships with customers remain endearing and everlasting.

Muthoot Homefin India Limited, the wholly owned subsidiary, achieved a disbursement of ₹8.15 billion during FY24, compared to ₹2.23 billion in the previous financial year. The profit after tax increased to ₹185 million from ₹104 million. The huge shortfall for housing units in Economic Weaker Section and Low Income Group segment in India combined with Central Govt schemes targeted at these segments provide huge opportunity for us in this space.

Belstar Micro Finance Limited, our microfinance business entity, witnessed an encouraging trend. During the year under review, it has increased its loan assets under management by 62% year-on-year, reaching ₹100.23 billion and profit after tax by 161% year-on-year to ₹3.40 billion. The above achievement is on the back of strong 68% Year-on-Year increase in disbursements of ₹97.08 billion in FY 24. It also added 247 branches during the year.

Muthoot Money Ltd, the wholly owned subsidiary, increasing its focus on gold loan increased the Loan AUM to ₹11.23 billion in FY24 from ₹3.87 billion in FY23. It also achieved continued decline in NPA through physical collections which led to decrease in Stage 3 loans to 1.48% in FY24 from 3.72% in FY23. It also opened 321 new branches during FY24. It achieved a profit after tax of ₹46 million during FY24 as against profit after tax of ₹2 million in FY23.

Muthoot Insurance Brokers Pvt. Limited, the wholly owned subsidiary engaged in insurance broking business generated a total premium collection amounting to ₹6.56 billion in FY24. Total revenue for FY24 stood at ₹1.53 billion. It achieved a Profit after tax of ₹418 million in FY24.

Asia Asset Finance PLC, a listed subsidiary based in Sri Lanka, where we hold 72.92% stake, the loan portfolio stood at LKR 20.56 billion in FY24. Total revenue for FY24 increased to LKR 6.60 billion as against LKR 6.01 billion in FY23, an increase of 10% Year-on-Year. It achieved a Profit after tax of LKR 344 million in FY24.

Resolute Focus on Sustainable Growth

In line with our core values, we have always conducted our business in an ethical, transparent and responsible manner in order to safeguard the interests of all our customers, investors, communities and all other stakeholders. Our emphasis is always on adopting best-in-class ESG practices. In this context, it is pertinent to mention that we are reducing our carbon footprint by focusing on renewable energy. Muthoot Finance owns three windmills in Tamil Nadu, and our strategic investments in renewables will continue to grow in the coming years.

Beyond financial empowerment, the Muthoot Group distinguishes itself with a unique commitment to improving rural life and lifestyles, which makes it one of the few entities dedicated to this important societal mission. We engage in a wide range of CSR initiatives that positively impact lives throughout the country.

During the financial year 2023-24, Muthoot Finance executed 10 projects that collectively aimed to advance various Sustainable Development Goals (SDGs) set by

“ The profit after tax has soared to ₹ 40,497 millions from ₹ 34,735 millions. We are committed to providing affordable housing solutions. ”

the United Nations. The marginalised communities were benefited irrespective of their socio- economic and cultural background and benefits derived under these CSR projects were relevant and effective.

Recognising students of merit, Muthoot Finance has presented **Muthoot M George Excellence Awards** felicitating 122 students from 61 government schools in Kerala during the year. The recognition celebrates their exceptional academic performance.

We will continue to participate in numerous activities in areas such as education, environment, sanitation, health, medical assistance and financial support for economically disadvantaged communities. Muthoot Finance has demonstrated a strong commitment to social empowerment by allocating a significant budget of ₹135 million for FY 2023-24.

I am also happy to share that we have been awarded the certification of 'Great Place to Work' for the third year in a row, which demonstrates our commitment to upskilling and empowering our teams.

Road Ahead

I truly believe that the future belongs to those who believe in themselves. The year under review has once again reinforced our confidence in our vision and ability to outperform and emerge as a formidable engine of economic and social empowerment for millions of people in India, especially the marginalised sections of society.

We continue to receive numerous felicitations and recognitions for our efforts during the year. Muthoot Finance was felicitated with the Best NBFC Award by FICCI Kerala State Council (Federation of Indian Chambers of Commerce & Industry) at their second edition of Made in Kerala Awards.

I must also share that it is indeed an honour for me to receive the Inspiring Leader Award from the Honourable Finance Minister of Government of India Smt. Nirmala Sitharaman at the 'Emerging Bharat Growing Kerala' economic conclave organised by Kerala Kaumudi. I dedicate this honour to all our teams

and stakeholders for their steadfast support, which has empowered us to achieve sterling performance and create value for the nation.

I would like to conclude with a thought that **No Great Achievement is possible without persistent efforts.** Let us all put in our best efforts to grow this institution of excellence to benefit and fulfil the aspirations of millions of people.

On behalf of our Board of Directors I express my sincere gratitude to all our customers, partners, regulator, government, investors, communities and the wider stakeholder fraternity for encouragement and support.

Thank you

George Jacob Muthoot
Chairman & Whole Time Director

Inspiring Directions for the Path Forward



“ At Muthoot, we are leveraging best-in-class digital technologies to simplify and enhance the customer experience. Data analytics has become integral to our approach, helping us refine our credit assessment and manage risks effectively, especially as we cater to many customers who are new to formal credit systems.



Eapen Alexander
Executive Director, The Muthoot Group



“ Innovation continues to be the cornerstone of our growth journey, guiding our expansion across key regions. We are constantly investing in initiatives that enhance our brand visibility, develop a skilled and future-ready workforce and safeguards stakeholder’s data. These efforts will continue to drive our transformation and solidify our presence nationwide.



Alexander George
Joint Managing Director, The Muthoot Group



“ At Muthoot, our commitment to strong governance, compliance and responsible lending drives our success. Our robust internal audit and risk management practices ensure transparency and integrity, while our innovative offerings and impactful award-winning branding initiatives strengthens our presence and makes Muthoot one of India’s most trusted financial services brand.



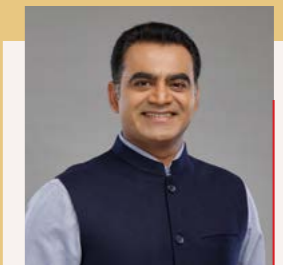
George Muthoot Jacob
Deputy Managing Director, The Muthoot Group



“ Muthoot’s commitment to growth and innovation remains strong. We have expanded our lending portfolio with small business and micro personal loans, enhancing our unsecured lending capabilities. Our insurance distribution business and Sri Lankan subsidiary continue to make significant strides, contributing to our overall success.



George Alexander
Deputy Managing Director, The Muthoot Group



“ Our commitment to social responsibility goes beyond compliance; it’s about actively listening to our stakeholders and aligning our actions to create positive impacts. This year, our CSR initiatives have strengthened our communication and enhanced our community outreach. We are focused on driving real change through environmental efforts, impactful social programmes and transparent governance, ultimately creating sustainable value for everyone connected to us.



George Muthoot George
Deputy Managing Director, The Muthoot Group

Financial Performance

Scaling New Heights of Industry Leadership – FY24



₹890,786 Million

Highest Ever Consolidated Loan AUM

▲ 25% YoY



₹758,270 Million

Highest Ever Standalone Loan AUM

▲ 20% YoY



₹44,676 Million

Highest Ever Consolidated Profit after Tax

▲ 22% YoY



₹40,497 Million

Highest Ever Standalone Profit after Tax

▲ 17% YoY



₹1,657,460 Million

Highest ever Gross Gold Loan Advance in any Year



₹164,152 Million

Highest ever Gold Loan Advance to new customers in any Year



₹110,032 Million

Increase in Gold Loan AUM

▲ 18% YoY



₹109,836 Million

All time high Interest Collection in any year



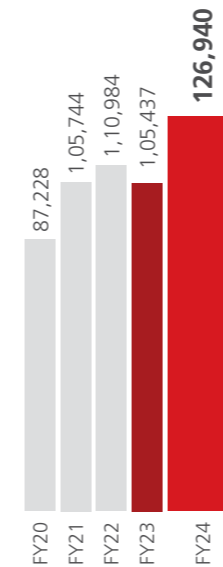
₹24 per Equity Share

Highest Ever Dividend in any year

▲ 240% YoY

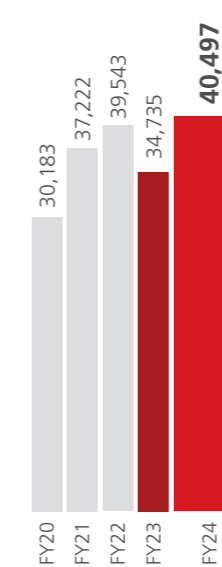
Revenue

(₹ Mn)



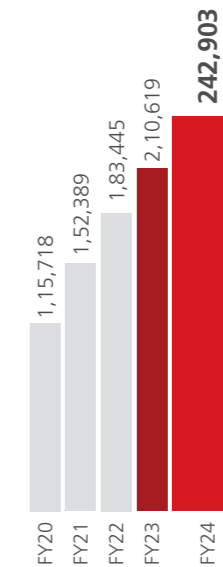
PAT

(₹ Mn)



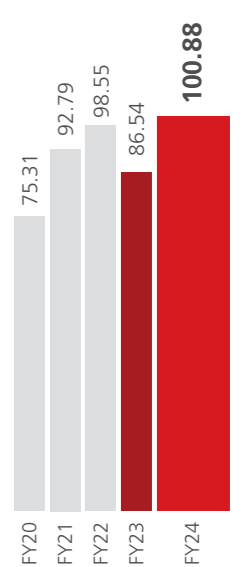
Net Worth

(₹ Mn)



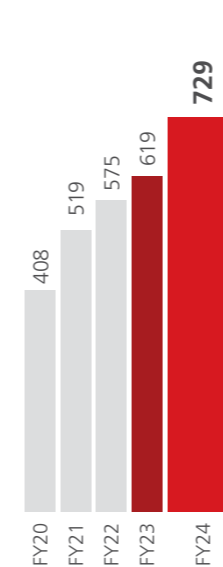
Earnings per share

(₹)



Gold Loan Portfolio

(₹ Bn)



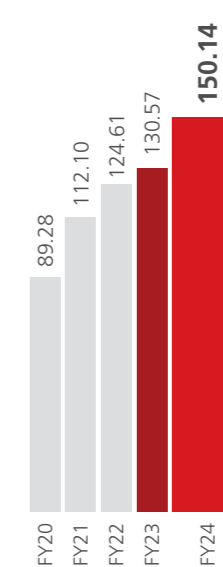
Gold Holdings

(Tonnes)



Average gold loan per branch

(₹ Mn)



Total employees

(Number)



Overview of our Business

From Vision to Reality

Business Highlights



Muthoot Finance Limited

As India's leading gold loan company, we have the largest loan portfolio, and our focus has consistently been on extending financial services to segments of society that have remained underserved or overlooked. Our lending operations revolve around utilising 'Household Used Gold Ornaments' (HUGO) as collateral, eschewing any dealings in gold bullion, our commitment centres on comprehending the unique needs of individuals facilitating swift access to funds. We go the extra mile by offering secure, insured lockers for pledged gold, accompanied by a transparent disclosure of lending rates and associated loan charges at the outset, ensuring complete clarity and comprehension. Our ethos remains rooted in honesty, free from concealed fees or undisclosed additional charges. Our services embrace digital innovation and encompass online gold loans, convenient loan withdrawals, seamless renewals, interest payments, and loan repayments. Our userfriendly mobile app, iMuthoot, and the Muthoot online platform facilitate these services.

Key Performance Indicators

Income

₹126,940 Mn

FY24

PAT

₹40,497 Mn

FY24

Branches

4854

FY24

Loan Assets under management

₹758,270 Mn

FY24

Key Highlights of the Year

- > Achieved the highest ever loan assets under management with a 20% YoY increase at ₹758,270 million.
- > Recorded the highest ever gross gold loan advance in any year at ₹1,657 billion.
- > Achieved an 18% YoY increase in gold loan assets under management, amounting to ₹110,032 million.
- > Reported the highest ever profit after tax with a 17% YoY increase at ₹40,497 Million

10-year performance review

(₹ in Millions, unless specified otherwise)

| | FY15 | FY16 | FY17 | FY18* | FY19* | FY20* | FY21* | FY22* | FY23* | FY24* |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Total revenue | 43,246 | 48,750 | 57,467 | 63,331 | 68,806 | 87,228 | 105,744 | 110,984 | 105,437 | 126,940 |
| Profit before tax | 10,279 | 13,168 | 19,210 | 28,447 | 30,768 | 40,574 | 50,065 | 53,094 | 46,664 | 54,488 |
| Provision for tax | 3,573 | 5,072 | 7,411 | 10,671 | 11,047 | 10,391 | 12,843 | 13,551 | 11,929 | 13,991 |
| Profit after tax | 6,705 | 8,096 | 11,798 | 17,776 | 19,721 | 30,183 | 37,222 | 39,543 | 34,735 | 40,497 |
| Equity share capital | 3,980 | 3,990 | 3,994 | 4,000 | 4,007 | 4,010 | 4,012 | 4,013 | 4,014 | 4,015 |
| Reserves and surplus | 46,855 | 52,202 | 61,170 | 74,120 | 93,921 | 111,708 | 148,377 | 179,432 | 206,605 | 238,888 |
| Net worth | 50,835 | 56,192 | 65,164 | 78,120 | 97,928 | 115,718 | 152,389 | 183,445 | 210,619 | 242,903 |
| Loan assets | 234,085 | 243,789 | 272,785 | 291,420 | 342,461 | 416,106 | 526,223 | 580,532 | 632,098 | 758,270 |
| Branches (no.) | 4,245 | 4,275 | 4,307 | 4,325 | 4,480 | 4,567 | 4,632 | 4,617 | 4,739 | 4,854 |
| Employees (no.) | 22,882 | 22,781 | 24,205 | 23,455 | 24,224 | 25,554 | 25,911 | 26,716 | 27,273 | 28,286 |

*Under IND-AS

Key Ratios

| | FY22 | FY23 | FY24 |
|-------------------------|-------|-------|-------|
| Capital adequacy (%) | 29.97 | 31.77 | 30.37 |
| Stage 3 loan assets (%) | 2.99 | 3.79 | 3.28 |
| Return on assets (%) | 7.24 | 5.93 | 5.84 |
| Return on equity (%) | 23.55 | 17.63 | 17.86 |
| Debt-equity (%) | 2.72 | 2.36 | 2.42 |





Muthoot Homefin

Muthoot Homefin (India) Limited

Founded in 2011, Muthoot Homefin (India) Limited (MHIL) is a housing finance company authorised by the National Housing Bank (NHB). Subsequently, it evolved into a wholly-owned subsidiary of Muthoot Finance Limited in August 2017. MHIL's primary endeavour revolves around extending accessible housing finance solutions to individuals hailing from economically weaker sections (EWS) and lower-income groups (LIG), particularly in Tier-II and Tier-III cities. Operating on a hub-and-spoke model, MHIL has established its footprint across 13 states and 3 union territories, channelling centralised processing from its corporate headquarters situated in Mumbai.

Key Performance Indicators (FY24)

| Income | PAT | Branches | Loan Assets under management |
|------------------|----------------|------------|------------------------------|
| ₹2,188 Mn | ₹185 Mn | 118 | ₹20,353 Mn |



Key Highlights of the Year

- Achieved a 42% YoY increase in loan assets under management, reaching ₹20,353 million.
- Increased loan disbursement by 265% YoY to ₹8,146 million.
- Recorded a 78% YoY increase in profit after tax, amounting to ₹185 million.



Belstar Microfinance Limited

Incorporated in January 1988, Belstar Microfinance Limited (BML) operates as a pivotal non-deposit-taking microfinance institution (NBFC-MFI) recognised by the RBI. Guided by a proficient Board and skilled leadership, this subsidiary has transformed into a thriving and promising microfinance institution (MFI) with low credit risk. BML offers scalable microfinance services, predominantly catering to women clientele. It operates through diverse models, including selfhelp groups, 'pragatis', small enterprise loans, and other offerings designed to meet the diverse needs of its women borrowers. On 31st March, 2024, Muthoot Finance held a significant 63.86% stake in Belstar Microfinance Limited.

Key Performance Indicators (FY24)

| | |
|-----------------|-------------------|
| Income | ₹18,514 Mn |
| PAT | ₹3,399 Mn |
| Branches | 1,014 |

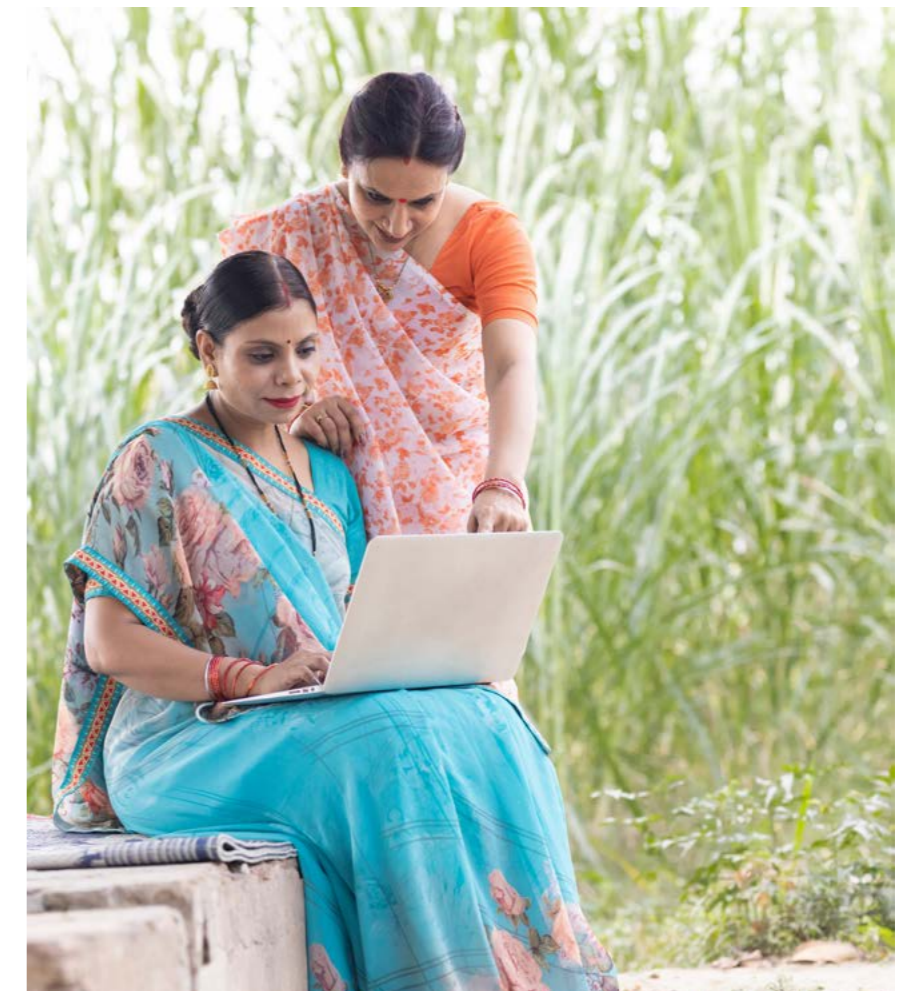
* A 'Pragati' is an informal group of five to ten women founded on the basis of trust and knowledge of each other's business and nature.

Loan Assets under management

₹100,232 Mn

Key Highlights of the Year

- Achieved a loan AUM growth of 62% and disbursement growth of 68% in FY24.
- Equity infusion of ₹3,000 million by Muthoot Finance through a rights issue in March 2024.
- Improved long-term credit rating from AA-/Positive to AA/Stable by CRISIL.
- Filed the Draft Red Herring Prospectus with SEBI for the proposed IPO, aggregating up to ₹10,000 million for a fresh issue and ₹3,000 million for an offer for sale.



Muthoot Money

Muthoot Money Limited

In October 2018, Muthoot Money Limited (MML) transitioned into a fully-owned subsidiary of Muthoot Finance Limited. With its headquarters in Hyderabad, MML operates as a non-banking finance company registered with the RBI, specialising in vehicle and gold loans.

Key Performance Indicators (FY24)

Income

₹1,261 Mn

PAT

₹46 Mn

Key Highlights of the Year

- › Achieved significant loan Assets under management growth of 190% YoY, reaching ₹11,227 million.
- › Recorded a 1820% YoY increase in profit after tax, amounting to ₹46 million; Introduced new financial.

Branches

470

Loan Assets under management

₹11,227 Mn

- › products catering to a broader customer base.
- › Achieved revenue growth of 124% YoY, reaching ₹1,261 million.
- › Increased branch network to 470, with additional 321 branches.



Muthoot Insurance Brokers

Muthoot Insurance Brokers Private Limited

Muthoot Insurance Brokers is a direct insurance broker authorised by the Insurance Regulatory and Development Authority of India (IRDAI) to engage in life and non-life business. This subsidiary seamlessly transitioned into becoming a wholly-owned entity of Muthoot Finance in September 2016. Operating as a dynamic entity, Muthoot Insurance Brokers distributes various life and non-life insurance products from multiple insurance companies.

Key Performance Indicators

Income

₹ 1,528 Mn

FY24

PAT

₹ 418 Mn

FY24

Premium Collected

₹ 6,560 Mn

FY24

Number of Policies

₹ 37,65,644

FY24

Key Highlights of the Year

- › Our Networth crossed ₹2,000 million milestone.
- › Revenue increased by 125% over the previous year to reach ₹1,528 million.





Asia Asset Finance PLCC

Asia Asset Finance PLC is a fully licensed institution with a deposit-taking capacity, sanctioned by the Central Bank of Sri Lanka and publicly listed on the Colombo Stock Exchange. Boasting a robust history exceeding five decades, the company specialises in diverse financial services, including retail finance, hire purchase, and business loans. Its extensive network comprises 85 branches strategically dispersed throughout Sri Lanka. Acquired as a subsidiary in 2014, Asia Asset Finance PLC has swiftly garnered acclaim as a highly customercentric entity in Sri Lanka. A distinctive range of products and services, innovative initiatives, extensive experience, and well-honed financial acumen underpins this recognition. As of 31st March, 2024, the ownership in AAF comprised 91 million equity shares, reflecting 72.92% of the total capital.

Key Performance Indicators

Income

₹ 1,720 Mn

FY24

PAT

₹ 90 Mn

FY24

Branches

85

FY24

Loan assets under management

₹ 5,705 Mn

FY24

Key Highlights of the Year

- > Achieved the highest profitability in its 54-year history with a LKR 597.2 million and a profit after tax of LKR 344.2 million.
- > Received an A+ rating with a stable outlook from Fitch Rating Sri Lanka.
- > Continued branch network expansion, increasing operational efficiency and cost savings.



Operations

How We Operate

Technology and Digitalisation

Customer Convenience and Self-Service Solutions

Our focus on customer convenience has led to the development of various Do-It-Yourself (DIY) transactional journeys. Customers can now complete numerous transactions, such as loan top-ups, personal loan applications and repayments, at their leisure and from any location. This empowers customers with flexibility and control over their financial activities, enhancing overall satisfaction.

iMuthoot Mobile App

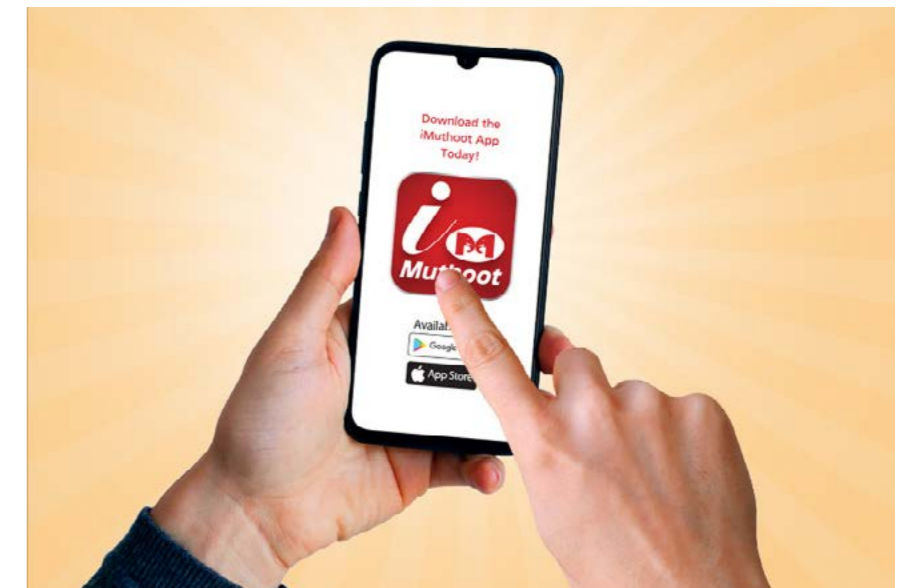
The latest iMuthoot mobile app, Version 3.9, offers customers a convenient way to apply for and repay various loans, including Gold, Home, Personal and Vehicle Loans, from the comfort of their homes. Additional features include bill payments, loan top-ups, KYC updates, PAN and account number updates, purchasing NCDs, enrolling in NPS, buying insurance, and earning reward points through online transactions.

Muthoot Online

Muthoot Online, our web platform, extends the capabilities of our Core Banking System to various devices, including desktops, laptops, mobiles and tablets. It offers features similar to the iMuthoot app, allowing customers to manage their financial activities conveniently.

Enhanced Transaction Processing and Automation

Our initiatives in transaction processing and automation aim to provide seamless, real-time financial services, improving both customer experience and operational efficiency.



Fund Transfer Automation

In collaboration with leading Indian banks, we have enriched our fund transfer integration platform to ensure seamless and real-time disbursement of funds. This leverages advancements in digital transactions by NPCI and UPI platforms.

Robotic Process Automation (RPA)

We have implemented RPA in areas such as KYC verifications, reconciliation of digital transactions and BBPS repayment reconciliations, enhancing accuracy and efficiency.

Data Security and Compliance

Ensuring the privacy and security of customer data is a priority at Muthoot Finance. Our initiatives focus on data refinement, protection and compliance with regulatory standards.

KYC Data Refinement and Protection

We have implemented measures to streamline bank account mappings, verify

VPAs and authenticate KYC documents. Our commitment to data security is reflected in the continuous strengthening of our applications.

Anti-Money Laundering (AML) Features

We have introduced specialised AML software in CFSS to safeguard against illicit utilisation of funds. Our robust AML frameworks and due diligence processes help maintain the integrity of our financial system.

Bingo Mobile Application

We introduced a multifunctional mobile application to optimise lead management processes in the current fiscal year. This application empowers branch users, customer care executives, and field agents to generate leads, monitor their progress, and actively pursue leads until successful conversion. Additionally, the application provides comprehensive visibility into lead movement for supervisorylevel users.

Artificial Intelligence and Machine Learning

From customer service to security, our AI and ML initiatives enhance various aspects of our operations. These tools provide real-time assistance, handle customer queries, facilitate transactions, and offer multilingual support. They significantly improve customer satisfaction and operational efficiency.

Moreover, AI-enabled security systems at our branches provide real-time alerts, enhancing security and reducing operational pressure. AI/ML models enable instant and accurate credit decision-making, improve collections and provide valuable business intelligence through Looker Studio.

Collaboration and Customer Insights

To offer personalised services and improve operational efficiency, we collaborate with various bureau agencies and leverage data insights. Collaboration with bureau agencies allows us to automate product recommendations and reduce turnaround times with pre-approval processes, enhancing customer experience.

Digital Infrastructure

The adoption of advanced digital infrastructure and cloud services supports our scalability, security, and operational excellence. Adopting Google Workspace has streamlined operations, improved communication and enhanced collaboration across the organisation, particularly during remote work scenarios.

Click-to-call

This enterprise mobile application enables Muthoot Finance branch employees to contact customers and follow up on various campaigns. The application allows branch users to track customer interactions and maintain regular campaign follow-ups. The application features call masking for customers and employees to ensure data security.

Cloud Adoption

Utilising Google Cloud Platform (GCP) and Amazon Web Services (AWS) has enhanced our scalability, data security and operational efficiency. This technological shift supports our digital services, including online loan applications and digital payment solutions.



Core Platform Enhancements

Regular improvements to our core platform ensure its availability, reliability and adaptability. These enhancements enable us to provide a seamless and efficient service to our customers, addressing their needs in a dynamic financial environment.

Our efforts in this area include the following:

- New integrations for fund transfers and BBPS transactions ensure smooth and secure financial operations
- Implemented POS machines with VPA integration for expanded digital transaction capabilities
- Upgraded API platform for quick and efficient integration with third-party applications
- Digitised pledge forms to reduce paper consumption and streamline operations



Marketing

Leading with Creative Campaigns

Our marketing initiatives have been pivotal in highlighting our services and demonstrating our customer-centric approach. These campaigns have significantly enhanced our brand recall and reinforced our position as a trusted financial partner.

'Put Your Gold to Work' — The Award-Winning 'Goldman' Campaign

This innovative campaign, featuring the character 'Goldman' and prominent South Indian comic actors, won 'Best Use of TV', 'Best Use of Integrated Marketing', and 'Best Use of Digital Marketing/Social Media' at the e4m Indian Marketing Awards South 2023. It creatively promoted the effective use of idle gold for various financial needs through humour and relatable storytelling.



Painted the Pink City Red!

FY 2023-24 saw us taking a strategic decision and expanding our branding 'footprint' in Rajasthan with the acquisition of semi-naming rights for Jaipur Railway Station Metro. It's been christened as "The Muthoot Group Railway Station" Metro.

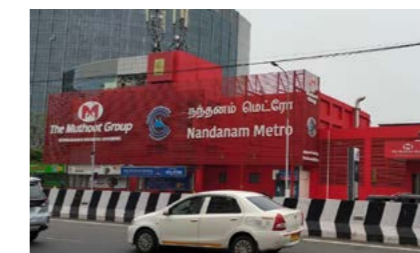
This station is a prime location in Jaipur, serving both Metro and Railway Station commuters. This marks our third Semi

Naming Rights led association with Metro Rail Corporation, showcasing our trust and large statewide presence in the state of Rajasthan.



Nandanam Metro Station Semi-Naming Rights

Our renewal of the semi-naming rights for Nandanam Metro Station in Chennai has bolstered our brand presence in a prime location with high foot traffic. This initiative showcases our flagship products and services, including the convenience of our Gold Loan-at-Home service, enhancing accessibility and visibility.



Bharosa India Ka

Starring Madhuri Dixit, this campaign celebrated the trust customers place in Muthoot Finance. It portrayed the brand's long-standing relationship with consumers, emphasising reliability and support. The campaign's emotional

appeal reinforced our commitment to customer satisfaction and trustworthiness.



Kholiye Khushiyon Ki Tijori

Launched in early 2023, this campaign featured Amitabh Bachchan and focused on encouraging customers to monetise idle gold jewelry. Through emotive TV commercials and multi-platform execution, it addressed common hesitations and highlighted the practical benefits of gold loans for starting new ventures or making significant purchases.



A young plant with several green leaves is growing inside a glass globe. The globe is illuminated from within, creating a warm, golden glow. The background is a gradient of green and yellow, suggesting a natural, outdoor setting. The overall image conveys a sense of growth, sustainability, and environmental care.

Our commitment to ESG encompasses driving financial inclusion for our customers, lending a supportive hand to our partners and community members, ensuring a robust culture of corporate governance to protect stakeholders' interests and maintaining transparency with all stakeholders, both internal and external.

While our sector does not have a direct adverse environmental impact, the lending decisions may have a bearing on the environment. We acknowledge the reality and are taking proactive steps towards sustainable financing, reducing our energy intensity and utilising resources prudently.

We have a dedicated Board level ESG committee to oversee the Company's policies, practices and performance related to ESG.

Effective Governance

Our Governance Framework

Effective corporate governance is essential for building trust and sustaining shareholder value. Our Board of Directors, comprising experienced professionals from diverse fields, ensures our operations are ethical, legal and transparent. The Board sets the strategic direction and ensures compliance with all relevant laws and regulations. We continuously refine our governance principles and policies by staying informed about evolving regulations and best practices. This effort is supported by active engagement with regulators, industry bodies and regular feedback from stakeholders, ensuring our governance framework remains robust and effective.

Compliance and Ethics

We adhere to stringent compliance protocols and uphold high ethical standards. Our established policies prevent conflicts of interest and ensure that all employees act in the best interests of stakeholders. Regular training and awareness programmes instill a culture of compliance and ethical behaviour among employees.

Philanthropy and Social Responsibility

The Muthoot M George Foundation, associated with our company, undertakes various philanthropic activities, including educational initiatives, health support, and environmental sustainability projects. This commitment to social responsibility is integral to our governance philosophy, reflecting our dedication to positively impacting the communities we serve.



1

Audit Committee

Oversees financial reporting and disclosure, ensuring the integrity of financial statements.

2

Nomination and Remuneration Committee

Manages the appointment and remuneration of directors and senior management, aligning their interests with those of the shareholders.

3

Corporate Social Responsibility (CSR) Committee

Supervises the company's CSR initiatives, ensuring positive contributions to society.

Board of Directors



George Jacob Muthoot
Chairman & Whole Time Director

Education

- Degree in Civil Engineering from Manipal University

Experience

- >45 years of experience in managing businesses in the field of financial services
- Member of Kerala Builders Forum, Trivandrum
- Member of Confederation of Real Estate Developers Association of India (CREDAI) (Trivandrum)
- Member of Trivandrum Agenda Task Force, Trivandrum (South)
- Governing body member of the Charitable and Educational Society of Trivandrum Orthodox Diocese, Ulloor, Trivandrum
- Member of Trivandrum Management Association
- Member of Finance Committee of the Mar Dioscorus College of Pharmacy
- Patron of the YMCA Trivandrum
- Member of Advisory Committee of the Swasthi Foundation, a nonprofit organisation
- Former President of the Rotary Club of Trivandrum
- Business Excellence Award 2012 from Trivandrum Chamber of Commerce
- The JCI India Zone – BusinessLeadership Award in 2020.



George Alexander Muthoot
Managing Director

Education

- Qualified Chartered Accountant; ranked first in Kerala and 20th in India in 1978
- Bachelor's degree in Commerce with a gold medal from Kerala University

Experience

- >42 years of experience in managing businesses in the field of financial services
- Served as the Chairman of the Kerala Non-Banking Finance Companies' Welfare Association from 2004 to 2007
- Former Member Secretary of the Finance Companies Association, Chennai
- President of Association of Gold Loan Companies in India
- Active member of Confederation of Indian Industry (CII)
- CA Business Leader Award under Financial Services Sector from the Institute of Chartered Accountants of India for 2013
- Times of India group Business Excellence Award in Customised Financial Services in March 2009



George Thomas Muthoot
Whole Time Director

Experience

- Businessman by profession
- >47 years of experience in managing business operations in the field of financial services
- Sustainable Leadership Award 2014 by the CSR Congress in the individual category



Alexander George
Whole Time Director

Education

- MBA Graduate from Thunderbird University (USA)
- Advanced diploma holder in Business Administration from Florida International University, Miami (USA)

Experience

- Manages the entire business operations of North, East and West India of Muthoot Finance
- Former President of Indian Subcontinent Club at Thunderbird University and has been a member of various committees at the University
- Vice-Chairman of the Paul George Global School – a jewel in the crown of Muthoot Education (the education division of Muthoot Group)



George Muthoot George
Whole Time Director

Education

- Master's degree from the Essec-Cornell University in Paris, France
- Graduated in Hospitality Management from the Welcomgroup Graduate school of Hotel Administration in Manipal

Experience

- Has keen interest in the Hospitality sector
- Managing Director of Muthoot Leisure and Hospitality Services Private Limited, and Xandari Pearl Beach Resorts Private Limited (formerly known as Marari Beach Resorts Private Limited), a Muthoot M George Enterprise
- Worked with many brands of international repute both in India and abroad



George Alexander
Whole Time Director

Education

- Master's in Business Administration from University of North Carolina Kenan-Flagler Business School
- Bachelor's degree in Mechanical Engineering from University of Kerala - TKM College of Engineering

Experience

- Takes care of operations across the states of Karnataka, Goa and Telangana in India
- Heads the global operations of The Muthoot Group in the USA
- Serves on the Board of Asia Asset Finance PLC, Muthoot Insurance Brokers Private Limited and Belstar Microfinance Limited, subsidiaries of Muthoot Finance Limited
- Served as the Chair for the Confederation of Indian Industry - Young Indians Bangalore Chapter in 2015
- Former Finance Chair for the Entrepreneur's Organisation Bangalore from 2016-2018
- Was one among the ten Indians chosen to represent India for the AIYD (Australia India Youth Dialogue) at Sydney and Melbourne in 2013
- Currently serving on the Board of advisors at University of North Carolina Kenan-Flagler Business School



George Muthoot Jacob
Whole Time Director

Education

- Bachelor's in law, BA.LLB (Hons), from the National University of Advanced Legal Studies, Kochi
- LLM in International Economic Law from the University of Warwick, UK
- Master's in management from CASS Business School, London

Experience

- Oversees the operations of the Company in the States of Tamil Nadu and Kerala
- In charge of the marketing activities of the Company for South India
- Member on the Board of Belstar Microfinance Limited and Muthoot Money Limited, subsidiaries of Muthoot Finance Limited
- Serving as an Independent Director at V-Guard Industries Limited, a listed company in Kerala, engaged in the electrical and electronics manufacturing business
- Member on the Board of Muthoot Vehicle & Asset Finance Limited, a vehicle finance company in the Group operating in the State of Kerala
- Oversees the Gold Loan & Remittance business in the United Kingdom
- Member of the Board of Governors of Muthoot M George Institute of Technology

Independent Directors



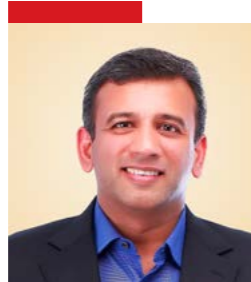
Abraham Chacko
Independent Director

Education

- B. Com (Hons)
- Post Graduate Diploma in Business Management from XLRI

Experience

- >39 years of experience in the banking sector
- Held various roles in HSBC for >14 years
- Held the positions of Country Manager and Executive Director at ABN AMRO Bank in UAE, Sri Lanka and Singapore
- Held the position of Executive Director at The Royal Bank of Scotland for 2 years
- Retired as the Executive Director at the Federal Bank



Joseph Korah
Independent Director

Education

- MBA, Cornell University
- MS, Software Engineering, Birla Institute of Technology and Science
- B.Tech, University of Calicut

Experience

- Co-Founder and President of Impaqtive
- Former Vice President and Global Head of Delivery - Salesforce Practice at Cognizant
- Former association with NASSCOM Regional Council
- Former Vice Chairman of GTECH from 2014 to 2017
- He has been on the Round Table India National Board and served on the Managing Committee of the Kerala Management Association



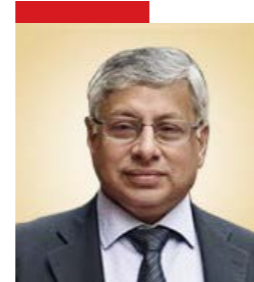
Jose Mathew
Independent Director

Education

- Qualified Chartered Accountant

Experience

- Former Managing Director of M/s Kerala State Drugs & Pharmaceutical Limited, a Government of Kerala Undertaking
- Former Secretary and General Manager Finance of M/s Kerala State Industrial Enterprises, a Government of Kerala Undertaking
- Former Management Committee member of Kerala Travel Mart Society, a private-public association/ Society of Travel & Tourism Fraternity
- Former member of Kerala Tourism Advisory Committee
- Managing Director of M/s Green Shore Holidays & Resorts Private Limited (Rainbow Cruises) Alleppey
- CNBC AWAAZ Award for Sustainability in Responsible Tourism in 2013



Ravindra Pisharody
Independent Director

Education

- B. Tech in Electronics and Electrical Communication, Indian Institute of Technology Kharagpur
- Post-Graduate Diploma in Management (PGDM), Indian Institute of Management, Calcutta

Experience

- >38 years of experience across diverse industries
- Corporate business leader and management professional
- National, regional and global leadership roles in sales, marketing, business management and strategy development
- Former Whole-time Director at Tata Motors Limited, where he headed the commercial vehicles business unit
- Non-Executive Director on the Boards of eight companies
- Adviser to two other companies



Usha Sunny
Independent Director

Education

- Qualified Cost Accountant
- Master's Degree in Commerce from University of Kerala

Experience

- >32 years of experience in Indian and Overseas banking industry
- Headed the Cost Accounting Division of Kerala State Drugs & Pharmaceuticals Limited, Government of Kerala undertaking
- Worked with Standard Chartered Bank, Mashreq Bank PSC and Indian Overseas Bank in diversified roles in Corporate & Investment Banking
- Director of Securaplus Safety Private Limited, a company engaged in the import and wholesale distribution of Personal Protective Equipment
- Partner in Vasudeva Vilasam Herbal Remedies, Kerala, one of the pioneers in the practice



Vadakkakara Antony George
Independent Director

Education

- Bachelor's degree in Mechanical Engineering with a Post Graduate Diploma in Management
- Associate of the Indian Institute of Banking and Finance
- Holder of "Advanced Certificate in Corporate Governance" from INSEAD, Paris

- "Board Director Diploma with Distinction" from International Institute of Management Development, Lausanne

- Corporate Director Certificate from Harvard Business School, USA, an Advanced Certificate in Corporate Governance

Experience

- >42 years of experience in the corporate field in both public and private sectors
- Past Chairman of Equipment Leasing Association of India
- Fellow of All India Management Association and Institute of Directors
- Adjunct/Visiting Faculty in several Management Institutes, including XLRI, Jamshedpur, Loyola Institute of Business Administration, Chennai and International Institute of Management Development (IMD), Lausanne, Switzerland
- Executive Chairman of Thejo Engineering Limited, Chennai
- Non-Executive Director at Belstar Microfinance Limited, Chennai
- Chairman, Advisory Board of St. Isabel's Hospital, Chennai
- Member, Advisory Board, Stella Maris College, Chennai
- Member, Advisory Council, Madras School of Social Work



Chamacheril Mohan Abraham
Independent Director

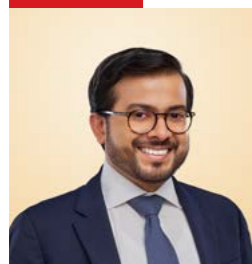
Education

- Qualified Chartered Accountant
- 11th Rank CA Intermediate and 13th Rank CA Final

Experience

- Former Managing Director of J. Thomas & Company Pvt. Ltd., the oldest and largest Tea Auctioneer in the world.
- Former Director of J. Thomas Finance Private Limited, Tea Quotas Private Limited, J. Thomas Trading & Investments Private Limited, Tea Consultancy & Plantation Services (India) Private Limited, Muthoot Forex Limited and Muthoot Securities Limited
- Former members of the Chamber of Commerce and Tea Trade Association.
- Non-Executive Director of two other Companies.
- Significant experience in audits of Syndicate Bank, Canara Bank, Union Bank of India, Cochin Refineries Limited, Cochin Shipyard Limited, FACT Limited and HMT Limited, among others.
- Partner of Chartered Accountancy Firm M/s. K J Anto & Co.

Executive Directors



Epen Alexander
Executive Director

Education

- MBA from the Fuqua School of Business at Duke University, USA
- MSc. in International Political Economy from London School of Economics, UK
- B.A. Economics (Hons) from St. Xavier's College, Mumbai

Experience

- Currently he heads Muthoot Homefin (India) Limited and Muthoot Money Limited, wholly owned subsidiaries of Muthoot Finance Limited
- He is also a Director in CRIF High Mark Credit Information Services Private Limited, a RBI licensed credit information bureau
- Worked with ICRA Limited, a leading credit rating agency in India



K.R. Bijimon
Executive Director

Education

- BSc in Science
- LLB degree from Mahatma Gandhi University, Kerala
- MBA from Cochin University, Kerala
- Fellow Member of the Institute of Chartered Accountants of India, New Delhi
- Associate of Indian Institute of Banking and Finance, Mumbai
- Fellow Member of Certified Management Accountants, Institute of Sri Lanka

Experience

- Joined Muthoot group in 1996
- Possesses >28 years of experience in financial services



Business Model

Creating Value Consistently

Inputs



Capital funding for lending and operations

Advanced technology, digital platforms, and a strong branch network

Skilled and diverse workforce delivering customer-centric services

Partnerships with financial institutions and technology providers and community wellbeing

Commitment to sustainable practices and reducing carbon footprint

4,854

Branch Network

29

States and UTs penetrated

28,000+

Workforce

1,003 Mn

CSR expenditure

IMuthoot App & Gold Loan at Home App

How it Works



Guided by our corporate philosophy



Vision

Be the most trusted, globally diversified institution enriching lives of the masses while contributing back to the society



Mission

To build leading customer-centric businesses enabled by technology, maintaining the highest standards of corporate governance and uncompromising values

Core values



Our offerings



Loans

Gold, Home, Personal, Vehicle, Business, SME, Corporate



Investments

Mutual Funds, NCDs



Financial Services

Money Transfer, Insurance, Microfinance



Additional Services

Digital Payments, Rewards, NPS

Operating Context

- > Market position
- > Subsidiary contribution
- > Interest rate fluctuations
- > Regulatory impact
- > Provisioning
- > Industry environment

Strengths

- > Market Leadership in Gold Loans
- > Consistent Financial Growth
- > No Promoter Pledge
- > Resilience During Economic Downturns
- > Strong geographic presence

Strategy

1

Vision to increase non-gold loan subsidiaries' share to **18-20%** in five years

2

Plans to add **150-200** branches annually

3

Product expansion with focus on affordable housing, personal, small business, and vehicle loans

4

Strong risk management practices ensuring robust provisioning for potential loan losses

Outcomes



Strong revenue growth, profitability, and consistent financial performance

₹ 7,58,270 Mn

Assets Under Management (AUM)

₹ 1,09,840 Mn

Highest interest collection of all time

₹ 40,497 Mn

Net Profit

17%

Net Profit growth YoY

Enhanced operational efficiency through technology, streamlined processes, and prudent lending practices

High customer loyalty and retention, skilled workforce, and strong customer relationships

Recognised as **"Great Place To Work"**











Financial inclusion, community welfare initiatives, and partnerships enhancing brand value

Using renewable energy through Wind Mills

Addressing Stakeholder Aspirations with Compassion

We continue to engage with stakeholders and listen to their expectations and concerns in an ever-evolving industry scenario. The insights that we garner through our engagement are integrated into our strategic decision-making. Giving back to the communities and the society at large remains our core DNA, where growth is not the only priority and where commitment goes hand in hand with compassion.



| Stakeholders | Role and Importance | Our Intervention Areas | Value Created |
|--|--|--|---|
|  Customers  | Core to business growth and sustainability | Provides quick, secure and accessible financial solutions, enhances engagement through digital platforms | Reliable financial support, enhances financial inclusion and empowerment |
|  Employees  | Essential for delivering services and maintaining efficiency | Offers professional growth, skill development and a supportive work environment. | Career development, job satisfaction, and high performance. |
|  Shareholders/ Investors  | Provide financial resources for growth and expansion | Ensures strong financial performance, transparent communication, and consistent returns. | Strong financial returns, revenue growth, sustainable practices. |
|  Communities  | Integral to operational environment and social license to operate. | Engages in community welfare initiatives and financial literacy programmes. | Improved financial literacy, access to services, community development. |
|  Government  | Regulatory framework provider; essential for business continuity. | Ensures compliance with regulations and contributes to economic development. | Economic contributions, regulatory adherence, support for national goals. |

Human Resource

A Culture of Commitment, Consistency and Compassion

We are committed to nurturing a supportive, inclusive and dynamic workplace where each team member feels valued and motivated. Our comprehensive HR initiatives are designed to enhance employee well-being, cultivate professional growth, and build a strong sense of community. By investing in our people, we not only drive individual success and wellbeing, but also propel our organisation towards greater achievements.

28,286

Dedicated Workforce

Workplace Recognition

Muthoot Finance has been certified as a Great Place to Work for the third consecutive period (2024-2025), following our previous certifications in 2021-2022 and 2022-2023. This prestigious recognition is based on comprehensive employee feedback and an assessment of our HR practices.



Professional Growth and Development

We place significant importance on the career growth and development of our employees through several key initiatives. We provide fast-track promotional opportunities for high-performing employees. Candidates undergo interviews and comprehensive leadership training, ensuring they are well-equipped for their new roles.

Internship Programme

Our structured internship programme offers graduates hands-on experience in customer service, financial transactions, and branch management. Successful interns have the opportunity for permanent employment, supported by collaborations with the National Apprenticeship Promotion Scheme (NAPS) and the National Apprenticeship Training Scheme (NATS).



Employee Engagement and Wellness

Our HR department has prioritised employee engagement and wellness through a variety of initiatives aimed at creating a positive workplace culture and promoting overall well-being.



Aarambha – A Family Invite Program

This initiative aims to connect employees' families with Muthoot Regional Leaders, promoting a deeper emotional and business connection with the organisation. By engaging families, we build stronger bonds that contribute to increased employee commitment and productivity.



Sports Meet

Our annual Sports Meet has become a symbol of unity and camaraderie within our organisation. This event promotes a healthy work-life balance and has significantly boosted employee morale and job satisfaction through team-building, healthy competition, and memorable experiences.



Wellness and Fitness Campaign

We launched a three-month campaign focusing on physical fitness, yoga, and nutrition. This initiative supported our employees' well-being, contributing to their overall health and productivity.



Employee Engagement Activities

We organised various activities such as the Best Dressed Branch competition during Onam, online quizzes, and creative video messages for Women's Day.

HR Automation

To enhance efficiency and effectiveness in our human resources processes, we have embarked on significant HR automation initiatives. By streamlining and automating the recruitment process, we have improved the candidate experience and achieved significant time savings. This initiative allows HR professionals to focus on important tasks, improves accuracy, and supports better decision-making with real-time data and analytics.

Rewards and Recognition

We motivate our employees through frequent contests with rewards like cash, gifts, and trips. Achievements are highlighted in our internal newsletter and acknowledged in daily meetings. Initiatives such as Long Service Awards and Service Excellence awards recognise and reward employees for their dedication and service.



Muthoot Social Responsibility (MSR) Initiatives

Caring for Communities with Compassion

Muthoot Social Responsibility (MSR) Initiatives are driven by a deep sense of responsibility towards creating a positive impact on society. Over the past year, we have implemented several projects that focus on healthcare, livelihood support, education, renewable energy, and infrastructure development. These initiatives are designed to promote holistic development and empower communities to achieve self-reliance and sustainable growth.

₹1,003 Million

Investment in CSR programmes

0.60 Million

Lives impacted (CSR beneficiaries)



Promoting Art and Culture

Muthoot Snehasammanam Project 2024

Through our 'Muthoot Snehasammanam' initiative, we are committed to preserving Kerala's rich temple art traditions by supporting veteran artists who carry forward these unique cultural legacies. Since its inception in 2015, the programme has provided essential financial assistance to

over 45 distinguished artists, including practitioners of Kathakali, percussion and various instrumental art forms. By offering monthly grants and access to affordable healthcare, we ensure that these senior artists can continue their invaluable contributions to the cultural heritage of the region, upholding traditions that define the soul of Kerala.

With a cumulative spend of ₹70 Lakhs under this scheme, including ₹27 Lakhs in FY24 alone, we are dedication to embracing the arts and community welfare. By actively engaging in the cultural upliftment of society, we not only strengthen our CSR footprint but also honors the artists who embody the rich cultural essence of India.



Sports Promotion

Professional Cycling Athlete Wins Two Medals in National Games

As part of our CSR commitment to sports excellence, we proudly supported professional cyclist Mr. Sreenath Lakshmikanth. Our financial backing has enabled him to achieve remarkable success, including winning two medals at the National Games in Goa (2023) and securing first place in the Milton Keynes Race at the World Championship Cycling (2023). We believe that sports have the power to transform individuals, elevate sectors, and contribute to the overall growth of the country. By promoting cycling—a sport that is not widely considered mainstream in India—we aim to elevate less popular sports to global standards, promoting a culture of athletic excellence and inspiring future generations. As we move ahead, we are dedicated to promoting athletic talent and enhancing the global sports community.

Muthoot Finance - FICCI Corporate Sports Championship 2023

The Muthoot Finance - FICCI Corporate Sports Championship Kochi 2023 is a remarkable CSR initiative aimed at fostering sportsmanship and unity within the corporate sector of Kochi. Held in collaboration with the Federation of Indian Chambers of Commerce and Industry (FICCI), the championship featured three dynamic sports disciplines: Cricket, Football and Badminton. By bringing together over 20 leading corporate firms, including major players such as EY, TCS, Lulu Group, and Geojit Financial Services, the event highlighted our commitment to promoting a vibrant and inclusive sporting culture.

The football segment of the championship saw Muthoot Microfin emerge victorious against FCI OEN Connectors in a thrilling penalty shootout, highlighting the competitive spirit and camaraderie among participating teams. The event, held at the Cochin Sports Arena, attracted eight corporate teams, demonstrating the widespread enthusiasm for sports and its role in enhancing workplace relationships and discipline. Similarly, the badminton games, held at the Badminton Court of Sanskara School, showcased TCS Kochi's dominance, with other prominent firms like Olam Food Ingredients and UST Global also making their mark.

By organising such events, we not only promote physical well-being but also fosters inclusion and teamwork within the corporate community. These sports championships provide employees with opportunities to build strong relationships, enhance their skills, and contribute to a positive and collaborative work environment.

The cricket matches concluded with thrilling cricket finale at Muthoot Institute of Technology and Science where Muthoot Microfin emerged as the champions in a heart-stopping encounter against TCS Kochi, securing victory by the narrowest of margins – just 1 run.



Sini K Sebastian Wins 4 Gold & 1 Silver at World Dwarf Games, Germany

We supported Sini. K. Sebastian, a 39-year-old veteran dwarf athlete from Idukki, Kerala, who achieved remarkable success at the World Dwarf Games 2023 held in Germany between July 28 and August 5, 2023. Sini's exceptional performance saw her win four gold medals in Freestyle Swimming (25 m & 50 m categories), Javelin Throw, and Discus Throw, along with a silver medal in Shot Put. Muthoot Finance's support was crucial in her journey, covering all her related expenses and enabling her to excel on the global stage.

Gifted Gold-Winning Athlete Sini K Sebastian a New Home

In celebration of her historic achievements at the World Dwarf Games 2023, we took a remarkable step to honor her accomplishments by gifting her a new home under the Muthoot Aashiyana Project. Her victories, which include four gold medals in Freestyle Swimming, Javelin Throw, and Discus Throw, and one silver in Shot Put, were a testament to her indomitable spirit and dedication. Trained by Father Solomon Kadambattu Parambil at the Darshana Society for the disabled, Sini overcame significant challenges to represent India as the flag bearer at the event.



Support to Para Athletes with International-Level Equipment and Muthoot Branded Apparel

As part of our continued efforts to promote sports, we extended our support to four para-athletes by providing international-level equipment, including Four Nordic Javelins and Two Nordic Valkyrie Discus, along with Muthoot-branded track suits and T-shirts. By equipping these athletes with high-quality sports gear, we are empowering them to perform at their best in international competitions.

Gender Equality and Women Empowerment

Muthoot Vivahasammanam

Muthoot Vivahasammanam is a transformative CSR initiative aimed at advancing gender equality and empowering women. By addressing the financial challenges associated with weddings, the programme ensures that underprivileged families can celebrate these significant occasions without economic strain. With a dedicated grant of ₹40 Lakhs for FY 2023-24, this initiative highlights our commitment to social responsibility and has already contributed ₹15 Crores towards assisting the daughters of widowed mothers.

Expanding to seven cities—Delhi, Mangalore, Chennai, Madurai, Hyderabad, Kolkata and Bangalore—Muthoot Vivahasammanam plays a crucial role in

supporting gender equality by easing the financial burden on women and their families. This programme not only helps create lasting memories for these families but also signifies our ongoing dedication to upliftment and empowerment of women across India.



Environment Protection and Livelihood Generation

Supported with e-Rickshaw

During the year, we enhanced environmental protection and livelihood generation by distributing three E-Rickshaws to underprivileged individuals in Siliguri, West Bengal. This initiative promotes sustainable transportation by reducing carbon emissions and supports local economic development, creating valuable job opportunities and improving the quality of life for the recipients.



Environmental Protection Initiatives at Kerala Museum

We have taken a significant step toward environmental sustainability by installing a 25 KWp solar power plant at the Kerala Museum in Edappally, Kochi. This initiative, inaugurated on September 7, 2023, by Shri. George M George, Deputy Managing Director of Muthoot Finance, aligns with our commitment to promoting sustainable practices. The solar project will provide 50% of the museum's electricity requirements, leading to an annual saving of ₹5 Lakhs. This installation will primarily support the museum's climate control systems, essential for preserving its valuable art collections, thus significantly reducing operational costs while supporting environmental conservation.



Managed by the Madhavan Nair Foundation, the Kerala Museum is renowned for its unique collection of contemporary Indian art, much of which is preserved in climate-controlled environments to protect against temperature and moisture. By integrating solar energy, Muthoot Finance is not only helping the museum maintain these crucial conditions but also demonstrating the tangible benefits of renewable energy in reducing carbon footprints.

Improving Quality of Life

Supported with Mobile Toilet to 70th Armored Regiment, Indian Army at Jodhpur, Rajasthan

We supported the 70th Armored Regiment of the Indian Army in Jodhpur, Rajasthan, by providing a 6-seater mobile toilet to enhance the quality of life for the regiment's personnel. This initiative, facilitated by the Regional Manager Jodhpur and attended by senior army officials, reflects Muthoot's commitment to improving living conditions for those who serve and protect the nation. By addressing essential needs, we demonstrate our dedication to giving back to the armed forces, acknowledging their vital role in safeguarding the country and enhancing their well-being.



Muthoot Smart Creche Handed Over to Indian Red Cross Society Amritsar

Muthoot Finance handed over the Muthoot Smart Creche to the Indian Red Cross Society in Amritsar, marking a commitment to enhancing the quality of life for working parents and their children. The handover ceremony, held at the DC Office Amritsar, was attended by dignitaries including Mr. Ghanshyam Thori IAS, DC Amritsar, and other key representatives from the Red Cross Society and Muthoot Finance. This initiative supports working families by providing a safe and nurturing environment for children, thereby improving work-life balance and contributing to community welfare.



Newly Constructed Toilet Block Handed Over to Leprosy Mission Hospital, Barabanki, Uttar Pradesh

As part of its CSR activities and in support of the Swachh Bharat Abhiyan, Muthoot Finance constructed and handed over a new toilet block for leprosy patients at the Leprosy Mission Hospital in Barabanki, Uttar Pradesh, on the 74th Birth Anniversary of Former Chairman Late Shri. MG. George Muthoot. This initiative, carried out in the presence of Ms. Asha Devi, Gram Pradhan, and other Muthoot Finance and hospital staff members, aligns with the national mission 'Swachh Bharat Abhiyan' to improve sanitation and hygiene standards across the country. By addressing critical hygiene needs and enhancing patient comfort, this effort highlights our strides towards improving health infrastructure for vulnerable communities.

Inauguration of Baby Feeding and Breast Feed Rooms

We have demonstrated our commitment to maternal and child health by inaugurating dedicated breastfeeding facilities in healthcare centres, promoting women's safety, and breaking the taboos and myths surrounding breastfeeding. A Baby Feeding Center was opened at Bowring Hospital & Lady Curzon Hospital, Bangalore, providing a safe and private space for nursing mothers. Similarly, during World Breastfeeding Week, a Breast Feed Room was inaugurated at the Primary Health Center in Bondel, Mangalore, offering a comfortable environment that supports optimal feeding practices. These initiatives not only promote breastfeeding but also emphasise the importance of timely breast milk feeding, which ensures optimal nutrition and significantly enhances the health and well-being of infants.



Distribution of 500 IEC Boards on Environment and Health & Hygiene Awareness for Railway Passengers, Madurai

On June 14, 2023, Muthoot Finance distributed 500 Information, Education, and Communication (IEC) boards focusing on environment, health, and hygiene awareness at 15 railway stations in the Madurai Region. The boards were handed over to Mr. Ananth, Divisional Railway Manager, Southern Railway, with participation from railway and health department officials. This initiative aims to educate passengers on essential health practices, promoting cleaner and healthier travel environments. The Southern Railway acknowledged our sincere efforts in spreading awareness by presenting an appreciation letter, highlighting the impact of the initiative.



Distribution of 10 Advanced Microscopes for TB Screening to 10 Government Hospitals, Madurai District

In support of the National Tuberculosis Elimination Program, Muthoot Finance donated 10 advanced microscopes to government hospitals in Madurai District on July 25, 2023. The microscopes were handed over to Dr. Selvaraj, Joint Director of Health Services, and Dr. Rajasekaran, Deputy Director of Health Services (TB), Madurai, to aid in the early detection and treatment of tuberculosis. This initiative enhances diagnostic capabilities and supports efforts to create a TB-free Madurai, improving public health outcomes.



Inauguration of 14 Aashiyana Homes at Edavanakkad

We inaugurated 14 newly constructed houses under the Muthoot Aashiyana Housing Project in Edavanakkad, a coastal suburb of Kochi, as part of our CSR initiative to rehabilitate families affected by the 2018 Kerala floods. These families had previously been living in dilapidated homes damaged by prolonged exposure to sea swells and erosion. The Aashiyana Housing Project, launched in 2018, aims to provide safe and secure homes for those in need, particularly in disaster-affected areas. The handover ceremony was graced by Shri. George Alexander Muthoot and Chief Guest Shri. Hibi Eden, MP.

In addition to the Edavanakkad project, 20 houses have been built in Rewari, Haryana, and 10 houses in Haridwar, Uttarakhand, further expanding our disaster relief efforts. With these additions, the project has now provided 250 homes to underprivileged families, reaffirming our dedication to improving living conditions and supporting community resilience.



Promotion of Education

Stone Laying Ceremony at School Construction in Tamil Nadu's Tiruvannamalai District

We, in collaboration with Hand in Hand NGO, is advancing educational infrastructure in Theyyar village, Vandavasi Taluk, Tamil Nadu. The stone laying ceremony for the new school, held on February 19, 2024, marks the start of a significant initiative aimed at enhancing educational opportunities for local communities. The school, set on a 5.25-acre campus, will initially serve 250 students with plans to expand to accommodate around 1,000 students. The institution will support various green activities, promoting environmental awareness alongside education.

The partnership with Hand In Hand NGO highlights Muthoot Finance's dedication to education and community development. Hand In Hand's expertise in social entrepreneurship and community-

building complements Muthoot Finance's efforts, ensuring the successful implementation and sustainability of the school project. This collaboration not only strengthens our CSR impact but also enhances the educational landscape for children in the region.



Muthoot M George Excellence Award

The Muthoot M George Excellence Award is a pivotal CSR initiative by Muthoot Finance, highlighting the our dedication to promoting education among underprivileged students. For the FY 2023-24 academic year, we have allocated a budget of ₹31,59,000 to benefit more than 1,053 students across key cities such as Bangalore, Chennai, Madurai, Mangalore, Mumbai, Delhi, Ernakulam, Kottayam and Alleppey. Each awarded student receives a cash prize of ₹3,000 along with a memento, recognising their academic achievements in 8th and 9th grades. Over the past decade, the initiative has disbursed a total of ₹2 Crores, reflecting our sustained dedication to education.

In regions such as Mangalore and Madurai, we have actively supported 100 underprivileged students in each area, with awards distributed across multiple clusters. The Chennai and Bangalore regions also saw similar commendations. In Thiruvananthapuram, the awards recognised 128 students from 64 government schools, with the event graced by notable dignitaries including H. H. Aswathi Thirunal Gowri Lakshmi

Bai Thampurati and Shri. George Jacob Muthoot. The Telangana region saw the distribution of awards to 100 meritorious students, and Kottayam celebrated 74 top-performing students from government schools.

This initiative not only acknowledges and rewards academic excellence but also provides crucial financial support to students, aiding their educational journey

beyond 8th and 9th grades. By incentivising academic achievement, the Muthoot M George Excellence Award fosters motivation and ambition, encouraging students to strive for continued success in their education. Through these efforts, Muthoot we are making a significant impact on the future of these students, helping them overcome financial barriers and stay focused on their academic and career goals.



Muthoot M George Higher Education Scholarship

During the year, The Muthoot M George Foundation, our CSR arm, awarded scholarships to 30 meritorious students pursuing professional degrees in MBBS, Engineering and BSc Nursing as part of the Muthoot M George Higher Education

Scholarship Program 2022-23. The scholarships, totaling ₹48 Lakhs, were distributed at a ceremony held at Avenue Regent, Kochi. This initiative aims to support students from economically weaker backgrounds by providing them with financial assistance to pursue higher education. The scholarship

programme grants ₹2.4 Lakhs each to 10 MBBS students, ₹1.2 Lakhs each to 10 B-Tech students, and ₹1.2 Lakhs each to 10 BSc Nursing students, ensuring that talented and deserving students receive the support they need to access quality education and achieve their professional goals.



Inauguration of Muthoot Smart Anganwadis in Ghaziabad, Uttar Pradesh

Muthoot Finance fully renovated three Anganwadi centres in Ghaziabad, equipping them with child-friendly furniture, specialised flooring, false ceilings, fans, Smart LED TVs, cupboards, toys, and indoor games. These upgraded Muthoot Smart Anganwadis were inaugurated by Shri Alexander George Muthoot, Joint Managing Director, in the presence of key officials, including Mrs. Shashi Varshney, District Program Officer, and other dignitaries. This initiative aims to provide a nurturing and engaging environment for early childhood education, enhancing the learning experience for children in these communities.



Donation of Muthoot Milk Van at Hubli, Bangalore

We donated a Muthoot Milk Van to Akshaya Patra in the Hubli Region, aimed at enhancing nutritional support for government school students. The donation ceremony was graced by Mrs. Veena Chethan Baradwad, Mayor of Hubli Dharwad Municipal Corporation. This initiative is set to benefit nearly 1 Lakh students, ensuring they receive essential nourishment that supports their education and overall well-being.



Muthoot Smart Classrooms

We, as part of our CSR initiative to promote education, donated a 30-seater Muthoot Smart Computer Classroom to the All India Federation of Deaf at Qutub Institutional Area, New Delhi. This best-in-class facility includes 31 computer tables and chairs, 30 HP desktops, an HP printer, an overhead projector, and a screen. The Smart Computer Classroom will be utilised to provide specialised training to youth with hearing impairments, enhancing their skills and preparing them for future opportunities.

Additionally, we have partnered with Round Table India (RTI) to establish smart classrooms in seven deserving schools across Tamil Nadu, including locations in

Chennai, Coimbatore, Salem, Tiruchirapalli and Sivakasi. These smart classrooms are designed to provide students with advanced learning tools and technology, creating an engaging and interactive learning environment. By equipping schools with these modern facilities, the initiative aims to uplift educational standards and bridge the digital divide for students from underprivileged backgrounds, fostering a culture of academic excellence.

The project has seen the successful inauguration of smart class facilities at various schools, including Government High School, Malumichampatti, Panchayat Union Middle School in Samichettipalayam, and Government Panchayat Union Primary School in Trichy, among others. The inaugurations were graced by regional managers, school heads, and RTI members, who highlighted the impact of these smart classrooms in enhancing the quality of education.



Disaster Management

Donation of 100 Winter Tents to Earthquake victims of Turkey

We extended support to earthquake victims in Turkey by donating 100 winter tents. The tents were handed over to the Turkish Embassy by Shri Alexander George Muthoot, Joint Managing Director, to provide immediate relief and shelter to those affected by the disaster, highlighting the company's commitment to humanitarian aid in times of crisis.



Environment Conservation

Tiger Conservation Initiative at Tipeswar Wildlife Sanctuary and Melghat Tiger Reserve in Maharashtra

The significant shifts in climatic patterns have begun negatively impacting wildlife, such as the drying of water reservoirs in wildlife sanctuaries. As part of its CSR efforts, the company aims to identify grassroots projects that promote sustainable environmental practices. One such initiative was undertaken at the Tipeswar Wildlife Sanctuary and Melghat Tiger Reserve in Maharashtra, where Muthoot Finance collaborated with the forest department to address issues like water scarcity despite forest protection measures. Both these sanctuaries are a habitat to more than 30 species of mammals, 160 species of birds, 26 species of reptiles and 4 species of amphibians. The major fauna found in these sanctuaries include tigers, leopards,

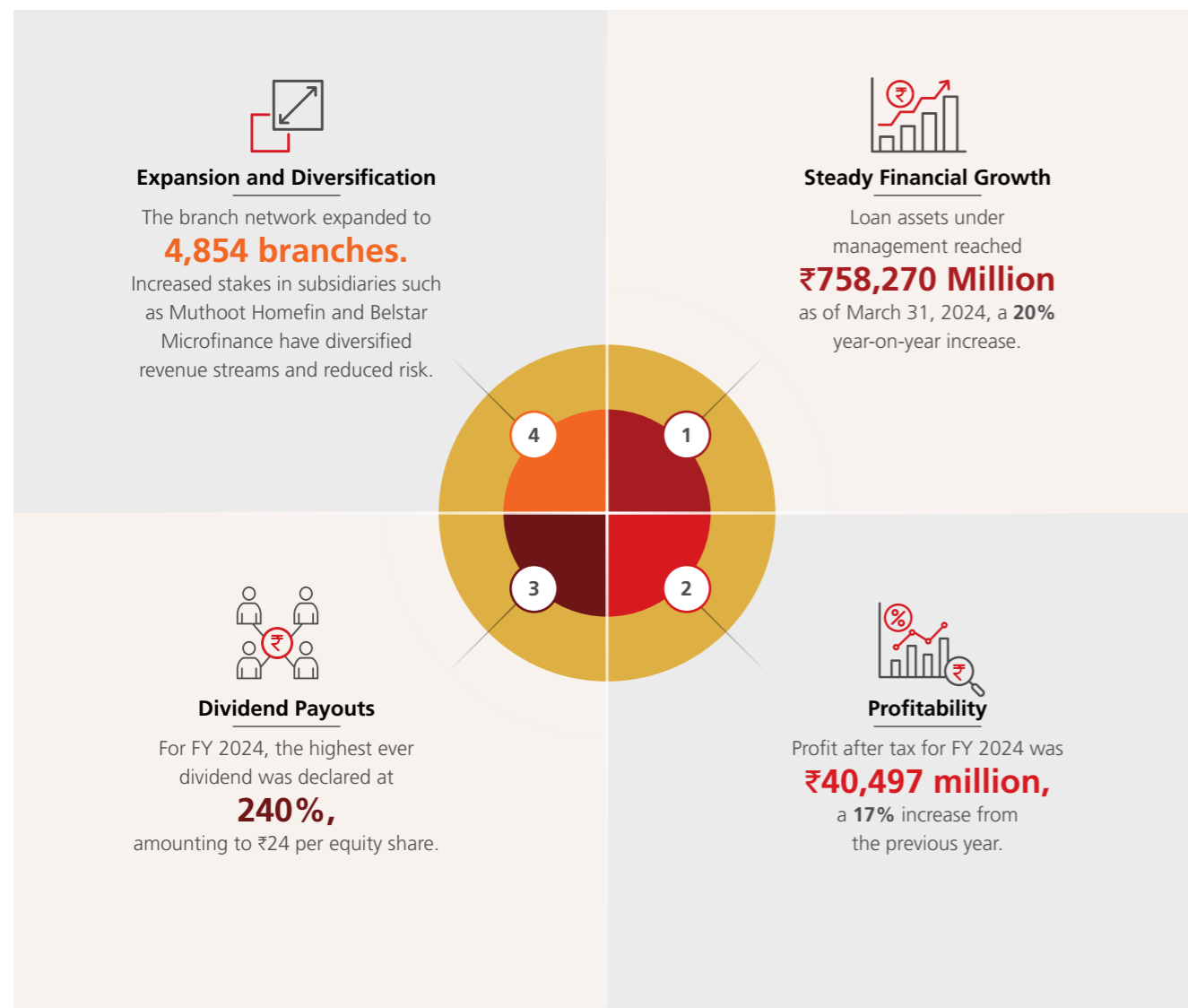
sloth bears, black bucks, spotted dears, sambars, blue bulls amongst others. This project highlighted the need for holistic approaches to environmental conservation, emphasising the importance of sustainable water management alongside habitat preservation. The plight of animals dying of thirst within the forest prompted the team to take action. The solution involved creating bore wells powered by solar energy to establish artificial ponds within the forest. This initiative aimed to mitigate the effects of climate change and reduce conflicts between humans and wildlife. The success of this project was evident when the forest department witnessed various mammal species, beyond just tigers, benefiting from the water source. Moving forward, Muthoot Finance aims to explore similar projects to extend its impact on environmental conservation.



Relationship with Shareholders

Safeguarding the Interests of Shareholders and Investors

As India's largest gold financing company by loan portfolio, we provide our shareholders robust financial performance, consistent returns and steady growth. Our diverse portfolio, high credit ratings, and sustained growth provide a robust foundation for shareholder value creation.



Compliance

Our compliance framework ensures that we adhere to all regulatory requirements and best practices, safeguarding the interests of our shareholders and customers. We comply with all applicable laws and regulations, including those set by the Reserve Bank of India (RBI) and other regulatory bodies. Our robust internal control mechanisms, regular audits, and reviews help us monitor and manage risks effectively, ensuring transparency and accountability in all our operations. Adhering to the highest standards of corporate governance, we ensure ethical business practices and decision-making processes.

Awards

Recognising our Outstanding Performance



It was also a matter of great pride for the marketing function as last year's integrated marketing campaign "Kholiye Khushiyon Ki Tijori" received multiple awards and recognitions from various industry bodies. Amongst many, the campaign most notably won exchange4media's 'Best Content Marketing Award' at the 8th edition of Indian Content & Marketing Awards 2023, exchange4media's 'Indian Marketing Award 2023' and the, 'Most Effective ROI Driven Campaign' at the Pitch BFSI Marketing Awards 2023. These awards were received by Mr. Abhinav Iyer, Senior General Manager- Marketing & Strategy, The Muthoot Group at different award ceremonies held in Mumbai.



Muthoot Finance also clinched the prestigious 10th National CSR Times Award (Gold) for our pioneering 'Cup of Life' initiative! Empowering women's health and spreading menstrual hygiene awareness, this recognition reaffirms our commitment to creating a healthier and more equitable society.



Muthoot Finance has bagged the Bronze Award for its flagship CSR project 'Cup of Life' under the category of the 'CSR Health Awareness Campaign'. The award was bestowed for Cup of Life - the Guinness World Record Winning Menstrual Awareness Campaign that was conducted in Kochi which distributed 1,00,001 menstrual cups to the women community.



Adding another feather to our cap! We have been recognised as the 'Issuer of the Year - Public Issuance', by the esteemed Associated Chambers of Commerce and Industry of India (ASSOCHAM) 6th National Summit and Awards on Corporate Bond Market in Mumbai on August 03, 2023.



It is a matter of great pride that for the 8th consecutive year, Muthoot Finance has been recognised as India's No. 1 Most Trusted Financial Services Brand by TRA's Brand Trust Report 2024. It determines the most trusted and desired brands in India. TRA provides a licensing symbol, 'Power of Trust' which is an intellectual trademarked property that select brands can use to leverage their market position. This reaffirms our commitment to reliability, integrity, and unwavering support for our customers.



Muthoot Finance was bestowed with the prestigious "BRICS - CCI Business Excellence Award in Leadership" by BRICS, an intergovernmental organisation which comprises Brazil, Russia, India, China and South Africa, during an award ceremony held on 19th January, 2024 at Le Meridien in New Delhi.

In addition to the award, a special certificate was also given which mentions that this award recognises the outstanding contribution of Muthoot Finance towards providing loans against gold at highly affordable rates and its significant impact on the financial services in India.



Muthoot Finance was honoured with the prestigious "Exceptional NCD Issuer of the Year" at the Times Business Awards 2024 by The Times Group.

The award was presented by Mr. Suniel Shetty, a renowned Bollywood Actor and Entrepreneur to Mr. Shoji Paul, DGM- Resource Department, Muthoot Finance and Mr. Vaibhav Mishra, Sr. AGM - Marketing, Muthoot Finance, on behalf of the company. This accolade was a testimony of the trust reposed in us by our investors, customers & stakeholders and reflects our organisation's strong core values.

Report of the Board of Directors

Dear Shareholders,

Your Board of Directors is pleased to share with you the 27th Annual Report of **Muthoot Finance Limited** (“Company”) enumerating the business performance along with the Audited Financial Statements (standalone and consolidated) for the financial year ended March 31, 2024.

1. Financial Summary

The summarized standalone and consolidated results for the Company with the previous year’s figures are given in the table below:
Rs. in Millions

| Particulars | Standalone | | Consolidated | |
|---------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
| Total Income | 1,26,940.44 | 1,05,437.48 | 1,51,627.42 | 1,19,750.05 |
| Total Expenses | 72,452.61 | 58,773.22 | 91,662.38 | 70,522.25 |
| Profit Before Tax | 54,487.83 | 46,664.26 | 59,965.04 | 49,227.80 |
| Tax expense | 13,991.18 | 11,928.95 | 15,289.10 | 12,530.14 |
| Profit for the year | 40,496.65 | 34,735.31 | 44,675.94 | 36,697.66 |
| Equity | 2,42,902.89 | 2,10,619.28 | 2,51,072.07 | 2,16,657.52 |
| Total Liabilities | 607,381.32 | 5,15,578.86 | 7,13,622.13 | 5,84,831.68 |
| Total Assets | 8,50,284.21 | 7,26,198.14 | 9,64,694.20 | 8,01,489.20 |

2. Dividend

Your Directors, considering the good performance and strong growth seen in the financial year 2023-24 had declared an interim dividend of Rs 24 per equity share in its board meeting held on May 23, 2024 (240% of face value). The dividend payout amounted to ₹ 9,635.08 million representing 23.79% of profit after tax for the year. The Board has decided to plow back the remaining profit after tax for business activities.

The Dividend distribution policy containing the requirements mentioned in Regulation 43 A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (“SEBI Listing Regulations”) is available on the website of the Company at <https://www.muthootfinance.com/sites/default/files/2020-08/Policy%20on%20Dividend%20Distribution.pdf>. The list of unpaid dividend is available on the Company’s website at <https://www.muthootfinance.com/transfer-of-shares>. Shareholders are requested to check the said list and if any dividend due to them is remaining unpaid in the said list, Shareholders can approach the Company or Registrar and Transfer Agent of the Company for the release of unclaimed dividends.

3. Transfer to Reserves

Your Board of Directors has transferred an amount of ₹ 8,099.33 million to the statutory reserve maintained under Section 45 IC of the Reserve Bank of India Act, 1934. Post transfer of profits to reserves, your Board proposes to retain ₹ 1,28,699.34 million in the Retained Earnings.

4. Company’s Performance

Amidst the global challenges, the Indian economy has remained resilient and has emerged as the world’s fastest growing major economy in the fiscal year ending on March 31, 2024 for the third consecutive year. This year, in line with the domestic economy growth, your company has also achieved the highest ever gold loan advance to new customers of ₹ 164,152 million, reinforcing our position as a trusted partner in the gold loan industry.

Complementing our core gold loan business, our non-gold loan business offerings continued to gain traction with our micro finance loan, personal loan, paying a pivotal role in diversifying our consolidated loan portfolio.

Your Company achieved a net profit of ₹ 40,496.65 million for the financial year ended March 31, 2024 as compared to ₹ 34,735.31 million for the financial year ended March 31, 2023, a growth of 16.59%, driven by the robust growth in gold loan and onboarding of new customers. Profit before tax was at ₹ 54,487.83 million for the financial year ended March 31, 2024 as compared to ₹ 46,664.26 million for the financial year ended March 31, 2023.

Total income has increased to ₹ 1,26,940.44 million for the financial year ended March 31, 2024 from ₹ 1,05,437.48 million for the financial year ended March 31, 2023, which on account of increase in Interest income of the Company. Interest income of the Company increased to ₹ 1,24,475.66 million from the previous year’s interest income of ₹ 1,03,686.11 million.

Loan Assets Portfolio of the Company increased by ₹ 1,26,172.15 million during the year reaching ₹ 7,58,269.83 million as on March 31, 2024, as against ₹ 6,32,097.68 million as on March 31, 2023. The Return on Average Loan Asset stood at 5.84% in the financial year ended March 31, 2024 as against 5.93% in the financial year ended March 31, 2023. Interest yield in the financial year ended March 31, 2024 stood at 17.94% as compared to 17.70% in the financial year ended March 31, 2023. Net Interest Margin was 11.23% in the financial year ended March 31, 2024 as compared to 11.38% in the financial year ended March 31, 2023. The Company remitted to exchequer ₹ 15,065.94 million as taxes.

5. Share Capital

During the financial year, no preferential issue of shares with differential rights as to dividend, voting as otherwise was carried out by the Company. The Company has also not carried out any buyback of its equity shares during the financial year under review.

Employee Stock Options

During the financial year, your Company allotted 13,445 equity shares of the face value of ₹ 10/- each under Muthoot ESOP 2013 scheme pursuant to the exercise of 13,445 stock options at an exercise price of ₹50/- each by the employees.

The disclosures as required under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 read with SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated 16th June 2015 is attached to this report as Annexure 1 and is also available on the website of the Company at <https://www.muthootfinance.com/esop-disclosure>. Please refer note 46 of Notes forming part of Standalone Financial Statements for further disclosures on ESOPs. The Company does not have any scheme to fund its employees for the purchase of shares of the Company.

A certificate from the Secretarial Auditor of the Company certifying that the ESOP scheme is implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be placed at the Annual General Meeting for inspection by members.

The Employee Stock Option Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and there have been no material changes to the Scheme during the Financial Year 2023-24.

Investor Education and Protection Fund

As per Section 124 and 125 of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, any dividends that remain unclaimed/unpaid for a period of seven years will be transferred to the Investor Education and Protection Fund ("IEPF").

During the financial year 2023-24, the Company has transferred the unclaimed dividends of ₹ 3,85,989 to Investor Education and Protection Fund ("IEPF"). Further, 1,314 equity shares on which the dividends were unclaimed for seven consecutive years were transferred to IEPF during the financial year 2023-24 as per the requirements of IEPF Rules.

No claim will lie on Company on account of the dividend after the dividend is transferred to IEPF.

6. Resource Mobilization/Fund Raising

(a) Non-Convertible Debentures:

Your Company has successfully completed the three Issuances of Non-Convertible Debentures through Public Issue during FY 2023-24 raising ₹ 13,590.54 million. The company has raised ₹ 65,205.00 million through Private Placement of Non-Convertible Debentures during the financial year.

Subordinated Debts represent long-term source of funds for the Company and the amount outstanding as on March 31, 2024 stood at ₹ 504.93 million. Subordinated Debts qualify as Tier II capital under the Master Direction -Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions,2023 .

(b) Bank Finance

Bank Finance remains an important source of funding for your Company. Commercial Banks continued their support to your Company during Financial Year. As of March 31, 2024, borrowings from banks stood at ₹ 367,045.24 million as against ₹ 2,92,487.65 million in the previous year.

(c) External Commercial Borrowings

There are no outstanding External Commercial Borrowings as on March 31, 2024.

7. Credit Rating

The Company has debt credit ratings as below:

Domestic Credit Ratings:

| Credit Rating Agency | Instruments | Ratings |
|----------------------|----------------------------|--------------------|
| CRISIL | Commercial Paper | CRISIL A1+ |
| | Subordinated Debts | CRISIL AA+(Stable) |
| | Non-Convertible Debentures | CRISIL AA+(Stable) |
| ICRA | Commercial Paper | [ICRA] A1+ |
| | Short Term Bank Borrowings | [ICRA] A1+ |
| | Long Term Bank Borrowings | ICRA AA+(Stable) |
| | Subordinated Debts | ICRA AA+(Stable) |
| | Non-Convertible Debentures | ICRA AA+(Stable) |

International Credit Ratings:

| Credit Rating Agency | Ratings |
|--------------------------|-------------|
| Fitch Ratings | BB(Stable) |
| S&P Global Ratings | BB(Stable) |
| Moody's Investor Service | Ba2(Stable) |

8. Internal Audit and Internal Financial Control

Your Company has developed well documented internal audit and control system for meticulous compliance from all layers of the Company. Over the years Company has evolved a robust, proper, and adequate internal audit system in keeping with the size of the Company and its business model. The control system ensures that the Company's assets are safeguarded and protected. The audit system also takes care to see that revenue leakages and losses to the Company are prevented and our income streams are protected. The control system enables reliable financial reporting.

Internal Audit process in your Company is an independent activity and has sufficient standing and authority within your Company. Your Company's Internal Audit function works in close coordination with the Risk Management and Compliance Departments to evaluate the effectiveness of controls, assess compliance with controls and adherence to internal processes and procedures, adequacy of systems and procedures and also to evaluate the status of compliance of other statutory requirements.

The Internal Audit function of your Company endeavours to comply with the International Standards and manned by a team of over 1000 dedicated personnel who are constantly engaged in safeguarding your Company's assets, ensuring the quality of assets pledged, and also evaluates the adequacy of risk management systems at its operating units.

In keeping with the huge network and geographic outreach of the operating units spread across the length and breadth of the country, the audit functions have been decentralized through the setting up of Regional Audit offices in important Regional centers. The Regional Audit Offices exercise field-level control over the branches through onsite visits and online audit systems. The field-level Auditors report to Regional Audit offices who in turn share their findings with the Audit & Inspection Department at the Registered Office of the Company.

The Audit Committee of the Board of Directors is the apex Audit Authority of the Company. Under the present Audit Architecture, the Internal Audit Department reports to the Audit Committee regarding significant audit findings and undertakes preventive and corrective measures to protect the interests of the Company. The audit committee undertakes an evaluation of the adequacy and effectiveness of internal control systems. It also oversees the implementation of audit

recommendations especially involving risk management measures. At present, the Audit system prevalent in the Company is a completely autonomous function and built on the best corporate governance framework.

Reference is invited to Note 50 of Notes forming part of the standalone financial statements contained in the annual report regarding frauds committed by employees/customers of the Company which are dealt with according to Reserve Bank of India guidelines and are in nature of operations related frauds due to the nature of business of the Company. The company has taken or is in the process of taking disciplinary/ legal action against such employees/customers.

9. Human Resources

As at March 31, 2024, the company had 28,286 employees on its rolls at various levels of organizational structure compared to 27,273 in March 31, 2023. Muthoot Finance is certified 'Great Place to Work' for three years in a row, reflecting its dedication to creating a positive and supportive workplace for its employees. This achievement follows our successful certifications in 2021-2022 and 2022-2023, marking a continued commitment to excellence in workplace culture and employee satisfaction.

Our employees plays a pivotal role in ensuring Muthoot group's persistent success and resilience. Your Company recognises that employees are the most valuable assets, prioritizing initiatives to foster a work environment where everyone can thrive and contribute meaningfully towards your Company's collective goals. High priority is placed on upholding human values, respect for individuals, ethical and professional behaviour.

During the year, Company made significant strides in enhancing employee communication by presenting simplified updates on various welfare schemes and awareness programs. In order to promote a healthier lifestyle among employees, we launched a successful 3-month Wellness and Fitness Campaign for our employees. The campaign included a focus on physical fitness with information regarding yoga, easy exercises, Nutritional Information's and Healthy recipes etc. These initiatives have ensured our employees are well-informed, supported, and empowered, contributing significantly to their overall well-being and the sustained success of our organization.

We place significant importance on internal promotions, recognizing and rewarding the hard work and dedication of our performing staff members. During the year, we provided promotion opportunities for high-performing employees at executive roles of JRE/ CCE to advance to Branch Head roles. Candidates for these roles underwent in-person interviews with corporate panel to assess their suitability and potential for leadership positions. Successful candidates were then given

comprehensive leadership training at our corporate office, equipping them with the skills and knowledge necessary to excel in their new roles. This initiative underscores our commitment to fostering career growth and development from within, ensuring our employees have clear pathways to leadership and continued professional advancement.

During the year, we have embarked on a significant HR automation initiative aimed at enhancing the efficiency and effectiveness of our human resources processes. The primary objective of the initiative is to streamline and automate the entire recruitment process, from initial application to offer letter generation, using career portal. The benefits from HR automation include significant time savings, as automation reduces administrative tasks and allows HR professionals to focus on strategic initiatives; improved accuracy, with automated systems minimizing human errors and ensuring reliable data management; enhanced productivity through streamlined processes and faster turnaround times; better decision-making supported by real-time data and analytics. By leveraging technology to optimize our HR processes, the management demonstrates its commitment to innovation and continuous improvement, contributing to the organization's sustained success and growth.

10. Marketing & Promotion Initiatives

It has been our conscious effort over a long period of time to bring about greater social inclusion by supporting and enabling the underserved. Our marketing and branding initiatives not only communicate our services but also leverage its strengths to create greater brand equity and enhance brand imagery, on a continuous basis to achieve greater brand recall.

During the financial year 2023-24, our key marketing and branding initiatives were focused on reasserting the brand's core strengths that are unmatched by competition. Besides, furthering the earlier initiatives that are meant to provide visibility and act as landmarks. Significant evidence of impact of strategic marketing initiatives can be seen in the recognition that the brand has received from independent bodies and institutions, which by itself further add to brand's goodwill and brand equity. Some of the initiatives undertaken during the financial year include:

'Bharosa India Ka' Marketing Campaign

'Bharosa India Ka' is an expression of a deep-rooted relationship that the people of India share with Muthoot Finance, India's leading gold loan NBFC. It is a reinforcement of their trust. As an integrated marketing campaign 'Bharosa India Ka' is driven by the charismatic, Mrs. Madhuri Dixit, our brand ambassador. The campaign showcases Muthoot Finance's commitment to providing reliable and diverse

financial solutions, empowering countless individuals across the nation.

Renewal of semi-naming rights for Metro Stations in New Delhi and Chennai.

We renewed our rights with the Delhi Metro Rail Corporation (DMRC) and Chennai Metro Rail Limited (CMRL) for semi-naming rights led to the branding of The Muthoot Group Greater Kailash Metro Station, New Delhi and The Muthoot Group Nandanam Metro Station, Chennai respectively. We also undertook the task of complete rebranding at the Greater Kailash Metro Station. These initiatives, with their prime location and footfall, enabled us to significantly enhance our Brand's visibility.

Painted the Pink City Red.

During the FY2023-24, we also expanded our branding 'footprint' in Rajasthan with the acquisition of semi-naming rights for Jaipur Railway Station Metro. It's been christened as "The Muthoot Group Railway Station" Metro.

Awards & Recognitions:

During the year, your company has received the following awards and recognitions:

- a. 'The 2023 Laqshya Pitch BFSI Marketers Award' from Exchange4Media for marketing expertise and strategic brilliance.
- b. Muthoot Finance's prestigious integrated marketing campaign "Kholiye Khushiyan Ki Tijori" received multiple awards and recognitions from various industry bodies. Amongst many, the campaign most notably won exchange4media's 'Best Content Marketing Award' at the 8th edition of Indian Content & Marketing Awards 2023, exchange4media's 'Indian Marketing Award 2023' and the, 'Most Effective ROI Driven Campaign' at the Pitch BFSI Marketing Awards 2023.

11. Capital Adequacy

Your Company's Capital Adequacy Ratio as of March 31, 2024, stood at 30.37% of the aggregate risk-weighted assets on the balance sheet and risk-adjusted value of the off-balance sheet items, which is well above the regulatory minimum of 15%. Out of the above, the Tier I capital adequacy ratio stood at 29.61% and the Tier II capital adequacy ratio stood at 0.76%.

12. Public Deposits

Your Company being a Non-Deposit Taking NBFC, has not accepted any deposits from the public during the year under review.

13. RBI Guidelines

The Company comply with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and all the applicable laws, regulations, guidelines, etc. prescribed by RBI from time to time. The Company was identified as NBFC-Upper Layer under the Scale Based Regulation. In compliance with the requirement of Scale Based Regulatory Frameworks the Company has defined and appointed various control functions such as Chief Risk Officer, Chief Compliance Officer, Head of Internal Audit, Chief Information Security Officer.

Your Company has complied with all the applicable regulations prescribed by the Reserve Bank of India from time to time. Please refer note 51,52,53,54 and 55 of Notes forming part of Standalone Financial Statements for additional disclosures required under RBI Guidelines applicable to the Company.

14. Subsidiaries/ Associates/ Joint Ventures

Your Company's subsidiaries have been contributing to the overall growth of your Company during the year. With a strong focus on Muthoot Finance vision to emerge as a diversified services group, financial year 2023-24 was a year of transformation for us. The consolidated assets under management increased by 25% year-on-year and the standalone assets under management increased by 20%. The contribution of subsidiaries on loan assets increased to 15% from 12% last year, reflecting our strategic diversification efforts.

The consolidated profit after tax for the financial year 2023-24 increased by 22% year-on-year and stands at ₹ 44,676 million. The contribution of subsidiaries in the consolidated profit after tax also increased to 10% from earlier 6%, underlining the resilience of our diversified business model.

As on March 31, 2024, your Company had seven subsidiaries namely Asia Asset Finance PLC, Muthoot Homefin (India) Limited, Muthoot Insurance Brokers Private Limited, Belstar Microfinance Limited, Muthoot Money Limited, Muthoot Asset Management Private Limited, and Muthoot Trustee Private Limited. As required under Section 136 of the Act, the audited financial statements, including the consolidated financial statements of your Company are available on the website of the Company. The audited financial statements of each of its subsidiaries are also available on the website of the Company at <https://www.muthootfinance.com/subsidiaries>. The above documents will also be available for inspection at the Registered Office of the Company during business hours.

During the year under review, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129 (3) of the Act, we have prepared the consolidated financial statements of the Company which forms part of the Annual Report. The statement containing the salient features of the financial statement of your Company's Subsidiaries in Form AOC-1 is annexed to Standalone Financial Statements of the Company as required under Rule 5 of The Companies (Accounts) Rules, 2014.

There are no other companies that have become or ceased to be Subsidiaries/ Associates/ Joint Ventures of the Company during the Financial Year 2023-24. There has been no material change in the nature of business of subsidiary companies during the financial year 2023-24.

The Board of Directors of your Company has formulated a policy on material subsidiary, which is displayed on the website of the Company at <https://www.muthootfinance.com/sites/default/files/2020-08/1472561568policy%20on%20material%20subsidiary.pdf>

As at March 31, 2024, Company did not have any material subsidiary.

Financial Performance & position of Subsidiaries

a. Asia Asset Finance PLC:

Asia Asset Finance PLC, (AAF), a Company listed in Colombo Stock Exchange, is a subsidiary of your Company from December 31, 2014. AAF, where your Company holds 72.92% of equity capital, is a registered Financial Company with Central Bank of Sri Lanka and is mainly engaged in Lending against the collateral of gold jewellery , Microfinance , Vehicle Finance and Hire Purchase Activities. The Company which has also started a business relating to AAF has operations across Sri Lanka with 85 branches as on March 31, 2024. AAF has made considerable progress in its business. Its major financial parameters for Financial Year 2023-24 are as follows:

| Parameters | Total Income | Profit Before Tax | Profit After Tax | Equity | Total Assets | Total Outside Liabilities |
|---|--------------|-------------------|------------------|----------|--------------|---------------------------|
| Amount in INR (in millions)LKR/INR as on 31.03.2024 – 0.277406 ; Average Exchange Rate of Financial Year 2023-24 - 0.260428 | 1,719.75 | 97.27 | 89.64 | 933.59 | 7,177.16 | 6,243.58 |
| Amounts in LKR (in millions) | 6,603.55 | 373.49 | 344.19 | 3,365.42 | 25,872.42 | 22507.00 |

AAF loan portfolio stood at LKR 20,564.31 million for the year ended March 31, 2024. Total Income for FY 24 stood at LKR 6,603.55 million as against previous year total income of LKR 6,006.34 million. It generated a profit after tax of LKR 344.19 million during FY24 as against previous year profit after tax of LKR 295.35 million.

b. Muthoot Homefin (India) Ltd:

M/s. Muthoot Homefin (India) Ltd (MHIL), a registered Housing Finance Company licensed by National Housing Bank is a wholly owned subsidiary of your Company. Its major financial parameters for Financial Year 2023-24 are as follows:

| Parameters | Total Income | Profit Before Tax | Profit After Tax | Equity | Total Assets | Total Outside Liabilities |
|-----------------------------|--------------|-------------------|------------------|---------|--------------|---------------------------|
| Amount in INR (in millions) | 2,187.71 | 255.92 | 184.93 | 4758.76 | 20,220.84 | 15,462.08 |

MHIL's loan portfolio stood at ₹ 20,353.15 million, an increase of 41.53% during the year. Total income for Financial Year 2023-24 stood at ₹ 2,187.71 million as against previous year total income of ₹ 1,548.11 million. It achieved a profit after tax of ₹ 184.93 million in Financial Year 2023-24 as against previous year profit of ₹ 103.98 million.

c. Muthoot Insurance Brokers Private Limited:

Muthoot Insurance Brokers Private Limited (MIBPL), is an unlisted Private Limited Company holding a license to act as Direct Broker from Insurance Regulatory and Development Authority of India (IRDA) since 2013. MIBPL is a Wholly- Owned Subsidiary Company of your Company. Its major financial parameters for Financial Year 2023-24 are as follows:

| Parameters | Total Income | Profit Before Tax | Profit After Tax | Equity | Total Assets | Total Outside Liabilities |
|-----------------------------|--------------|-------------------|------------------|----------|--------------|---------------------------|
| Amount in INR (in millions) | 1,527.74 | 578.09 | 417.82 | 2,003.85 | 2,302.34 | 298.49 |

MIBPL generated a First year premium collection amounting to ₹5,099.03 million during Financial Year 2023-24 as against ₹ 4903.25 million in the previous year. It generated a Profit after Tax of ₹ 417.82 million during Financial Year 2023-24 as against ₹ 463.78 million in the previous year.

d. Belstar Microfinance Limited:

M/s. Belstar Microfinance Limited (BML) is a micro finance Company. At end of the Financial Year 2023-24, your Company holds 63.86% of the equity capital of BML. Its major financial parameters for Financial Year 2023-24 are as follows:

| Parameters | Total Income | Profit Before Tax | Profit After Tax | Equity | Total Assets | Total Outside Liabilities |
|-----------------------------|--------------|-------------------|------------------|-----------|--------------|---------------------------|
| Amount in INR (in millions) | 18,513.84 | 4,418.47 | 3,398.54 | 17,288.14 | 93,591.13 | 76,302.99 |

BML grew its loan portfolio during Financial Year 2023-24 by 61.86% reaching ₹100,231.67 million. It achieved a profit after tax of ₹ 3,398.54 million during Financial Year 2023-24 as against previous year profit after tax of ₹ 1,303.25 million.

e. Muthoot Money Limited

M/s. Muthoot Money Ltd (MML), a registered Non-Banking Finance Company licensed by Reserve Bank of India is a Wholly-Owned Subsidiary of your Company. Its major financial parameters for Financial Year 2023-24 are as follows:

| Parameters | Total Income | Profit Before Tax | Profit After Tax | Equity | Total Assets | Total Outside Liabilities |
|-----------------------------|--------------|-------------------|------------------|----------|--------------|---------------------------|
| Amount in INR (in millions) | 1,261.37 | 61.99 | 46.35 | 5,084.25 | 12518.66 | 7,434.41 |

MML grew its loan portfolio during Financial Year 2023-24 by 190.01% during the year reaching ₹ 11,227.12 million. Total income for Financial Year 2023-24 stood at ₹ 1,261.37 million as against previous year total income of ₹ 564.01 million. It achieved a profit after tax of ₹ 46.35 million in Financial Year 2023-24 as against previous year profit after tax of ₹ 2.41 million.

f. Muthoot Asset Management Private Limited

Your Company has incorporated a wholly owned subsidiary Muthoot Asset Management Private Limited ("MAMPL") which is yet to commence commercial operations. Its major financial parameters for Financial Year 2023-24 are as follows:

| Parameters | Total Income | Profit Before Tax | Profit After Tax | Equity | Total Assets | Total Outside Liabilities |
|-----------------------------|--------------|-------------------|------------------|----------|--------------|---------------------------|
| Amount in INR (in millions) | 88.53 | 87.45 | 65.24 | 1,206.51 | 1,206.62 | 0.11 |

g. Muthoot Trustee Private Limited

Your Company has incorporated a wholly owned subsidiary Muthoot Trustee Private Limited (“MTPL”) which is yet to commence commercial operations. Its major financial parameters for Financial Year 2023-24 are as follows:

| Parameters | Total Income | Profit Before Tax | Profit After Tax | Equity | Total Assets | Total Outside Liabilities |
|-----------------------------|--------------|-------------------|------------------|--------|--------------|---------------------------|
| Amount in INR (in millions) | 0.80 | 0.72 | 0.54 | 10.76 | 10.79 | 0.03 |

15. Particulars Of Loans, Guarantees, or Investments Under Section 186 of Act

Pursuant to Section 186(11) (a) of the Act read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loan made, guarantee given or security provided in the ordinary course of business by an NBFC registered with RBI 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. During the year under review, the Company has invested surplus funds in various securities in the ordinary course of business. For details of the investments of the Company, refer to Note 9 of the financial statements.

16. Annual Return

Pursuant to Section 134(3)(a) of the Act, the Annual Return of the Company prepared as per Section 92(3) of the Act for the financial year ended March 31, 2024, is hosted on the website of the Company and can be accessed at <https://cdn.muthootfinance.com/sites/default/files/files/2024-09/shareholder-Annual-Return-2024.pdf>

17. Consolidated Financial Statements

The audited consolidated financial statements of the Company prepared in accordance with the Ind AS to comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act, is provided in the Annual Report. The audited financial statements of subsidiary companies are available on the website of the Company at <https://www.muthootfinance.com/subsidiaries>

18. Risk Management

Risk management forms an integral element of our business strategy. As a lending institution, we are exposed to various risks that are related to our gold lending business and operating environment. Our objective in risk management processes is to appreciate measure and monitor the various risks we are subject to and to follow the policies and procedures to address these risks. The Company’s Risk Management Committee of the Board of Directors constituted in accordance with the Reserve Bank of India regulations has overall responsibility for overseeing the implementation of the Risk Management

Policy. The committee meets at least twice in a year to review the Risk Management practices. Risk Management department periodically places its report to the committee for review. The committee’s suggestions for improving the Risk Management Practices are implemented by the Risk Management department. The primary responsibility for managing the various risks on a day to day basis will be with the heads of the respective business units of the Company. The major types of risk we face are collateral risk, operational risk, liquidity risk, market risk (which includes interest rate risk), Foreign currency risk , Prepayment risk and Business cycle risk.

Our organisational objective in risk management processes is to appreciate measure and monitor the various risks we are subject to and to follow the policies and procedures to address these risks. The major types of risk we face are collateral risk, operational risk, liquidity risk, market risk (which includes interest rate risk), Foreign currency risk, Prepayment risk and Business cycle risk. We have instituted a series of checks and balances, including an operating manual, and both internal and external audit reviews. Although we disburse loans in very short periods of time, we have clearly defined appraisal methods as well as KYC compliance procedures in place to mitigate various operational risks in our operations.

An independent Risk Governance Structure, in line with international best practices, has been put in place by your Company for separating duties and ensuring independence of Risk Measurement, Monitoring and Control functions. The framework visualizes empowerment of various Business Units at the operating level, with technology as the key driver that enables identification and management of risks at place of origination itself.

19. Corporate Social Responsibility & Business Responsibility

The primary focus of your Company’s philanthropic push is to make a meaningful and measurable impact on the lives of economically, physically, and socially challenged communities. The focus areas of your Company’s CSR activities for FY2024 include Healthcare, Education, Livelihood, Rural & Slum Area Development, Skill Development, Environment, Protection of National Heritage, Empowerment of Women and Senior Citizens, Animal Welfare, Sports, among others, carried out mainly through our own branches and employees in all States and UTs.

The Company's CSR policy is committed towards CSR activities as envisaged in Schedule VII of the Act. The Details of CSR policy of the Company are available on the website of the Company at https://www.muthootfinance.com/sites/default/files/pdf/CSR_Policy_May_2021.pdf Annual Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached to this report as **Annexure 2**. The details of the ongoing CSR projects/ programmes/ activities are included in the Annual Report on CSR activities.

Details of the Corporate Social Responsibility and Business Responsibility Committee are provided separately in the Annual Report on CSR activities annexed to the Board's Report as **Annexure 2**.

20. Business Responsibility and Sustainability Report

SEBI has mandated top 1,000 listed entities in India by market capitalisation to prepare and present the Business Responsibility and Sustainability Report (BRSR) and further the top 150 listed entities basis market capitalisation are also required to undertake assurance of the BRSR Core. The BRSR Core is a subset of the BRSR consisting of a set of Key Performance Indicators (KPIs)/metrics under nine Environment, Social and Governance attributes. The BRSR and Assurance Statement issued by an independent practicing chartered accountant forms integral part of this Integrated Annual Report and is annexed to this report as **Annexure 3**.

21. Particulars Of Contracts or Arrangements made with Related Parties

The Board of Directors has approved the policy on transactions with related parties ("RPT Policy"), pursuant to the recommendation of the Audit Committee. In line with the requirements of the Act, RBI regulations and the SEBI Listing Regulations, the Company has formulated the RPT Policy. The RPT Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and the related parties. The policy provides for identification of RPTs, necessary approvals by the Audit Committee/ Board /Shareholders, reporting and disclosure requirements in compliance with the Act and provisions of the SEBI Listing Regulations. Policy is available on the website of the Company at <https://www.muthootfinance.com/sites/default/files/2024-08/Muthoot%20Finance%20RPT%20Policy-v5.pdf>. Prior approval is obtained for all related party transactions. All related party transactions were placed before the Audit Committee for review on a quarterly basis.

All related party transactions that were entered into during financial year were on an arm's length basis and in the ordinary course of business and disclosed in the Financial Statements. There were no materially significant related party transactions entered into by the Company with Promoters, Directors, KMPs or body corporate(s), which had a potential conflict with the interest of the Company at large that required approval of shareholders as required under Chapter IV of SEBI Listing Regulations. Form AOC-2 is attached to this report as **Annexure 4**. The Directors draw attention of the Members to note 39 to the Financial Statements which sets out related party disclosures.

22. Audit Committee

Your Company has constituted an Audit Committee in accordance with the requirements of the Companies Act, 2013, RBI directions, and SEBI Listing Regulations. Details on Audit committee, terms of reference and meetings appear on the Report on Corporate Governance annexed to this report. All recommendations of Audit Committee were accepted by your Board during the financial year 2023-24.

23. Vigil Mechanism

The Company seeks to create an environment free of unfair practices and unethical conduct by laying down the highest standards of conduct for its employees. The Company has in place the Whistle Blower Policy which is periodically reviewed. The Policy provides a mechanism for employees including directors, secondees or stakeholders of the Company to raise any issue concerning breach of any law, statute or regulation, accounting policies and procedures, acts resulting in financial loss or loss of reputation, leakage of information in the nature of UPSI, misuse of office, suspected/actual fraud and criminal offences without the risk of subsequent victimization, discrimination or disadvantage. The Policy aims to ensure that concerns are appropriately raised, independently investigated and addressed. The Policy complies with the requirements of vigil mechanism as stipulated under Section 177 of the Companies Act, 2013 ("the Act") and other Applicable laws, rules and regulations.

During the year under review, no employees of the Company has been denied access to the Audit Committee. The said mechanism ensures that the whistleblowers are protected against victimization/ any adverse action and/ or discrimination as a result of such a reporting and provides direct access to the Chairman of the Audit Committee in exceptional cases. The Policy has been periodically communicated to the employees through email communications, internal newsletters and also hosted on the website of the Company and can be viewed at <https://www.muthootfinance.com/vigil-mechanism>.

24. Listing

Equity Shares of your Company are listed on the National Stock Exchange of India Ltd and BSE Limited. Non-Convertible Debentures issued by the Company through public issues are listed on BSE Ltd and certain Non-Convertible Debentures issued by the Company through Private Placements are listed on the National Stock Exchange of India Ltd and BSE Ltd. Your Company has paid applicable listing fees to Stock Exchanges.

25. Changes in Directors and Key Managerial Personnel

Appointments during the financial year 2023-24

Mr. Joseph Korah was appointed as Independent Director of the Board effective September 29, 2023 pursuant to the resolution passed by the shareholders of the Company at the 26th Annual General Meeting. Further, Ms. Usha Sunny was re-appointed as Independent Director for the second consecutive term effective from November 30, 2023 pursuant to the resolution passed by the shareholders of the Company at the 26th Annual General Meeting.

Retirements during the financial year 2023-24

Mr. Abraham Chacko was appointed as an Independent Director on the Board on September 18, 2021, for a period of 3 years and the first term of office of Mr. Abraham Chacko as an Independent Director on the Board is expiring at the upcoming Annual General Meeting. Being eligible to be re-appointed, the Board of Directors of the Company and on the recommendation of the Nomination and Remuneration Committee, has thought it fit to re-appoint Mr. Abraham Chacko as an Independent Director for the second consecutive term of 5 years. Hence, the Board, upon evaluating the eligibility criteria under Reserve Bank of India guidelines, Companies Act, 2013 and SEBI Listing Regulations, recommends the appointment of Mr. Abraham Chacko as an Independent Director for a second consecutive term of 5 years. Mr. Abraham Chacko is an experienced banker by profession and had held senior most positions in various banks in the past including Executive Director in Federal Bank Limited, a BSE & NSE listed and one of the oldest private sector bank in India. Detailed profile of Mr. Abraham Chacko is provided in the Notice of the AGM.

Mr. George Alexander Muthoot was appointed as the Managing Director on the Board on April 01, 2020, for a period of 5 years and his present term as Managing Director on the Board is expiring on March 31, 2025. Mr. George Alexander Muthoot is a key contributor in overall Management of the Company. His vast experience and his association has always benefited the Company and it is desirable to continue to avail his services as Managing Director. Your Board believes his re-appointment will benefit the Company through his role as Managing Director. Hence,

the Board, upon evaluating the eligibility criteria under Reserve Bank of India guidelines, Companies Act, 2013 and SEBI Listing Regulations, on the recommendation of the Nomination and Remuneration Committee, has thought it fit to recommend the re-appointment of Mr. George Alexander Muthoot as the Managing Director for a term of 5 years.

Mr. George Thomas Muthoot, and Mr. George Jacob Muthoot were appointed as Whole Time Directors for a period of 5 years with effect from 01.04.2020 and their present term is expiring on March 31, 2025. Mr. George Thomas Muthoot and Mr. George Jacob Muthoot had been key contributors in overall management of the Company. Their vast experience and their association would be of immense benefit to the Company and it is desirable to continue to avail their services as Whole-time Directors of the Company. The Board of Directors considers that their appointment as Whole Time Directors will be beneficial to the Company. After evaluating the eligibility criteria under Reserve Bank of India guidelines, Companies Act, 2013 and SEBI Listing Regulations, your Board recommends re-appointment of George Jacob Muthoot and George Thomas Muthoot as Whole time directors of the Company for a term of 5 years.

Cessation during the financial year 2023-24

During the year under review Justice (Rtd) Jacob Benjamin Koshy, Independent Director of the Company ceased to be a Director due to the expiry of his term of appointment on September 29, 2023. Board places on record its sincere appreciation for the support and guidance provided by Justice (Rtd) Jacob Benjamin Koshy during his tenure.

Directors Liable to retire by rotation at the AGM

Mr. George Muthoot George, Mr. George Alexander, and Mr. George Muthoot Jacob, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment.

Your Board and the Nomination and Remuneration Committee has evaluated the eligibility criteria under RBI guidelines, the Act and Listing Regulations, of all directors seeking appointment / re-appointment at the ensuing Annual General Meeting and has recommended the appointment / re-appointments. Your Board believes that the proposal for appointment / re-appointment of Directors will have the support of shareholders. Necessary disclosures as required under the SEBI Listing Regulations and the Act are provided in the notice calling the Annual General Meeting.

The brief profiles of Directors seeking re-appointment are also available on the website of the Company at <https://www.muthootfinance.com/our-directors>

All the Directors of the Company have confirmed that they satisfy the 'Fit and Proper' Criteria as prescribed under Master Direction – Reserve Bank of India (Non-Banking

Financial Company – Scale Based Regulation) Directions, 2023, as amended, and that they are not disqualified from being appointed/continuing as Directors in terms of Section 164(2) of the Act.

During the year under review, there were no changes in the Key Managerial Personnel appointed pursuant to Section 203 of the Companies Act, 2013. Details of Senior Management Personnel of the Company are provided in the report on Corporate Governance attached to the Board's Report. During the year under review, there were no changes in the Senior Management Personnel in the Company.

26. Meetings of the Board

During the Financial Year 2023-24, your Board of Directors met five times on April 06, 2023, May 19, 2023, August 11, 2023, November 09, 2023, and February 14, 2024. Details of various meetings of the Board are given in the Corporate Governance Report which is a part of this report.

27. Declaration from Independent Directors

The Independent Directors have submitted necessary disclosures that they meet the criteria of independence as provided under Section 149(6) of the Act and Regulation 16 (1) (b) of the SEBI Listing Regulations. A statement by Managing Director confirming receipt of this declaration from Independent Directors is annexed to this report as **Annexure 5**. In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. Further, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company other than the sitting fees, commission, if any and reimbursement of expenses incurred by the for the purpose of attending the meetings of the Board or Committees of the Company.

Your Company has also received undertaking and declaration from each director on fit and proper criteria in terms of the provisions of Master Direction (Non-Banking Company – Scale Based Regulation) Directions, 2023

28. Policy on Appointment and Remuneration Of Directors and Performance evaluation of Board, Committees and Directors

a) Policy on Appointment and Remuneration Of Directors

Board of Directors of your Company, on the recommendation of Nomination and Remuneration Committee, has formulated a policy for selection, appointment and remuneration of the directors, senior management personnel as required under Section 178(3) of the Act. The policy is available on the Company's website at the weblink <https://www.muthootfinance.com/sites/default/files/2020-08/1452753862Nomination%20and%20Remuneration%20Policy.pdf>

Terms of reference of the Nomination and Remuneration Committee and other relevant details of Nomination and Remuneration Committee are provided in the Corporate Governance Report circulated along with this report.

b) Performance evaluation of Board, Committees and Directors

In compliance with the regulatory requirements, the Board carried out an annual evaluation of its own performance, its Committees, and of the individual Directors based on criteria and framework adopted by the Board and in accordance with regulations. The details of training, appointment, resignation, and retirement of Directors, if any, are dealt with in the report of Corporate Governance. Brief details of profile of each director appear in the Annual Report of the Company.

c) Independent Directors Meeting

The Company believes that for the Board to exercise free and fair judgment in all the matters related to the functioning of the Company as well as the Board, it is important for the Independent Directors to meet without the presence of the Non-independent Directors and Executive Management.

Further, Schedule IV of the Act, Rules made thereunder and Listing Regulations, prescribes that atleast one meeting of Independent Directors of the Company shall be conducted without the presence of Non-Independent Directors and the Management. It also provides that the Independent Directors shall review the performance of the Board/Chairperson/Non-executive Directors/Whole-time Directors which is required to be done at a separate Meeting of Independent Directors.

During the year, a meeting of Independent Directors was held on February 14, 2024 as required under the Act and in compliance with the requirements under Schedule IV of the Act and SEBI Listing Regulations, and discussed and deliberated matters specified therein.

d) Details of Remuneration/ Commission from Subsidiaries

None of the Whole Time Directors or Managing Director has received any remuneration or commission from any of the subsidiaries of the Company during the financial year-2023-24.

29. Corporate Governance Report

Your Company has complied with the Corporate Governance norms as stipulated in Chapter IV of SEBI Listing Regulations read with RBI Circular: [DOR.ACC.REC.No.20/21.04.018/2022-23](#) dated April 19, 2022. As per Regulation 34 of SEBI Listing Regulations and aforementioned RBI circular, the detailed report on Corporate Governance is attached to this Report as **Annexure 6**.

30. Management Discussion and Analysis Statement

In compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, separate Section of this Annual Report includes details on the Management Discussion and Analysis detailing the industry developments, segment wise/ product wise performance and other matters as **Annexure 7**.

31. Environmental, Social, and Governance (“ESG”)

Sustainability is integral to the purpose of Muthoot Group and we are committed to making a positive impact on the environment and the society. We analyse emerging risks and opportunities and incorporate them in our ESG-based strategies. Our core values revolve around sustainable practices, firmly rooted in our ESG standards. These principles guide our conscious decision-making, resulting in positive effects on the environment, society and individuals. Our commitment to Moving Forward Together with Care and Commitment ensures lasting value for our stakeholders.

The Board has instituted an Environmental, Social and Governance Committee (“ESG Committee”) to discharge its oversight responsibility on matters related to organization-wide ESG initiatives, priorities, and leading ESG practices. Details of the constitution of the ESG Committee and its terms of reference are provided in the Report on Corporate Governance.

32. Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The information pursuant to Section 134(3) (m) of the Act read with the Companies (Accounts) Rules, 2014 is as follows:

a) Conservation of energy

The need for adoption of clean technology, improving end-use efficiency and diversifying energy bases, etc.

have all been seriously considered by the Government of India and the country is poised for a considerable increase in the use of renewable energy sources in its transition to a sustainable energy base.

Your Company being a Non-Banking Finance Company, has no activities involving conservation of energy. However, the group has ventured into power generation by tapping non-conventional energy resources. Power generation by harnessing wind energy is the most pollution-free renewable and environmentally friendly energy resource in our country. It is in this context the group has installed 3 No's of 1.25 MW capacity Suzlon Make Wind Electric Generators at the Devarkulam site in Tirunelveli District, Tamil Nadu. About 8 million units are being generated from the WEG'S annually and this is being pumped into the Southern Grid. Identifying the vast potential of alternative energy sources, The Muthoot Group is planning to invest more in this sector in the near future and to fulfill our responsibility to our nation.

b) Technology Absorption

Over the years, your Company has been in the forefront in implementing latest information technology and tools deploying wide spectrum of technological capabilities enabling digital transformation by revamping the back-end and enhancing the front end experience for customers. Our Company's vast network of branches coupled with digital banking platforms have kept your Company in the leadership position and enabled the Company to introduce more customer centric, intuitive & seamless products and services enhancing our customer convenience.

We use information technology as a strategic tool for our business operations to improve our overall productivity and efficiency. We believe that through our information systems which are currently in place, we are able to manage our nationwide operations efficiently, market effectively to our target customers, and effectively monitor and control risks. All our branches are computerised. We have used the power of information technology in our operations to improve our customer services, efficiency and management information systems. In March, 2013, we developed a powerful, user-friendly core banking solution and implemented the solution in all our branches across India.

Initiatives taken by the Company in information technology for improved business efficiency, ease of operation, improved risk management practice and for providing best stakeholders experience:

In this fast-changing digital era, your Company is constantly innovating itself using transformative technologies to provide the right solutions to our diverse

clientele, to provide great customer experience and in improving efficiency of staff. The Company continued its focus on various digital transformation initiatives during the year providing a great customer experience, improved business efficiencies, ease of operations, and effective risk management. A few of the digital initiatives undertaken by the Company include:

Seamless DIY Journeys

We believe in enriching the customer convenience by providing DIY (Do It Yourself) for different transactional journeys. Customer is now empowered to complete different transactions at their leisure from the place they prefer to. Be it topping up Loans, Getting personal loans, making any repayments, we have done a plenty DIY Journeys to ease the customer conveniences.

KYC Data refinement and customer data protection

In the increasing digital financial transaction era, it is important to have the accurate information like VPA bank account etc. we have enriched different initiatives to stream line the bank account mappings, VPA verifications, different KYC document authenticity validation etc. At Muthoot Finance, the privacy and security of our customer data is of utmost importance and we constantly strengthen our applications to enhance the veracity of customer data attributes.

Customer connect through collaboration

Various refinements are added to get the insight of the customers for the personalized services to the customers. Collaboration with different bureau agencies are done to get insight about the customer for automating the product recommendation and reduce the TAT with preapproval process.

AI/RPA enrichments

AI capabilities and the AI models are getting added in the areas of security surveillance, customer verifications and gold audit process. RPA is implemented in areas like KYC verifications, reconciliation of digital transactions etc.

Other enrichments

Our core platform enhancements keep the availability, reliability and adaptability without losing the integrity of the application

- Additional integration with the banking channels for fund transfer and BBPS transactions.
- Additional digital channels like POS machine with VPA integrations.
- RPA for BBPS repayment reconciliations.

- Enhancements in API platform for easy and quick integration with third-party applications
- Localization and digitization of the pledge forms and e-mandates helping to reduce consumption of physical papers.

AML Feature in CFSS and CRM

We have introduced Customer Screening through dedicated AML software in CFSS. It is for safeguarding the integrity of the financial system and protecting against the illicit use of funds derived from criminal activities. By implementing robust AML frameworks, conducting thorough due diligence, and leveraging technology and international cooperation, we can effectively combat money laundering and uphold the integrity of financial markets.

Google Work Space

Our Company has effectively adopted Google Workspace as part of its digital transformation initiatives. This adoption has streamlined our operations, improved communication, and enhanced collaboration across the organization. By leveraging tools like Gmail, Google Drive, and Google Meet, organizations have been able to maintain efficiency and connectivity, especially critical during remote work scenarios (Pandemic Era). This move aligns with our broader strategy to embrace digital solutions and improve overall productivity within the company.

Cloud Adoption

The adoption of cloud services, specifically Google Cloud Platform(GCP) and Amazon Web Services (AWS) by our company has been quite effective, contributing significantly to our digital transformation. This transition has enabled the company to streamline operations, enhance scalability, and improve data security and accessibility. One notable impact of cloud adoption is the improved efficiency in handling large volumes of transactions and data. By leveraging cloud-based solutions the company has enhanced its ability to offer seamless services to all value users. This technological shift has also supported our efforts in expanding digital services, including online loan applications and digital payment solutions, thereby improving customer convenience and satisfactions.

Overall, cloud technology has played a crucial role in supporting our company's growth and operational excellence, aligning with a broader strategy of embracing digital innovations to stay competitive in the financial services industry.

iMuthoot - Android & iOS

The latest iMuthoot mobile app, Version 3.9, offers customers a convenient way to apply for and repay various loans, including Gold, Home, Personal, and Vehicle Loans, from the comfort of their homes. This upgraded app enhances the overall customer experience by providing a seamless omnichannel experience, allowing users to handle all their digital transactions without needing to visit a branch.

In addition, we have introduced several new features, such as bill payment facilities, loan top-ups, KYC updates, PAN and account number updates, purchasing NCDs, enrolling in NPS, buying insurance, applying for small business loans, and earning reward points through online transactions.

Muthoot Online

Muthoot Online is the web platform and an extension of the Muthoot Core Financial Services Solutions. It is a flexible, standalone delivery channel seamlessly integrated with our Core Financial Services. This responsive web application is designed for use across various devices, including desktops, laptops, mobiles, and tablets, enabling customers to conveniently make online repayments for their loans. In addition to loan repayments, Muthoot Online offers a range of features similar to the iMuthoot app. Customers can now enjoy bill payment facilities, loan top-ups, KYC updates, PAN and account number updates, enrolling in NPS, buying insurance, applying for small business loans, and earning reward points through online transactions.

BINGO&Click-to-Call

This enterprise mobile application is designed for Muthoot Finance Branch employees to capture and manage leads, contact customers, and follow up on various campaigns. It enables branch users to track customer interactions and conduct regular follow-ups on different initiatives. To ensure data security, the application features call masking for both customers and employees.

AI and ML Initiatives

Chatbot

AI Enabled Chat bot to answer queries, Do Interest Payment, Top Ups, Bank Mapping, Lead Creation, multilingual Support both in text and speech, record customer feedback, Converse via WhatsApp, website and mobile app. Works on the principle of Machine learning integrated with CRM and Core Banking

Software to provide latest information to customers. Chat bot has significantly improved our customer satisfaction, Ease of transaction, Better Cross Sell & up sell options.

Voice Bot

AI enabled Conversational Humanoid Voice Bot for human like response based interaction with Customers. Currently usage is for EMI and insurance premium reminders, Calls for recovery, Multilingual support, with Hindi, English and 8 other regional languages. NLP with Speech to text.

Manpower optimisation, Digital records of customer commitments, Auto payment provision for customers, Improved collections and Recovery with reduced NPA and Auctions, Improved customer satisfaction and CX, Ease of transaction for customers

Branch Security System

AI enabled security system running on state of the art GPUs at branches. Technology includes IOT (Cameras, DVRs and GPUs), ML, and AI Based Algorithms for alerts at the Central Monitoring station.

The Algorithms are supported by machine learning to pick up any untoward incident, from the streams available from DVRs/NVRs at the branches. First line of security at the branch with real time alerts (on Mobile, email or CMS dashboard), reduced pressure on branches when under duress,

RPA Initiatives:

Audit of nearly 5000 loan documents per day for their KYC along with system validations resulting in 70% manpower savings from 30 FTE to 10 FTEs. Loan Approval Process: Live approval of loans above ₹ 0.50 million at branches by Regional Office. The process is a live process with a 70% savings from 5FTE to 1.5 FTE. The process involves multiple workflow based approvals with exception approvals.

Data Analytics

We have enabled AI/ML based models across our online and offline platforms to enable instant and accurate credit decision making. Analytics interventions has enabled our collections team to bring down the Bounces month on month (absolute 3%) for unsecured as well as secured Businesses. Analytics has also enabled Business/Risk/Marketing/HR teams with on the go customisable Business Intelligence reports in Looker studio to improve visibility across levels.

c) Foreign exchange earnings and outgo during the financial year 2023-24

| Particulars | ₹ in Million |
|---------------------------------|--------------|
| Total Foreign Exchange earned | 5.99 |
| Total Foreign Exchange expended | 47,394.83 |

33. Audits

a) Statutory Audit under Section 139 of the Act

The Statutory Audit Report issued by M/s Elias George & Co (FRN: 000801S) and M/s Babu A. Kallivayalil & Co. (FRN: 005374S), Joint Statutory Auditors of the Company, on the financial statements of the Company for the year 2023-24 forms part of the Annual Report.

The term of office of the Joint Statutory Auditors M/s Elias George & Co (FRN: 000801S) and M/s Babu A. Kallivayalil & Co. (FRN: 005374S) is expiring at the ensuing Annual General Meeting. Board places on record its gratitude for the exceptional professional services rendered and guidance provided by the Joint Statutory Auditors during their tenure.

The Board of Directors of the Company at its meeting held on September 03, 2024 based on the recommendation of the Audit Committee, have recommended for appointment of M/s Krishnamoorthy & Krishnamoorthy and M/s PSDY & Associates as the Joint Statutory Auditors of the Company for a term of 3 consecutive years. Accordingly, resolutions proposing appointment of M/s Krishnamoorthy & Krishnamoorthy and M/s PSDY & Associates as the Joint Statutory Auditors of the Company for a term of three years from the conclusion of 27th Annual General Meeting till the conclusion of 30th Annual General Meeting of the Company to be held in the year 2027 are included in the Notice calling the Annual General Meeting. The Audit Committee of the Company has evaluated the eligibility criteria of the Joint Statutory Auditors and has recommended their appointment as the joint statutory auditors of the Company.

b) Secretarial Audit under Section 204 of the Act

M/s KSR & Co., Company Secretaries LLP, Coimbatore was appointed as Secretarial Auditors of the Company for the financial year 2023-24 pursuant to Section 204 of the Act. The Secretarial Audit report issued by the Secretarial Auditors is annexed to this report as **Annexure 8**.

c) Annual Secretarial Compliance Report

The Company has undertaken an audit for the financial year 2023-24 for all applicable compliances as per SEBI Regulations and Circulars/ Guidelines issued thereunder. The Annual Secretarial Compliance Report was submitted to the stock exchanges within 60 days from the end of the financial year and the same is available

on the Company's website at the weblink <https://cdn.muthootfinance.com/sites/default/files/files/2024-06/Annual+Secretarial+Compliance+Report+Y24Signed.pdf>

d) Cost records and Cost Audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act are not applicable for the business activities carried out by the Company.

e) Auditors' certificate on Corporate Governance

The Auditors' certificate confirming compliance with the conditions of corporate governance as stipulated under the SEBI Listing Regulations for financial year 2023-24 is provided along with the Report on Corporate Governance.

f) Secretarial Auditors' certificate on ESOP

The secretarial auditors' certificate on the implementation of share based schemes in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be made available at the AGM for inspection electronically.

g) Certificate on Non-Disqualification of Directors

Certificate on Non-Disqualification of Directors issued by M/s Sunil Sankar & Associates, Practicing Company Secretaries is enclosed along with the Report on Corporate Governance.

h) Explanations or comments by the Board on qualification, reservation or adverse remark or disclaimer on audits for financial year 2023-24

There are no qualifications, reservation or adverse remark or disclaimer in the audit reports issued under Section 139 and Section 204 of the Act for financial year 2023-24.

i) Information Systems Audit

As per the requirements of the Master Direction of the Information Technology Framework for the NBFC Sector, an Information Systems Audit was carried out for the financial year 2023-24 by M/s Information Security Audit and Assurance Pvt Ltd.

34. Reporting on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance towards sexual harassment and is committed to provide a safe environment for all, which is achieved through well-established robust mechanism for redressal of complaints reported under it.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, ('POSH Act') and Rules provides protection against sexual harassment of women at

workplace and lays down the guidelines and timelines for the prevention and redressal of complaints pertaining to sexual harassment. Accordingly, the Company has constituted Internal Committee to redress complaints received regarding sexual harassment. All employees – permanent, contractual, temporary and trainees are covered under this Policy.

The Company has in place the guidelines on prevention of Sexual Harassment at Workplace and a formal process for dealing with complaints of sexual harassment, in compliance with aforesaid Act. The Company ensures that all such complaints are resolved within defined timelines. Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013 made thereunder.

Details of cases reported to Internal Complaints Committee during the financial year 2023-24 are as under:

| | |
|---|----|
| Number of complaints pending at the beginning of the financial year 2023-24 | 0 |
| Number of complaints filed during the financial year 2023-24 | 10 |
| Number of complaints disposed of during the financial year 2023-24 | 10 |
| Number of complaints pending as on end of the financial year 2023-24 | 0 |

35. Personnel

The Disclosure required under the provisions of Section 197 of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as **Annexure 9**. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Rules forms part of the Director's Report. Further, the Director's Report and the Accounts are being sent to the Members excluding the aforesaid statement. In terms of Section 136 of the Act, the said statement will be open for inspection upon request by the Members. Any Member interested in obtaining such particulars may write to the Company Secretary.

36. Significant and material Orders passed by Regulators or Courts or Tribunals

There are no significant and material orders passed by the regulators or courts or tribunals, which would impact the going concern status of your Company and its future operations.

37. Material Changes and Commitments affecting the financial position of the Company between the end of the financial year to which Financial Statements relate and the date of the report

No material changes and commitments affecting the financial position of your Company occurred between the end of the financial year to which Financial Statements relate and the date of this report.

38. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that -

- i. in the preparation of the annual accounts, the applicable Indian Accounting Standards had been followed. There were no material departures from applicable Indian Accounting Standards;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this 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.

39. Disclosure pursuant to Part A of Schedule V of SEBI Listing Regulations

Disclosure pursuant to Part A of Schedule V read with Regulation 34(3) and 53(f) of SEBI Listing Regulations is attached as **Annexure 10** of this report.

40. Others

a) Compliance to Secretarial standards

During the year under review, the Company has been in compliance with the applicable Secretarial Standards i.e. SS-1 and SS-2, issued by the Institute of Company Secretaries of India, with respect to Meetings of Board and its Committees and General Meetings respectively. The Company has devised necessary systems to ensure compliance with the applicable provisions of Secretarial Standards.

b) Change in the nature of business

There has been no material change in the nature of business of the Company during the year under review.

c) The Company, in the capacity of Financial Creditor, has not filed any application with National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 during the financial year 2023-24 for recovery of outstanding loans against any customer being Corporate Debtor.

d) The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof- Not Applicable.

e) During the year under review, there were no instances of any material frauds reported by the Statutory Auditors under section 143(12) of the Act.

For and On Behalf of the Board of Directors

Sd/-

George Jacob Muthoot

Chairman & Whole Time Director

Sd/-

George Alexander Muthoot

Managing Director

Place: Kochi,

Date: September 03, 2024

Registered Office:

2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex,
Banerji Road,
Kochi – 682 018

41. Acknowledgement

Your Directors thank the Company's stakeholders including investors, customers, banks, financial institutions, rating agencies, debenture holders, debenture trustees and well-wishers for their continued support during the year. Your Directors place on record their appreciation of the contribution made by the employees of your Company and its subsidiaries at all levels. Your Board reassures that in these challenging times, your Company will continue to support you and your family at all levels. Your Company's consistent growth was made possible by their hard work, solidarity, cooperation and support. The Board sincerely expresses its gratitude to Reserve Bank of India, Securities and Exchange Board of India, Ministry of Corporate Affairs, and Stock Exchanges including various officials there at for the guidance and support received from them from time to time.

42. Forward Looking Statements

This Report(s) contains certain forward-looking statements within the provisions of listing agreements and hence reasonable caution is to be exercised by stakeholders while relying on these statements.

Annexure-1

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as at March 31, 2024

- i) Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards in that regard from time to time are disclosed in Note 46 of Notes forming part of Standalone Financial Statements.
- ii) **Description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS :-**

| Particulars | ESOP 2013 - Tranche 4 | | ESOP 2013 - Tranche 5 | |
|--|---|---|---|---|
| | Grant A | Grant B | Grant A | Grant B |
| 1 Date of shareholder's approval | 27.09.2013 | 27.09.2013 | 27.09.2013 | 27.09.2013 |
| 2 Number of options granted | 3,90,400 | 7,28,300 | 2,48,200 | 3,42,900 |
| 3 Exercise price (₹) | 50/- | 50/- | 50/- | 50/- |
| 4 Maximum term of options granted | 8 years | 8 years | 8 years | 8 years |
| 5 Source of shares | Primary | Primary | Primary | Primary |
| 6 Vesting period | 1-5 years | 2-6 years | 1-5 years | 2-6 years |
| 7 Vesting requirements | In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant | In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant | In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant | In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant |
| 8 Options outstanding at the beginning of the year | 17,000 | 11,295 | 11,800 | 23,390 |
| 9 Options granted during the year | - | - | - | - |
| 10 Options forfeited/lapsed during the year | - | 1,700 | - | 9,350 |
| 11 Options vested during the year | - | - | - | 10,980 |
| 12 Options exercised during the year | 570 | 1,010 | 2,500 | 9,365 |
| 13 Number of shares arising as a result of exercise of option | 570 | 1,010 | 2,500 | 9,365 |
| 14 Money realised by exercise of options (₹) | 28,500 | 50,500 | 1,25,000 | 4,68,250 |
| 15 Loan repaid by the Trust during the year from exercise price received | Not applicable | Not applicable | Not applicable | Not applicable |
| 16 Options outstanding at the end of the year | 16,430 | 8,585 | 9,300 | 4,675 |
| 17 Options exercisable at the end of the year | - | - | - | - |

iii) Other details are as under :-

| | | | |
|----|--|----------------|----------------------|
| 18 | Directors and Employees to whom options were granted during the year :- | | |
| | i) Director(s) including Managing Director and Senior Managerial personnel | | Nil |
| | ii) Other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year | | None |
| | iii) Identified employees who were granted option during the year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant | | None |
| 19 | Variations of terms of Options | | Nil |
| 20 | Diluted EPS | | ₹ 100.87/- per Share |
| 21 | i) Method of calculation of employee compensation cost | | Fair value method |
| | ii) Difference between the employee compensation cost so computed at i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options | | Not Applicable |
| | iii) The impact of this difference on profits and on EPS of the company | | Not Applicable |
| 22 | Weighted Average exercise price of options whose:- | Grant A | Grant B |
| | i) Exercise price either equals market price (₹) or | Nil | Nil |
| | ii) Exercise price greater than market price (₹) or | Nil | Nil |
| | iii) Exercise price less than market price (₹) | 50/- | 50/- |
| 23 | Weighted Average fair price of options whose:- | Grant A | Grant B |
| | i) Exercise price either equals market price (₹) or | Nil | Nil |
| | ii) Exercise price greater than market price (₹) or | Nil | Nil |
| | iii) Exercise price less than market price (₹) | | |
| | Tranche 4 | 220.05/- | 217.46/- |
| | Tranche 5 | 409.38/- | 406.32/- |

Impact of fair value method on net profit and on EPS :-

| Particulars | As at 31.03.2024 |
|--|---------------------|
| Net Profit as reported (₹ In lacs) | 4,04,966.42 |
| Proforma Net Profit based on fair value approach (₹ In lacs) | 4,04,966.42 |
| Basic EPS as reported (₹) | 100.88/- per Share |
| Basic EPS (Proforma) (₹) | 100.88/- per Share |
| Diluted EPS as reported (₹) | 100.87/- per Share |
| Diluted EPS (Proforma) (₹) | 100.87/- per Share |

In computing the above information, certain estimates and assumptions have been made by the management which has been relied upon by the auditors.

iv) Description of the method and significant assumptions used to estimate fair value: -

The Securities Exchange Board of India (SEBI) has prescribed two methods to account for employee stock options; (1)the intrinsic value method; (2) the fair value method. The company adopts the fair value method to account for the stock options it grants to the employees. Intrinsic value is the amount, by which the quoted closing market price of the underlying shares as on the date of grant exceeds the exercise price of the option. The fair value of the option is estimated on the date of grant using Black Scholes options pricing model with following assumptions:-

| Particulars | Year ended 31-03-2024 | | | |
|---|-----------------------|-----------|-----------------------|-----------|
| | ESOP 2013 - Tranche 4 | | ESOP 2013 - Tranche 5 | |
| | Grant A | Grant B | Grant A | Grant B |
| i) Exercise Price per share (₹) | 50/- | 50/- | 50/- | 50/- |
| ii) Vesting Period (Years) | 1-5 | 2-6 | 1-5 | 2-6 |
| iii) Price of Share in market at the time of Grant of options (₹) | 280.35/- | 280.35/- | 473.00/- | 473.00/- |
| iv) Weighted Average fair price of options (₹) | 220.05/- | 217.46/- | 409.38/- | 406.32/- |
| v) Expected Volatility (%) | 36.98 | 36.98 | 40.24 | 40.24 |
| vi) Expected Life of the options granted (years) | 1.5 -5.5 | 2.5-6.5 | 1.5 -5.5 | 2.5-6.5 |
| vii) Weighted Average Contractual Life of the options granted (years) | 4 | 5 | 5 | 6 |
| viii) Risk Free Interest rate (% p.a) | 6.91-7.41 | 7.08-7.47 | 6.16-6.59 | 6.27-6.67 |
| ix) Expected Dividend Yield (%) | 2.14 | 2.14 | 1.27 | 1.27 |

Note :

- It is assumed that the options will be exercised within the exercise period.
- Volatility is estimated from the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.
- The risk-free rate is equated to the yield on Government of India securities corresponding to the expected life of options in each option series.
- The market value per share is equated with the market value as observed from the adjusted closing market price on grant date of listed shares of the Company.

Annexure 2

Annual Report on CSR Activities

1 Brief outline of CSR Policy of the Company

- (i) The objective of CSR Policy of Muthoot Finance Limited is to articulate Muthoot Finance Limited's core philosophy of social responsibility, to define the areas and to indicate activities chosen by Muthoot Finance Limited to impact the society with its efforts towards Corporate Social Responsibility and to define the governance & monitoring framework for ensuring effectiveness of the Policy.
- (ii) To create a social impact nationwide by constantly giving back to the community by identifying and facilitating growth in areas which are less privileged.
- (iii) To create change where it is needed most - among India's less privileged and to demonstrate our beliefs through an integrated social program that seeks social inclusion.
- (iv) At Muthoot Finance Limited, our Corporate Social Responsibility policy will carry out its activities in the economic development, society progress and environmental hazards with the core objective of improving quality of life. It has been a constant endeavour of the Company to rightfully follow our vision and values upkeeping it with good corporate governance to meet the expectations of our customers, employees, shareholders and society at large.
- (v) The Board will have an oversight on the adherence to this Policy. The Corporate Social & Business Responsibility Committee ("CSR Committee") of the Board, comprising a minimum of three Directors and at least one of whom will be an Independent Director of the Company, shall assist the Board in the overall governance of the Policy and the CSR Programmes pursuant thereto. The CSR Committee shall work under the superintendence and control of the Board.
- (vi) The Company's CSR policy is committed towards CSR activities as envisaged in Schedule VII of the Companies Act, 2013. The Details of CSR policy of the Company and CSR projects are available on the website of the Company at www.muthootfinance.com

2 Composition of CSR Committee

| Name of Directors | Designation in the Committee | Number of meetings of CSR Committee held during the FY | Number of meetings of CSR Committee attended during the FY |
|--------------------------------------|------------------------------|--|--|
| Justice (Retd) Jacob Benjamin Koshy* | Chairman | 4 | 2* |
| Jose Mathew* | Member | 4 | 4 |
| George Alexander Muthoot | Member | 4 | 4 |
| George Muthoot George | Member | 4 | 3 |
| Chamacheril Mohan Abraham | Member | 4 | 4 |

* Justice (Retd) Jacob Benjamin Koshy stepped down from the Committee consequent to retirement from the Board and Mr. Jose Mathew was appointed as the Chairperson on 03 October 2023

3 Weblink where composition of CSR Committee, CSR Policy and CSR Projects are disclosed

- a) CSR Committee: <https://www.muthootfinance.com/board-committees>
- b) CSR Policy: https://www.muthootfinance.com/sites/default/files/pdf/CSR_Policy_May_2021.pdf
- c) CSR Projects: <https://www.muthootfinance.com/other-disclosure>

4 Details of Impact Assessment, if any carried out

- (a) Impact assessment report prepared by SCMS Center for Socio Economic Research is available on the website of the Company at <https://cdn.muthootfinance.com/sites/default/files/files/2024-08/csr-impact-assessment-2024.pdf>
- (b) Impact assessment report prepared by SIA Unit, DePaul Extension Services is available on the website of the Company at https://cdn.muthootfinance.com/sites/default/files/files/2024-08/CSR%20Impact%20Assessment%202024_DePaul.pdf

5 Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| Financial Year | Amount Available for set-off from the preceeding financial years (in INR) | Amount required to be set off for the financial year, if any (in INR) |
|----------------|---|---|
| 2022-23 | 0.69 Crores | 0.69 Crores |

6 Average net profit of the Company as per Section 135 (5) (₹ in crores): 4,992.44

- 7 (a) Two percent of the average net profit of the Company as per Section 135 (5) (₹ in crores): 99.84
- (b) Surplus arising out of the CSR projects or programmes of the previous financial year (₹ in crores): 0.69
- (c) Amount required to be set off for the financial year, if any (₹ in crores): 0.41
- (d) Total CSR obligation for the financial year (7d=7a+7b+7c) (₹ in crores): 100.25

8 (a)

| Total amount spent for the financial year | Amount Unspent (₹ in crores) | | | | |
|---|--|------------------|--|--------|------------------|
| | Total amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 100.25 | Nil | NA | NA | Nil | NA |

| -1 | -2 | -3 | -4 | -5 | -6 | -7 | -8 | |
|---------|--|---|---------------------|--|---|--|--|---|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/No) | State | Location of the project District | Amount allocated for the project (₹ in crores) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency Name CSR Registration Number |
| 4 | Swatchh Bharat Initiative/ Solar lamps/solar panel/canal cleaning/Waste Management/harithatheeram, etc - Our CSR initiatives planned under the environment category ensure that we create a positive social, economic, and environmental impact. The activities under the initiative intends to save the lives of marine animals and improves the beach ecosystem, besides helping in nourishing/restoring the water bodies and providing safe drinking water, health, sanitation, solar lights, roads, etc., | Environmental protection | Yes | Orissa, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, West Bengal | Alleppey, Amritsar, Barabanki, Bhopal, Bijapur, Bolangir, Dakshina Kannada, Emakulam, Jodhpur, Kolkata, Lucknow, Madurai, trivandrum, Ujjain, Varanasi, Vijayapura, Yamunanagar, Yavatmal & Amaravati | 0.62 | Direct | |
| 5 | Supporting other organisations to improve the infrastructure facilities of the organisation - Under this CSR initiative we support by providing basic infrastructure support to the community by providing water, health, sanitation, solar lights, roads, etc, among many others. | Improving quality of life | Yes | All india | All India | 2.89 | Direct | |
| 6 | Food Distribution, one time support etc - Extending support by distribution of essential food materials for the deprived poor communities across various social spheres and fostering the poor and local communities with the intention to tackle poverty, empowering individuals and building resilience. | Poverty Alleviation | Yes | All India | All India | 0.39 | Direct | |
| 7 | Innovative startup program - The program intends to support budding/seed stage innovative startups with financial support for carrying out future research and development to establish/scale up their idea. | Promoting and supporting technology and innovations | Yes | Kerala | Emakulam | 0.02 | Direct | |
| 8 | Take over of Schools/Colleges - Adopting identified schools/colleges to improve education for children, develop its infrastructure and improve the quality of education. | Promotion of Education | Yes | Kerala | Emakulam | 50.25 | Direct & Indirect | 1. Muthoot Educational Trust 2. CSR00020100 1. Muthoot M George Institute of Technology 1. CSR00018564 |
| 9 | Starting Schools for students from low income family, Adoption of Schools/Colleges | Promotion of Education | Yes | Tamil Nadu | Chengalpet | 0.19 | Direct | |
| 10 | Construction of seminar halls, infrastructure development, educational support, etc - Constructing Smart Anganwadis, seminar halls in govt. or aided schools in Kerala, Delhi, Maharashtra, Tamil Nadu, Karnataka Telengana & Andhra Pradesh and Developing infrastructure of schools tackling a number of aspects including development of playgrounds, library facilities, laboratories, computer centres, technology, machinery, tools, equipment and so forth.. | Promotion of Education | Yes | All India | All India | 10.96 | Direct & Indirect | 1. St George's Educational Society 1. CSR00007408 |

| -1 | -2 | -3 | -4 | -5 | -6 | | -7 | -8 | | |
|---------|--|--|---------------------|--|--|-----------|--|--|--|---|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/No) | State | Location of the project | | Amount allocated for the project (₹ in crores) | Mode of Implementation - Direct (Yes/No) | Mode of Implementing Agency - Name | Mode of Implementing Agency - CSR Registration Number |
| 11 | Sports Promotion Activity - Promotion of sports in rural and urban areas and organising sports events for the overall upliftment of sports and sports awareness in the community. | Promotion of sports of sports | Yes | All India | All India | All India | 9.52 | Direct & Indirect | Muthoot Educational Trust | CSR00018564 |
| 12 | Snehashraya Project - Muthoot Snehashraya is a healthcare initiative intends to contribute to the welfare of the under-served communities who cannot otherwise afford the basic tests and check ups to timely diagnose various health conditions. | Improving quality of life | Yes | Kerala, Tamil Nadu, AP, Karnataka, Maharashtra | | | 0.47 | Direct | | |
| 13 | Poor Patients' Medical Assistance - Under this initiative, Muthoot offers free or discounted medical care and especially hospital care provided to patients who do not have health insurance or are unable to pay for all or part of medical costs due to financial hardship and providing free kidney dialysis services to poor and unprivileged sections of society who are struggling to meet their treatment needs. (through hospitals in Kozhencherry and Pathanamthitta) | Improving quality of life | Yes | All India | All India | All India | 7.18 | Direct & Indirect | "1. Muthoot M George Foundation 2. MG George Muthoot Charitable Trust " | "1. CSR00008030 2. CSR00007405" |
| 14 | Skill Development Programme - We are continuously making positively impact to 'Skill India' mission by implementing strategic CSR projects under skill development. Our CSR interventions have actively contributed in transforming India through skilled and job-ready workforce for domestic and international industry. | Employment enhancing vocational skills, social business projects | Yes | Punjab | Jalandhar | | 0.01 | Direct | | |
| 15 | Promotion of Art and Culture | Promotion of Art and Culture | Yes | Kerala | | | 0.15 | Direct | | |
| 16 | Muthoot Vivahasmanam Project - A unique CSR initiative designed to empower underprivileged families by assisting widowed mothers to bear their daughter's marriage expenses in various regions. The initiative bridges the financial gap often faced during weddings, ensuring a joyous celebration without the burden of economic hardship. | Promoting gender equality and empowering women | Yes | Telengana, AP, Tamil Nadu, Karnataka, Delhi, West Bengal | Hyderabad, Warangal, K V Rangareddi, Suryapeta Chennai, Chengalpattu, Thiruvallur, Gunturu, Rajanna Sircilla Virudhunagar, Dakshina Kannada, North East Delhi, South West Delhi, North West Delhi, East Delhi, South 24 Parganas, Bardaman, Howrah, North 24 Parganas. | | 0.40 | Direct | | |
| 17 | Scholarships to Students - MMG Higher Education Scholarships - Higher education scholarships to identified students across streams like MBBS, Engineering, Bsc Nursing in 5 states. Higher Education Scholarship program has been instrumental in supporting students from economically weaker backgrounds, and ensures that every child gets equal opportunity and access to quality education. Muthoot M George Excellence Award - Facilitating excellence awards to identified beneficiaries of 2000 students enrolled in the 8 th and 9 th grades with a one time grand of ₹3000 /- | Promotion of Education | Yes | All India | All India | | 13.87 | Direct | | |

| -1 | -2 | -3 | -4 | -5 | -6 | -7 | -8 | | |
|---------|---|---|---------------------|-----------|-------------------------|--|--|---|--|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/No) | State | Location of the project | Amount allocated for the project (₹ in crores) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency Name | Mode of Implementation - Through Implementing Agency CSR Registration Number |
| 18 | Muthoot Snehasammanam - An initiative to honour ailing artists, writers and their widows by providing monthly financial assistance through pension scheme. Coupled with the financial support, the company will also provide free or low-cost health check-ups and medical treatment at its Pathanamthitta or Kozhencherry hospitals for these artists. | Improving quality of life | Yes | All India | All India | 0.29 | Direct | | |
| | Muthoot Snehasancharini Project - An initiative by Muthoot for extending support to differently abled people by supplying them artificial limbs, fully automated wheelchairs e.t.c. , Livelihood projects - Organising pan India activities like distribution of sewing machines, push carts etc, to enable the economic inclusion of needy communities., Nutrition kits - Initiatives in inline with the Indian government's Poshan Abhiyaan and United Nations SDG 2: Zero Hunger, etc | | | | | | | | |
| | Total | | | | | | | | 97.43 |

(d) Amount spent in Administrative Overheads: 2.06

(e) Amount spent on Impact Assessment, if applicable : 0.06

(f) Total amount spent for the financial year (8f=8b+8c+8d+8e) : 99.56

g) Details of excess amounts spent carried forward for utilisation in future years:

| Sl no. | Particulars | Amount in crores |
|--------|---|------------------|
| i) | Two percent of average net profit of the Company as per section 135(5) | 99.84 |
| ii) | Total amount spent for the Financial year | 100.25 |
| iii) | Excess amount spent for the financial year [(ii)-(i)] | 0.41 |
| iv) | Surplus arising out of the CSR projects or programmes of the previous financial year (₹ In crores): | 0 |
| vi) | Amount required to be set off for the financial years [(iii)-(iv)] | 0.41 |

9 (a) Details of Unspent CSR Amount for the preceding three financial years:

| Sl. No | Preceding Financial Year | Amount Transferred to Unspent CSR Account under Section 135 (6) (₹ In Crores) | Amount spent in the reporting Financial Year (₹ In Crores) | Amount Transferred to any fund specified under Schedule VII as per Section 135 (6), if any | | | Amount remaining to be spent in succeeding financial years (₹ In Crores) |
|--------|--------------------------|---|--|--|----------------------|------------------|--|
| | | | | Name of Fund | Amount (₹ In Crores) | Date of Transfer | |
| 1 | 2020-21 | 12.05 | 2.28 | NA | NA | NA | Nil |
| 2 | 2021-22 | Nil | Nil | NA | NA | NA | Nil |
| 3 | 2022-23 | Nil | Nil | NA | NA | NA | Nil |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| Sl. No | Project ID | Name of the Project | Project Duration | Total Amount allocated for the project (₹ in Crores) | Amount spent on the project in the reporting Financial Year (₹ In Crores) | Cumulative amount spent at the end of reporting Financial Year (₹ In Crores) | Status of the Project (Completed/Ongoing) |
|--------------|----------------|-----------------------------------|------------------|--|---|--|---|
| 1 | FY31.03.2021_1 | Muthoot Aashiyana Project | 3 years | 5.20 | 1.56 | 5.20 | Completed |
| 2 | FY31.03.2021_2 | Disaster Management Programme | 3 years | 1.33 | 0.02 | 1.33 | Completed |
| 3 | FY31.03.2021_3 | Muthoot M George Excellence Award | 3 years | 0.71 | 0.70 | 0.71 | Completed |
| 4 | FY31.03.2021_4 | Sports Promotion Activity | 3 years | 4.81 | 0.00 | 4.81 | Completed |
| Total | | | | 12.05 | 2.28 | 12.05 | |

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details):

| | | |
|-----|---|----|
| (a) | Date of creation or acquisition of the capital asset(s) | NA |
| (b) | Amount of CSR spent for creation or acquisition of capital asset (₹ in crores): | NA |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital assets is registered, their address etc. | NA |
| (d) | Details of the capital assets created or acquired (including complete address and location of the capital asset) | NA |

11 Specify the reasons if the company has failed to spend two percent of the average net profit as per Section 135 (5)

Not Applicable

Sd/-

George Alexander Muthoot

Managing Director

DIN: 00016787

Sd/-

Jose Mathew

Chairman of Corporate Social & Business Responsibility Committee

DIN: 00628107

Annexure 3

Business Responsibility and Sustainability Report FY 2023-24

Foreword

BRSR Overview

Section A: General Disclosures

Section B: Management and Process Disclosures

Section C: Principle-wise Performance Disclosure

| | |
|--------------------|---|
| Principle 1 | Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable |
| Principle 2 | Businesses should provide goods and services in a manner that is sustainable and safe |
| Principle 3 | Businesses should respect and promote the well-being of all employees, including those in their value chains |
| Principle 4 | Businesses should respect the interests of and be responsive to all their stakeholders |
| Principle 5 | Businesses should respect and promote human rights |
| Principle 6 | Businesses should respect and make efforts to protect and restore the environment |
| Principle 7 | Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent |
| Principle 8 | Businesses should promote inclusive growth and equitable development |
| Principle 9 | Businesses should engage with and provide value to their consumers in a responsible manner |

SECTION A: GENERAL DISCLOSURES

I. Details of listed entity

| | | |
|-----|--|--|
| 1. | Corporate Identity Number (CIN) of the listed entity | L65910KL1997PLC011300 |
| 2. | Name of the listed entity | MUTHOOT FINANCE LIMITED |
| 3. | Year of Incorporation | 1997 |
| 4. | Registered office address | 2ND FLOOR MUTHOOT CHAMBERS OPP SARITHA THEATRE COMPLEX ERNAKULAM, KERALA - 682018 |
| 5. | Corporate address | 2ND FLOOR MUTHOOT CHAMBERS OPP SARITHA THEATRE COMPLEX ERNAKULAM, KERALA - 682018 |
| 6. | E-mail | mails@muthootgroup.com |
| 7. | Telephone | 4842394712 |
| 8. | Website | https://www.muthootfinance.com/ |
| 9. | Financial year for which reporting is being done | 2023 – 24 |
| 10. | Name of the Stock Exchange(s) where shares are listed | BSE & NSE |
| 11. | Paid-up Capital | INR 4,01,46,16,760 |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries in the BRSR report | Rajesh A 4846690255 rajesh.warrier@muthootgroup.com |
| 13. | Reporting boundary | Standalone basis |
| 14. | Name of assurance provider | Tibu & Niyas Chartered Accountant G1, National Residency, Metro Pillar 449, NH 47, Bank Jn.; Edappally, Office : 0484 - 2960489 |
| 15. | Type of assurance obtained | Limited Assurance |

II. Products/services

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

| Sl. No. | Description of Main Activity | Description of Business Activity | % Of Turnover of the entity |
|---------|------------------------------|----------------------------------|-----------------------------|
| 1. | Financial Service | Non-Banking Financial Services | 95.99% |

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

| Sl. No. | Product/Service | NIC Code | % Of Total Turnover Contributed |
|---------|-------------------|----------|---------------------------------|
| 1. | Financial Service | 64990 | 95.99% |

III. Operations

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

| Location | Number of Plants | Number of Offices | Total |
|---------------|------------------|-------------------|-------|
| National | 4854 | 77 | 4931 |
| International | 0 | 0 | 0 |

19. Markets served by the entity

a. Number of locations

| Locations | Number |
|----------------------------------|--------|
| National (No. of states) | 29 |
| 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

Through 4800+ branches, we serve a large customer base pan-India. We provide personal loans and business loans secured by gold jewelry, or Gold Loans, primarily to individuals who possess gold jewelry but are not able to access formal credit within a reasonable time, or to whom credit may not be available at all, to meet unanticipated or other short-term liquidity requirements. Our customers are diverse and usually include small businesses, vendors, traders, farmers, and salaried individuals who avail our credit services for convenience and easy accessibility to meet their requirements. Customers can avail our credit services in lieu of gold ornaments like gold jewelry. Our retail loan offerings primarily consist of Gold Loans, with a maximum term of 12 months.

IV. Employees

20. Details as at the end of the Financial Year:

a. Employees and Workers (including differently abled):

| Sl. No. | Particulars | Total (A) | Male | | Female | |
|------------------|------------------------------|--------------|--------------|---------------|-------------|---------------|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| EMPLOYEES | | | | | | |
| 1 | Permanent (D) | 28286 | 21252 | 75.13% | 7034 | 24.87% |
| 2 | Other than Permanent (E) | 0 | 0 | 0 | 0 | 0 |
| 3 | Total Employees (D+E) | 28286 | 21252 | 75.13% | 7034 | 24.87% |
| 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:

| Sl. No. | Particulars | Total (A) | Male | | Female | |
|------------------------------------|--|-----------|----------|----------|----------|----------|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| DIFFERENTLY ABLED EMPLOYEES | | | | | | |
| 1. | Permanent (D) | 0 | 0 | 0 | 0 | 0 |
| 2. | Other than Permanent (E) | 0 | 0 | 0 | 0 | 0 |
| 3. | Total Differently abled Employees (D+E) | 0 | 0 | 0 | 0 | 0 |
| DIFFERENTLY ABLED WORKERS | | | | | | |
| 4. | Permanent (F) | 0 | 0 | 0 | 0 | 0 |
| 5. | Other than Permanent (G) | 0 | 0 | 0 | 0 | 0 |
| 6. | Total differently abled Workers (F+ G) | 0 | 0 | 0 | 0 | 0 |

21. Participation/Inclusion/Representation of women

| Particulars | Total (A) | No. and percentage of Females | |
|---|-----------|-------------------------------|-----------|
| | | No. (B) | % (B / A) |
| Board of Directors (BOD) | 14 | 1 | 7.14% |
| Key Management Personnel (other than BOD) | 02 | 0 | 0 |

22. Turnover rate for permanent employees and workers

| Particulars | FY 2023-24 (Turnover rate in current FY) | | | FY 2022-23 (Turnover rate in previous FY) | | | FY2021-22 (Turnover rate in the year prior to the previous FY) | | |
|-------------------|---|--------|-------|--|--------|-------|---|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| | Permanent Employees | 34% | 37% | 35% | 41% | 26% | 38% | 35% | 24% |
| Permanent Workers | NA | NA | NA | NA | NA | NA | NA | NA | NA |

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

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

| Sl. No. | Name of the holding/ subsidiary/associate companies/ joint ventures (A) | Indicate whether Holding/Subsidiary/ Associate Company/ 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 | ASIA ASSET FINANCE PLC | Subsidiary | 72.92 % | No |
| 2 | MUTHOOT HOMEFIN (INDIA) LIMITED | Subsidiary | 100.00% | No |
| 3 | MUTHOOT INSURANCE BROKERS PRIVATE LIMITED | Subsidiary | 100.00% | No |
| 4 | BELSTAR MICROFINANCE LIMITED | Subsidiary | 63.86% | No |
| 5 | MUTHOOT MONEY LIMITED | Subsidiary | 100.00% | No |
| 6 | MUTHOOT TRUSTEE PRIVATE LIMITED | Subsidiary | 100.00% | No |
| 7 | MUTHOOT ASSET MANAGEMENT PRIVATE LIMITED | Subsidiary | 100.00% | No |

VI. CSR Details

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

(ii) Turnover (in Rs.): 126940 million

(iii) Net worth (in Rs.): 242903 million

VII. Transparency and Disclosures Compliances:

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

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redressal policy) | FY 2023-24 | | | FY 2022-23 | | |
|---|---|--|--|--|--|--|--------------------------------------|
| | | 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 | The company has a grievance redressal policy outlining the process and procedure for capturing and addressing grievances of all the various stakeholders. | 0 | 0 | No complaints were received | 0 | 0 | No complaints were received |
| Investors (Other than shareholders) | The policy can be found on our website, on the below weblink: https://cdn.muthootfinance.com/sites/default/files/pdf/Grievance-Redressal-Policy-for-Stakeholders.pdf | 5 | 0 | No complaints pending to be resolved | 18 | 0 | No complaints pending to be resolved |
| Shareholders | | 19 | 0 | No complaints pending to be resolved | 6 | 1 | Pending complaints were resolved |
| Employees and workers | | 241 | 0 | No complaints pending to be resolved | 768 | 7 | after closure of FY 2022-23 |
| Customers | | 916 | 5 | Pending complaints were resolved after closure of FY 2023-24 | 997 | 1 | |
| Value Chain Partners | | 0 | 0 | No complaints were received | 0 | 0 | No complaints were received |
| Other (Please specify) | | 0 | 0 | No complaints received | 0 | 0 | No complaints were received |

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

| Sl. 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 opportunity (Indicate positive or negative implications) |
|---------|---------------------------|--|---|--|---|
| 1. | Customer Relationship | Opportunity | Fostering strong customer relationships has always been of crucial importance to Muthoot Finance Limited. By placing importance on meeting the unique needs of customers, cultivating enduring connections, building trust, and exceeding expectations in delivering value. | Customer needs, preferences and concerns are prioritised through all aspects of the business. Muthoot Finance leverages technology to improve the efficiency of service provided to the extensive customer base of 200,000 across the country. | Positive implications: 1. Increased customer loyalty 2. Enhanced brand reputation |
| 2. | Business Ethics | Risk/ Opportunity | Strong business ethics can give the company a competitive advantage and improve stakeholder trust. Unethical business actions such as corruption and fraud can lead to long-term financial instability. | Muthoot Finance Limited has a clearly defined Code of Conduct and policies for ethical practices (e.g., Anti-bribery and anti-corruption policy and the Code of fair practices). | Positive implications: 1. Improved stakeholder trust 2. Enhanced brand reputation 3. Mitigation of reputation and legal risks Negative implication: 1. Reputational damage 2. Legal consequences 3. Employee dissatisfaction |
| 3. | Corporate Governance | Risk/ Opportunity | Corporate governance enhances every aspect of business, from strategic decision-making to daily business operations. Effective governance is crucial in sustaining the success of the company. | By ensuring the diverse Board composition in terms of age, gender, skill set and experiences, its functioning and decision-making are enhanced. | Positive implications: 1. Strengthened decision-making 2. Operational efficiency 3. Improved stakeholder trust Negative implications: 1. Inadequate decision-making 2. Stakeholder distrust |

| Sl. 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 opportunity (Indicate positive or negative implications) |
|---------|-------------------------------|--|--|---|---|
| 4 | Talent Attraction & Retention | Opportunity | Attracting skilled individuals by establishing the company as an employer of choice. And retaining employees by offering mentorship, skilling, and performance incentives are crucial to maintaining a long-term competitive edge. | A structured onboarding process, offering competitive compensation and benefits, and promoting a work environment that is both diverse and inclusive ensures low attrition rate and increased productivity. | Positive implications: <ol style="list-style-type: none"> Higher productivity and innovation Stronger employee loyalty Operational efficiency |
| 5 | Access to Finance | Opportunity | Enhancing the ability of individuals from marginalized communities and small businesses to obtain financial services at affordable costs and under reasonable terms. | Muthoot Finance Limited has financial literacy initiatives for the underprivileged and targets the financially underserved population as primary customers. | Positive implications: <ol style="list-style-type: none"> Improved community relationship Enhanced brand reputation |
| 6 | Risk Management | Risk/ Opportunity | An efficient internal audit system, surveillance system and control system, to ensure the safety of the company's assets and the longevity of business operations. | A robust Risk Management Committee is present to periodically review and assess potential risks. The Committee also forms the Risk Mitigation Plan based on the identification of key risks. | Positive implication: <ol style="list-style-type: none"> Protection from potential risks and non-compliance issues Enhanced brand reputation Negative implications: <ol style="list-style-type: none"> Increased costs due to frequent regulatory requirements |

| Sl. 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 opportunity (Indicate positive or negative implications) |
|---------|---------------------------|--|---|---|--|
| 7 | Resource Efficiency | Risk/ Opportunity | Optimizing the use of natural resources in business operations to minimize environmental impact. This involves the sustainable management and utilization of resources like water, energy, and materials. | Initiatives to encourage the use of renewable energy by installing solar panels and EV charging points in select locations. MFL has also taken initiatives to make the offices more energy efficient by switching to LED lamps and inverter ACs | <p>Positive implication:</p> <ol style="list-style-type: none"> 1. Reduced consumption of non-renewable energy, water, paper, and other material 2. Reducing costs spent on energy, water, and other material 3. Improved sustainability ratings <p>Negative implications:</p> <ol style="list-style-type: none"> 1. Increased costs of operations |
| 8 | Disclosures | Risk/ Opportunity | Transparent reporting of a company's environmental, social, and governance (ESG) performance. It involves providing stakeholders with comprehensive information on the organization's sustainable practices, risks, and impacts, and fostering accountability | MFL regularly publishes information on its practices and risks in the annual report and BRSR report, and regular newsletters for areas such as CSR | <p>Positive implications:</p> <ol style="list-style-type: none"> 1. Improved stakeholder trust 2. Enhanced brand reputation 3. Mitigation of reputational and legal risks <p>Negative implication:</p> <ol style="list-style-type: none"> 1. Reputational damage 2. Legal consequences |

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 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| Policy and management processes | | | | | | | | | |
| 1. a. Whether your entity's policy/policies cover each principle and its core element of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| c. Web Link of the Policies, if available | https://www.muthootfinance.com/conduct | https://cdn.muthootfinance.com/sites/default/files/Sustainable-Sourcing-and-Preferential-Procurement-Policy.pdf | https://cdn.muthootfinance.com/sites/default/files/Diversity-Inclusion-and-Equity-Opportunity-Policy.pdf | https://cdn.muthootfinance.com/sites/default/files/Redressal-Policy-for-Stakeholders.pdf | https://cdn.muthootfinance.com/sites/default/files/Human-Rights-Policy.pdf | https://cdn.muthootfinance.com/sites/default/files/Environmental-Social-&Governance-(ESG)-Framework.pdf | https://cdn.muthootfinance.com/sites/default/files/Policy-on-Responsible-Advocacy.pdf | https://cdn.muthootfinance.com/sites/default/files/Sustainable-Sourcing-and-Preferential-Procurement-Policy.pdf | https://cdn.muthootfinance.com/sites/default/files/Stakeholders-Engagement-Policy.pdf |
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|--|-------|-------|-------|-------|-------|-------|-------|-------|
| 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. | NGRBC | NGRBC | NGRBC | NGRBC | NGRBC | NGRBC | NGRBC | NGRBC | NGRBC |
| 5. Specific commitments, goals, and targets set by the entity with defined timelines if any | <p>The Company has finalized the following sustainability targets this year, along with a roadmap to successfully achieve them:</p> <p>Environment -</p> <ol style="list-style-type: none"> Increase the use of renewable energy in office buildings Integrate water-efficient technologies in office buildings Create an incentives program for employees switching to EVs and increase the number of existing charging stations Continue to support lake restoration, afforestation and other environmental friendly initiatives <p>Social –</p> <ol style="list-style-type: none"> Improve the Customer Relationship Score Provide annual ESG training to all employees Publish an impact report exploring the Company’s role in access to finance for women and underprivileged communities <p>Governance –</p> <ol style="list-style-type: none"> Align with UNGC (United Nations Global Compact) principles on Business Ethics (align strategy and operations with the ten principles of UNGC – human rights, labor, corruption) Establish annual ESG skilling programs for Board of Directors and senior management Align disclosures with RBI’s (draft) guidelines on climate-related financial disclosures and the TCFD (Task Force on Climate-related Financial Disclosures) recommendations | | | | | | | | |
| 6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met | <p>The Company regularly monitors, assesses, and aims to report its performance regarding the above sustainability goals. The implementation of the goals is the responsibility of the respective departments, with regular oversight and review of progress from the ESG Committee.</p> | | | | | | | | |

Governance, leadership, and oversight

7. Statement by the director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)

Muthoot Finance is India’s largest Gold Loan Financing Company. We are dedicated to creating a positive impact on the environment, our valued customers, employees, and the broader community. Our core values serve as the bedrock for our ESG (Environmental, Social, and Governance) practices, driving growth and empowering communities through our strategic decision-making. These principles are deeply ingrained in our heritage, spanning over 800 years. Our unique motto, ‘Unchanging Values in Changing Times,’ reflects our unwavering commitment. As an organization, we align our ESG approach with our strategic goals, ensuring a meaningful experience for all stakeholders. Our focus on ESG has transformed our outlook toward business, reinforcing our dedication to the well-being of the communities we serve. Muthoot Finance has made significant strides in energy efficiency by switching to

LED lighting across multiple branches, and by installing solar panels and EV-charging points at select locations. The company's contributions to corporate social responsibility (CSR) efforts have positively impacted over 500,000 beneficiaries. Additionally, MFL has undertaken substantial initiatives to enhance financial literacy and access to finance in rural and financially underserved areas.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

George Alexander Muthoot

DIN - 00016787

Managing Director

Telephone number: 0484-2394712

Email: md@muthootgroup.com

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.

ESG Committee is responsible for the decision making on sustainability related matters in the Company. The ESG Committee was constituted by the Board of Directors through a board resolution dated August 06, 2021 and reconstituted in the Board meeting held on August, 12, 2022. Terms of reference of the ESG Committee include a) Overseeing Company's policies, practices, and performance with respect to ESG matters b) Overseeing Company's reporting on ESG matters c) Recommending to the Board the Company's overall general strategy with respect to ESG matters d) Approving the report on ESG e) Delegating the authority to do any acts, deeds, and matters relating to ESG.

Refer to Corporate Governance Report for additional information on ESG Committee.

10. Details of Review of NGRBCs by the Company:

| Subjects 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) | | | | | | | | |
|---|---|------------------------|-----|-----|-----|-----|-----|-----|-----|--|----------|-----|-----|-----|-----|-----|-----|-----|
| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| | Performance against above policies and follow up action | Committee of the Board | | | | | | | | | Annually | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | The Company complies with all the statutory requirements as applicable | | | | | | | | | | | | | | | | | |

- | 11. Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency. | | | | | | | | | No |

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

| Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|-----|-----|-----|-----|-----|-----|-----|-----|------|
| The entity does not consider the principles material to its business (Yes/No) | | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | N.A. |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

Essential Indicators

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

| Segment | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact | % of persons in respective category covered by the awareness programmes |
|---|--|--|---|
| Board of Directors (BOD) Key Managerial Personnel (KMP) | 1 | - Vision, Mission, Policies and Guiding Principles - Code of Conduct, Ethics - ESG awareness | 100% |
| Employees other than Board of Directors and Key Managerial Personnel (KMPs) | 671 | Our employees received training on- - Vision, Mission, HR Values, Policies and Guiding Principles, - Grooming Standard, Roles and Responsibilities, - Career Progression, Performance Evaluation, - Staff Welfare Measures, - Do's & Don'ts | 83.90% of assigned staff |
| Workers | NA | NA | NA |

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by its directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions in FY 2023-24 (Note: the entity shall make disclosures based on materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) 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) |
| NIL – In accordance with Materiality Threshold as mentioned under Regulations 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 | | | | | |
| Penalty / Fine | NIL | NA | NIL | NA | NIL |
| Settlement | NIL | NA | NIL | NA | NIL |
| Compounding Fee | NIL | NA | NIL | NA | NIL |

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

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

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|--------------|---|
| NIL | NA |

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. Muthoot Finance Limited's 'Anti-Bribery and Anti-Corruption Policy' emphasizes the Zero Tolerance towards bribery and corrupt practices and establishes clear rules to ensure compliance with all applicable anti bribery and anti-corruption laws. The policy provides necessary information and guidance on how to recognize and deal with bribery and corruption issues. The objective of this policy is to ensure that neither MFL nor any of its employees (whether full time permanent or contractual employees and including trainees and interns), agents, associates, vendors, consultants, advisors, representatives, or intermediaries and /or stakeholders, indulge in any acts of 'Bribery' or 'Corruption' in discharge of their official duties towards MFL, either in their own name or in the name of the Company. The detailed policy can be accessed at:

<https://cdn.muthootfinance.com/sites/default/files/files/2024-04/anti-bribery-and-anti-corruption-policy-1.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:

| Segment | FY2023-24 (Current Financial Year) | FY2022-23 (Previous Financial Year) |
|--------------------------------|---------------------------------------|--|
| Directors | 0 | 0 |
| Key Managerial Personnel (KMP) | 0 | 0 |
| Employees | 0 | 0 |
| Workers | 0 | 0 |

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

| Particulars | FY 2023-24 (Current Financial Year) | | FY 2022-23 (Previous Financial Year) | |
|--|--|---------|---|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | 0 | NA | 0 | NA |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | 0 | NA | 0 | NA |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable since no such instances were reported.

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

This would not be applicable due to the nature of business being Financial Services.

| | FY 2023-24 Current Financial Year | FY23 (Previous Financial Year) |
|-------------------------------------|--------------------------------------|-----------------------------------|
| Number of days of accounts payables | Not Applicable | Not Applicable |

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

| Parameter | Metrics | FY2023-24 (Current Financial Year) | FY2022-23 (Previous Financial Year) |
|----------------------------|--|---------------------------------------|--|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases | NA | NA |
| | b. Number of trading houses where purchases are made from | NA | NA |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | NA | NA |
| Concentration of Sales | a. Sales to dealers / distributors as % of total sales | NA | NA |
| | b. Number of dealers / distributors to whom sales are made | NA | NA |
| | c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors | NA | NA |
| Share of RPTs in | a. Purchases (Purchases with related parties / Total Purchases) | NA | NA |
| | b. Sales (Sales to related parties / Total Sales) | NA | NA |
| | c. Loans & advances (Loans & advances given to related parties / Total loans & advances) | 0.65% | 0.40% |
| | d. Investments (Investments in related parties / Total Investments made) | 76.87% | 74.50% |

Leadership Indicators

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

Under MFL's Sustainable Sourcing and Preferential Procurement Policy, MFL encourages value chain partners to undertake ESG training and ensure that they are aware of the latest norms and regulations. The company also supports value chain partners in raising awareness through training programs, and transparent communication of their ESG approach. This covers topics on ethics including adherence to human rights laws, ethical business conduct, anti-bribery and anti-corruption.

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.

The Company has put in place a Code of Conduct for Directors and Senior Management. This code for Directors and Senior Management is intended to focus the Board and Senior Management on areas of ethical risk, provide guidance to Directors and Senior Management to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct and to help foster a culture of honesty and accountability. The Board of Directors has adopted the Code of Conduct and the Directors and senior managers are expected to adhere to the standards of care, loyalty, good faith, and the avoidance of conflicts of interest that follow.

The code of conduct can be accessed at <https://www.muthootfinance.com/code-of-conduct>

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe
Essential Indicators

- 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.**

| Particulars | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) | Details of improvements in environmental and social impacts |
|--------------------------------|--|---|---|
| Research and Development (R&D) | 0% | 0% | No R&D on environmental initiatives held during the year |
| Capex | 0% | 0% | <p>Digitalisation initiatives such as Loan@Home Video KYC, AI powered chat engine, BBPS (Bharath Bill Payment System) interface for transactions, iMuthoot have helped create a positive E&S impact. The company has other ongoing initiatives which have helped curb emissions and also resulted in energy savings:</p> <ul style="list-style-type: none"> Office CFL bulb to LED light replacements (completed in FY 2021-22) Conventional tube light signboards substituted with LED glow sign boards (started in 2016) Three windmills (combined capacity of 3.75 MW) operating in Tamil Nadu for the last 16-17 years. Installed approximately 700 Inverter ACs in the Branches reducing the Power Consumption and also the R32 Refrigerant used in these ACs have Low Global Warming potential (GWP) and is considered as more environment friendly to the earlier Refrigerant gas being used. (An ongoing process) |

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes

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

MFL operates in the NBFC sector, providing financial products and services with minimal consumption of raw materials, which could be sourced locally or sustainably. Recognizing the importance of conservation and reduced dependence on natural resources, the company follows procedures such as using second-hand laptops, LED lamps, and used furniture to help reduce environmental stress. Additionally, MFL has made significant strides in energy efficiency by switching to LED lighting across multiple branches and installing solar panels and EV-charging points at select locations.

MFL's Sustainable Sourcing and Preferential Procurement Policy also states that the company aims for preferential procurement of goods and services that are sustainable, energy-efficient and locally sourced (from within the same district).

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

Reclamation of products for reusing, recycling, disposing at E-o-L is not applicable for the sector in which MFL operates.

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.

Extended Producer Responsibility does not apply for the sector in which MFL operates.

Leadership Indicators

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

MFL operates in the NBFC sector and mainly deals with Gold Loans and other financial services. Lifecycle assessments of products or services does not apply to the sector MFL operates in.

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

The company operates in the NBFC sector providing financial products and services. No environmental or social concerns are associated with the use of its offerings.

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

MFL uses refurbished laptops and furniture in its operations however, the data of percentage of the material is not available.

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

Essential Indicators:

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

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---------------------------------------|--------------|---------------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|---------------------|------------|
| | | 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 | 21252 | 8036 | 38% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Female | 7034 | 2823 | 40% | 0 | 0% | 7034 | 100% | 0 | 0% | 0 | 0% |
| Total | 28286 | 10859 | 38% | 0 | 0% | 7034 | 25% | 0 | 0% | 0 | 0% |
| Other than Permanent Employees | | | | | | | | | | | |
| Male | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Female | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Total | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |

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

| Category | Total (A) | % of Workers covered by | | | | | | | | | |
|-------------------------------------|--------------|-------------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|---------------------|------------|
| | | 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 Workers | | | | | | | | | | | |
| Male | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Female | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Total | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Other than Permanent Workers | | | | | | | | | | | |
| Male | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Female | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Total | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |

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

| | FY 2023-24 Current Financial Year | FY 2022-23 Previous Financial Year |
|--|--------------------------------------|---------------------------------------|
| Cost incurred on well- being measures as a % of total revenue of the company | 0.18% | 0.13% |

2. **Details of retirement benefits, for Current Financial year and Previous Financial Year¹.**

| Benefits | FY2023-24 (Current Financial Year) | | | FY2022-23 (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 | 96% | NA | Y | 97% | NA | Y |
| Gratuity | 100% | NA | Y | 100% | NA | Y |
| ESI | 53% | NA | Y | 60% | NA | Y |

¹ The numbers for FY2022-23 have been updated for better representation.

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.**

Most of MFL's existing offices are situated on the Ground Floor, making them easily accessible. Additionally, some branches within shopping complexes or malls have convenient access via ramps and elevators. Although these branches may not currently offer specific facilities for differently abled individuals, MFL is actively planning to ensure accessibility in upcoming branches and offices.

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.**

Yes. <https://cdn.muthootfinance.com/sites/default/files/pdf/Diversity-Inclusion-and-Equal-Opportunity-Policy.pdf>

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

| Gender | Permanent employees | | Permanent Workers | |
|--------------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention Rate | Return to work rate | Retention Rate |
| Male | NA | NA | NA | NA |
| Female | 94% | 62% | NA | NA |
| Total | 94% | 62% | NA | NA |

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

| Particulars | Yes/No |
|--------------------------------|--|
| Permanent Employees | Grievances if any are shared by employees to mail Id as provided - employeeerelation@muthootgroup.com |
| Other than Permanent Employees | Grievances if any are shared by employees to mail Id as provided - employeeerelation@muthootgroup.com |
| Permanent Workers | Permanent worker category is not applicable for MFL. |
| Other than Permanent Workers | Other than Permanent worker category is not applicable for MFL |

If Yes, then give details of the mechanism in brief:

The company has a grievance redressal policy outlined the process and procedure for capturing and addressing grievances of all the various stakeholders including employees. The policy can be found on our website, on the below weblink : <https://cdn.muthootfinance.com/sites/default/files/pdf/Grievance-Redressal-Policy-for-Stakeholders.pdf>

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

| Category | FY2023-24 (Current Financial Year) | | | FY2022-23 (Previous Financial Year) | | |
|----------------------------------|---|--|-----------|--|--|-----------|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | % (D / C) |
| Total Permanent Employees | Employees do not have any representative union or association | | | | | |
| Male | | | | | | |
| Female | | | | | | |
| Total Permanent Workers | NA | | | | | |
| Male | | | | | | |
| Female | | | | | | |

8. Details of training given to employees and workers² :

| Category | FY2023-24 (Current Financial Year) | | | | | FY2022-23 (Previous Financial Year) | | | | |
|------------------|---------------------------------------|-------------------------------|------------|----------------------|------------|--|----------------------|------------|----------------------|------------|
| | Total (A) | On Health and safety measures | | On Skill Upgradation | | Total (D) | On Health and Safety | | On Skill Upgradation | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| Employees | | | | | | | | | | |
| Male | 21252 | 18743 | 88% | 8227 | 39% | 21837 | 15691 | 72% | 13511 | 62% |
| Female | 7034 | 4964 | 71% | 3026 | 43% | 5436 | 3370 | 62% | 2981 | 55% |
| Total | 28286 | 23707 | 84% | 11253 | 40% | 27273 | 19061 | 70% | 16492 | 87% |
| 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 |

² The numbers for FY2022-23 have been updated for better representation.

9. Details of performance and career development reviews of employees and workers³ :

| Category | FY2023-24 (Current Financial Year) | | | FY2022-23 (Previous Financial Year) | | |
|------------------|---------------------------------------|--------------|------------|--|--------------|------------|
| | Total (A) | No.(B) | % (B/A) | Total (C) | No.(D) | % (D/C) |
| Employees | | | | | | |
| Male | 21257 | 16551 | 78% | 21837 | 16065 | 74% |
| Female | 7034 | 4269 | 61% | 5436 | 3196 | 59% |
| Total | 28286 | 20820 | 74% | 27273 | 19261 | 71% |

| Category | FY2023-24 (Current Financial Year) | | | FY2022-23 (Previous Financial Year) | | |
|----------------|---------------------------------------|----------|-----------|--|-----------|----------|
| | Total (A) | No.(B) | % (B/A) | Total (C) | No.(D) | % (D/C) |
| Workers | | | | | | |
| Male | 0 | 0 | 0% | 0 | 0% | 0 |
| Female | 0 | 0 | 0% | 0 | 0% | 0 |
| Total | 0 | 0 | 0% | 0 | 0% | 0 |

³Note on performance and career development reviews of employees: The numbers for FY2022-23 have been updated from the previous year for better representation.

10. Health and Safety Management System:

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

Yes, MFL has implemented an organization-wide Health and Safety system in alignment with the ESG framework policy. The key areas of focus include creating a secure and healthy work environment devoid of discrimination. All MFL branches are equipped with basic first-aid kits, and the company also arranges complimentary medical health checkups. Additionally, employees receive periodic Health and Safety training through the “Regional Learning Centers” and “Muthoot Management Academies” to stay informed about the latest developments in this field. MFL also ensures that employees have access to health and well-being programs and are covered by health insurance, and regular medical check-ups for employees over 55 years of age. In addition, a safe working environment is ensured through the presence of stringent POSH trainings and an Internal Complaints Committee (ICC).

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

The company has always emphasized on the importance of health and safety at workplaces. Periodic trainings are conducted to update employees on the various potential risks & hazards in an office environment, such as air quality, noise level, lighting, fire hazards, safe usage of stairs/elevators and basic first aid training. Additionally, there is a robust security system established based on the organization’s seven-layer security transformation plan detects anomalies swiftly and responds instantly, thus ensuring that the security imperatives of a pan-India NBFC like us is carried out seamlessly.

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

Yes, guidelines are in place for reporting work-related hazards for employees. Furthermore, there are mock drills and safety trainings conducted periodically to create a general awareness among the organization’s employees.

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

Yes, employees have access to non-occupational medical and healthcare services.

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

| Safety Incident / Number | Category | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|--|-----------|---|--|
| Lost Time Injury Frequency Rate (LTIFR) (Per one million-person hours worked) | Employees | Nil | Nil |
| | Workers | Nil | Nil |
| Total recordable work-related injuries | Employees | Nil | Nil |
| | Workers | Nil | Nil |
| No. of fatalities | Employees | Nil | Nil |
| | Workers | Nil | Nil |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | Nil | Nil |
| | Workers | Nil | Nil |

*Including in the contract workforce

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

The company is dedicated to fostering a safe and supportive work environment for its employees. It provides guidance on occupational health and safety, as well as comprehensive healthcare benefits and medical coverage. As part of the NBFC sector, the company has implemented the following measures:

1. Ensuring a Green Glass environment in all branches.
2. Air-conditioning all offices to maintain stable air quality and thermal comfort.
3. Supplying a basic first-aid kit in every branch.
4. Conducting regular drills and monitoring safety measures, including fire-fighting equipment.
5. Having at least one security guard at each MFL branch.
6. A seven-layer security transformation plan
7. Periodic training on safety hazards and protocols in the buildings

In addition to this, MFL ensures that the work environment is safe and free from discrimination through stringent POSH and whistleblower mechanism. The Company also has a robust business continuity and disaster recovery plan to prepare for emergency situations.

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

| Category | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|--------------------|--|--|---------|---|--|---------|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Working Conditions | Nil | Nil | Nil | Nil | Nil | Nil |
| Health and Safety | Nil | Nil | Nil | Nil | Nil | Nil |

14. Assessments for the year:

| Safety Incident /Number | % of your plants and offices that were assessed (By entity or statutory authorities or third parties) |
|-----------------------------|--|
| Health and safety practices | Periodic assessments on fire safety and fire-fighting equipment at offices |
| Working Conditions | Periodic assessments of the HVAC system for optimal working conditions and maintenance of thermal comfort index. |

MFL team is working on devising a mechanism to monitor such assessments on fire safety, fire-fighting equipment, mock drills, HVAC checks etc. and will be reporting it in the coming years.

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 and safety practices and working conditions.

Not Applicable

Leadership Indicators

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

Yes

Details of Compassionate payment in the event of death of an employee while in employment ranges from Rs. 75,000 to Rs. 3 Lakhs.

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

The company has established an ESG policy and recognizes the importance of collaborating closely with its value chain partners and suppliers to enhance ethical and sustainable business practices, thereby boosting overall operational efficiency. The company ensures that all relevant statutory dues related to their value chain partners and suppliers are properly deducted and deposited. The company also has a state-of-the-art compliance management software, which ensures that adherence to over 7,000 compliances across central, state, and various other regulations and statutory guidelines.

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.

MFL places a high emphasis on engaging with stakeholders in a transparent and inclusive manner. To achieve this, a comprehensive process for identifying and engaging stakeholders has been established. The stakeholder identification and engagement process involves recognizing and prioritizing individuals and groups who influence, are interested in, or are affected by MFL's operations.

These stakeholders include those dependent on MFL's activities and products, those who impact MFL's strategy or operations, core operational participants, and entities with operational, commercial, legal, or moral responsibilities. Key stakeholders are classified as employees, customers, investors, suppliers, regulators, and communities.

To ensure unbiased interactions, MFL may involve external third parties, and discussions are scoped and purposed beforehand. The frequency and methods of engagement are periodically reviewed, and stakeholders may receive training for effective participation. Potential risks in stakeholder engagement are analyzed regularly, and strategies are formulated to address them. All discussions, actions, and outcomes are documented and reviewed for continual improvement.

The details of this are available in the Stakeholder engagement policy available online - <https://cdn.muthootfinance.com/sites/default/files/pdf/Stakeholders-Engagement-Policy.pdf>

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

| Stakeholder Group | Whether identified as Vulnerable and 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 |
|-------------------|--|---|--|---|
| Customers | No | <ul style="list-style-type: none"> Meetings E-mail Other-Customer events; Customer feedback; Face to face interactions; Periodic customer satisfaction surveys | Others- Need- based/ Quarterly Or as decided by the committee/Board of Directors from time to time | <p>Customer - centricity is the focal point of our entire business model. We are in the constant process of innovation to ensure that we are able to provide our customers a diversified set of offerings and a seamless and unmatched experience.</p> <p>We also carry out periodic customer satisfaction surveys to gauge any grievances or pain points that they may have, and subsequently working towards its redressal.</p> |

| Stakeholder Group | Whether identified as Vulnerable and 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 |
|--|--|---|--|---|
| Local communities | No | <ul style="list-style-type: none"> Community Meetings Other - Face to face interactions; Project based discussions; CSR activities | Others- Need based/ Annually Or as decided by the committee/Board of Directors from time to time | <p>The company follows its core philosophy of social responsibility, through implementation of its CSR policy and positively impacting the community.</p> <p>MFL through its dedicated foundation, focuses its CSR activities into areas of Environmental Development, Projects in Public Interest, Socio - economic development for the poor and underprivileged, Relief & Rehabilitation after natural disasters.</p> <p>We also engage, to ensure that activities in the economic development, society progress and environmental hazards and overall objective of quality of life are carried out diligently.</p> |
| Employees | No | <ul style="list-style-type: none"> Meetings E-mails SMS Notice board Other - Face to face interactions; Trainings; Periodic engagement surveys | Others- Need based | <p>Our employees are the biggest drivers of our growth, and we place great emphasis on ensuring that we are able to create an environment devoid of prejudices that focuses on the overall development of our employees. We regularly engage with our employees to discuss areas of improvement and other strategy plans, career progression initiatives.</p> |
| Vendors & suppliers | Yes | <ul style="list-style-type: none"> Meetings Other - Supplier meets; Project based discussions | Others- Need based | <p>Advances, financial terms with suppliers, availability of required supplies.</p> |
| Government authorities & regulatory bodies | No | <ul style="list-style-type: none"> E-mail Meetings Other - Industry and regulatory forums; Need-based one-on-one discussions | Others- Need- based/ Quarterly Or as decided by the committee/Board of Directors from time to time | <p>Engagements and discussions pertaining to regulations, compliances.</p> |
| Investors and lenders | No | <ul style="list-style-type: none"> Annual Reports Earnings calls Quarterly corporate governance reports Annual General Meetings Investor Meets | Others- Need based/ Annually Or as decided by the committee/Board of Directors from time to time | <p>The company periodically apprises and engages with their lenders and investors for updating on performance aspects such as overall growth, profitability, risks, future strategy etc.</p> |

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.

MFL engages with its investors during earnings calls, quarterly meetings, and Annual General Meetings to share pertinent information and understand their perspectives on MFL's overall strategy. Through its enhanced digitalization strategy, MFL interacts with customers via emails, online meetings, periodic satisfaction surveys, and face-to-face meetings, seeking feedback on various topics including ESG, to tailor solutions and services accordingly. Employees of MFL are engaged through emails, meetings, periodic interactions, SMS, and other communication channels to discuss improvement areas and align their interests with MFL's strategic priorities.

MFL communicates with regulatory agencies at industry and regulatory forums, through emails, and on an as-needed basis via one-on-one meetings to discuss regulations, policies, and compliance matters. Adhering to its core philosophy of social responsibility, MFL engages with communities through various focused CSR activities, holding periodic community meetings to identify their needs and design supportive programs. These methods of engagement with stakeholders helps the Board identify the most relevant issues pertinent to Environment, Social and Governance topics.

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.

For MFL, the stakeholder engagement policy guides consultations through which various environmental and social issues are identified and managed, as well as a feedback and opinion are sought from stakeholders. For example, our engagement with stakeholders and investors helps us identify key ESG material to them and requiring disclosure. These are taken further to be incorporated into policies of the company. MFL have also established an ESG framework policy which broadly provides the company's strategy and overall commitment towards ESG related aspects. In general, the company based on its foundations of a robust Code of Conduct, tries to nurture ethical business and environment-friendly practices while keeping in mind employee wellbeing.

For MFL, the stakeholder engagement policy directs consultations to identify and manage various environmental and social issues, while also gathering feedback and opinions from stakeholders. For instance, engaging with stakeholders and investors helps MFL identify key ESG matters important to them that need disclosure, which are then integrated into the company's policies. Additionally, MFL has established an ESG framework policy outlining the company's strategy and overall commitment to ESG aspects according to the topics that are considered relevant by the stakeholders.

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

MFL implements its CSR strategy through a variety of programs and initiatives aimed at benefiting diverse social groups, particularly focusing on marginalized, vulnerable, and underprivileged communities. MFL also provides financial literacy programs and awareness programs for the financially underserved 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 | FY2023-24 (Current Financial Year) | | | FY2022-23 (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 | 28286 | 12392 | 44% | 27273 | 4899 | 18% |
| Other than permanent | 0 | 0 | 0% | 0 | 0 | 0% |
| Total | 28286 | 12392 | 44% | 27273 | 4899 | 18% |

| Category | FY2023-24 (Current Financial Year) | | | FY2022-23 (Previous Financial Year) | | |
|----------------------|---------------------------------------|--|-----------|--|--|-----------|
| | Total (A) | No. of employees / workers covered (B) | % (B / A) | Total (C) | No. of employees / workers covered (D) | % (D/C) |
| Workers | | | | | | |
| Permanent | 0 | 0 | 0% | 0 | 0 | 0% |
| Other than permanent | 0 | 0 | 0% | 0 | 0 | 0% |
| Total | 0 | 0 | 0% | 0 | 0 | 0% |

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

| Category | FY2023-24 (Current Financial Year) | | | | | FY2022-23 (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 | 21257 | - | - | 21257 | 100% | 21837 | - | - | 21837 | 100% |
| Female | 7034 | - | - | 7034 | 100% | 5436 | - | - | 5436 | 100% |
| 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 |
| Workers | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | | | | | | | | | | NA |
| Female | | | | | | | | | | NA |
| Other than permanent | | | | | | | | | | |
| Male | | | | | | | | | | NA |
| Female | | | | | | | | | | NA |

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

a. Median remuneration / wages:

| | Male | | Female | |
|----------------------------------|--------|---|--------|---|
| | Number | Median remuneration/salary/wages of respective category | Number | Median remuneration/salary/wages of respective category |
| Board of Directors (BoD) | 13 | 23,844,600 | 1 | 2,210,000 |
| Key Managerial Personnel (KMP) | 2 | 12,812,276 | 0 | 0 |
| Other than BoD | | | | |
| Employees other than BoD and KMP | 21,250 | 298,752 | 7,034 | 2,81,254 |
| Workers | 0 | 0 | 0 | 0 |

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

| | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|--|---|
| Gross wages paid to females as % of total wages | 18% | 16% |

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. All grievances, including human rights related grievances, are addressed through established procedure laid down in the Grievance redressal policy. There exists an Internal Ombudsman for cases where the complaints are wholly or partially rejected. Additionally, a Grievance Resolution Panel or committee may be assembled, comprising a cross-departmental team (CDT) with relevant experience, tailored to address each specific case as needed. The policy can be accessed at <https://cdn.muthootfinance.com/sites/default/files/pdf/Grievance-Redressal-Policy-for-Stakeholders.pdf>.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Muthoot Finance is committed to ensuring its operations and relationships do not result in human rights violations. The grievance process includes the following steps:

- Grievances can be reported in person, through letter/email, or over the phone.
- Upon receipt, the grievance will be acknowledged by the grievance owner within three working days.
- Complaints, depending on their nature and severity, can be directed to the appropriate department heads or branch heads.
- The company has established timelines for addressing grievances based on the complaint's nature and severity.
- All complaints will be resolved within a maximum of 21 days.

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

| Category | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (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 | 10 | 0 | All complaints were resolved within the year | 3 | 0 | Raised complaints were resolved within the year |
| Discrimination at workplace | 0 | 0 | | 0 | 0 | |
| Child labour | 0 | 0 | | 0 | 0 | |
| Forced labour / Involuntary labour | 0 | 0 | | 0 | 0 | |
| Wages | 0 | 0 | | 0 | 0 | |
| Other human rights related issues | 0 | 0 | | 0 | 0 | |

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

| | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|--|--|---|
| Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 10 | 3 |
| Complaints on POSH as a % of female employees / workers | 0.14% | 0.04% |
| Complaints on POSH upheld | 2 | 0 |

All complaints have been resolved.

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The company has a robust Vigil mechanism by way of Whistle-blower policy <https://www.muthootfinance.com/vigil-mechanism>

- i. MFL shall promote a workplace which is devoid of harassment, discrimination, threats, mistreatment, intimidation, and victimization. Employees found violating this policy may be subjected to disciplinary procedures.
- ii. The Company will ensure fair treatment of all employees, giving due respect to their personal rights, privacy and dignity.
- iii. The career progression and employment opportunities provided shall be fair and equal.
- iv. Irrespective of the level, title, religion, race, belief, age, caste, color, nationality and ethnic origin, marital status, pregnancy, gender identity, sexual orientation, political affiliation and physical (dis)ability the communication between employees shall be kept respectful.
- v. MFL will ensure maintenance of an environment where employees are always encouraged to work together harmoniously and professionally; employees must not perceive that their background, lifestyle hinders their opportunities for growth and development.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

The company acknowledges its legal and ethical duty to uphold the human rights of all its stakeholders. MFL is dedicated to ensuring its Human Rights Policy complies with all relevant employment, labor, and human rights laws. This policy extends not only to every employee but also to its value chain partners, encompassing all operational offices and branches of Muthoot Finance Ltd. Consequently, MFL plans to incorporate clauses in its agreements and contracts with value chain partners to ensure adherence to all applicable human rights laws, including assessments on workplace discrimination, prevention of sexual harassment, child labor, forced labor, and minimum wage compliance.

10. Assessments for the year

| | % Of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|--|
| Child labor | NA |
| Forced/involuntary labor | NA |
| Sexual harassment | NA |
| Discrimination at workplace | NA |
| Wages | NA |
| Others- Please specify | NA |

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

NA

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

MFL continuously oversees human rights concerns and complaints, ensuring adherence to global human rights standards. This includes preventing sexual harassment, child labor, forced labor, and workplace discrimination. MFL has a whistleblower mechanism and an Internal Complaints Committee (ICC) to address complaints. All complaints raised during the reporting period were resolved by the end of the year.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

No

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?

A good number of MFL's existing branch offices are situated on the Ground Floor or first floor, making them easily accessible. Additionally, some branches within shopping complexes or malls have convenient access via ramps and elevators. Although these branches may not currently offer specific facilities for differently abled individuals, MFL is committed to ensure accessibility in branches and offices.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter | Unit | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|-------------------------|---|--|
| From renewable sources | | | |
| Total electricity consumption (A) | GJ | 234 | Data Not Available |
| Total fuel consumption (B) | GJ | Data Not Available | Data Not Available |
| Energy consumption through other sources (C) | GJ | Data Not Available | Data Not Available |
| Total energy consumption from renewable sources (A+B+C) | GJ | 234 | Data Not Available |
| From non-renewable sources | | | |
| Total electricity consumption (D) ⁴ | GJ | 1,03,318 | 2,94,819 |
| Total fuel consumption (E) | GJ | 13,446 | 11,297 |
| Energy consumption through other sources (F) | GJ | Data Not Available | Data Not Available |
| Total energy consumed from non- renewable sources (D+E+F) | GJ | 1,16,764 | 3,06,117 |
| Total energy consumed (A+B+C+D+E+F) | GJ | 1,16,999 | 3,06,117 |
| Energy intensity per rupee turnover (Total energy consumption / Revenue from operations) | GJ/INR | 0.00000926 | 0.0000029 |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) ⁵ (Total energy consumed / Revenue from operations adjusted for PPP) | GJ/INR adjusted for PPP | 0.0000207 | 0.0000652 |
| Energy intensity in terms of physical output | | Not Applicable | Not Applicable |
| Energy Intensity (optional)- the relevant metric may be selected | | Data Not Available | Data Not Available |

⁴There is significant difference between the data for the previous and current year as we have improved our data gathering systems for better accuracy.

⁵ PPP Conversion Rate Source: Report for Selected Countries and Subjects (imf.org)

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.

Yes. During the year, an independent limited assurance has been carried out by M/s Tibu & Niyas Chartered Accountants for FY 2023-24.

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.

No, none of our branches or offices are covered under PAT Scheme

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|--|--|---|
| Water withdrawal by source (in kiloliters) | | |
| (i) Surface water | Data Not Available | Data Not Available |
| (ii) Groundwater | Data Not Available | Data Not Available |
| (iii) Third party water (KL) | 152746 | 133,805 ⁶ |
| (iv) Seawater / desalinated water | Data Not Available | Data Not Available |
| (v) Others | Data Not Available | Data Not Available |
| Total volume of water withdrawal (In kiloliters) (i + ii + iii + iv + v) | 152746 | 133,805 |
| Total volume of water consumption (In kiloliters) | | |
| Water intensity per rupee of turnover (Water consumed / Revenue from operations) | 0.00000121 | 0.00000127 |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) ⁷ (Total water consumption / Revenue from operations adjusted for PPP) | 0.00000271 | 0.0000285 |
| Water intensity in terms of physical output | Data Not Available | Data Not Available |
| Water intensity (optional)- the relevant metric maybe selected by the entity- (KL/FTE) | Data Not Available | Data Not Available |

⁶* Standard proxies have been used for this calculation – 20 litres per day per employee has been considered for general purposes (use in toilets, handwash etc.) as per CGWA guidelines and 5 litres has been assumed for miscellaneous purpose. This was subsequently annualised considering 270 working days on an average. Estimation of water requirement for drinking and domestic use <https://cgwa-noc.gov.in/LandingPage/Guidelines/NBC2016WatRequirement.pdf>

⁷ PPP Conversion Rate Source: Report for Selected Countries and Subjects (imf.org)

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.

Yes. During the year, an independent limited assurance has been carried out by M/s Tibu & Niyas Chartered Accountants for FY2023-24

4. Provide the following details related to water discharged:

| Parameter | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|--|--|---|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) To Surface water | | |
| - No treatment | Data Not Available | Data Not Available |
| - With treatment – please specify level of treatment | Data Not Available | Data Not Available |
| (ii) To Groundwater | | |
| - No treatment | Data Not Available | Data Not Available |
| - With treatment – please specify level of treatment | Data Not Available | Data Not Available |
| (iii) To Seawater | | |
| - No treatment | Data Not Available | Data Not Available |
| - With treatment – please specify level of treatment | Data Not Available | Data Not Available |
| (iv) Sent to third parties | | |
| - No treatment | Data Not Available | Data Not Available |
| - With treatment – please specify level of treatment | Data Not Available | Data Not Available |
| (v) Others | | |
| - No treatment | Data Not Available | Data Not Available |
| - With treatment – please specify level of treatment | Data Not Available | Data Not Available |
| Total water discharged (in kiloliters) | Data Not Available | Data Not Available |

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.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No. Zero Liquid Discharge does not particularly apply to the NBFC sector owing to its limited water consumption.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter | Unit | FY24 (Current Financial Year) | FY23 (Previous Financial Year) |
|-------------------------------------|--------|-------------------------------|--------------------------------|
| NOx | Tonnes | Data Not Available | Data Not Available |
| SOx | Tonnes | Data Not Available | Data Not Available |
| Particulate matter (PM) | Tonnes | Data Not Available | Data Not Available |
| Persistent organic pollutants (POP) | - | Data Not Available | Data Not Available |
| Volatile organic compounds (VOC) | - | Data Not Available | Data Not Available |
| Hazardous air pollutants (HAP) | - | Data Not Available | Data Not Available |
| Others—please specify | - | Data Not Available | Data Not Available |

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.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:

| Parameter | Unit | FY24 (Current Financial Year) | FY23 (Previous Financial Year) |
|--|---|-------------------------------|--------------------------------|
| Total Scope 1 emissions⁸ (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | tCO ₂ e | 992 | 11,643 |
| CO ₂ | tCO ₂ | Data Not Available | Data Not Available |
| CH ₄ | tCO ₂ e | Data Not Available | Data Not Available |
| N ₂ O | tCO ₂ e | Data Not Available | Data Not Available |
| HCFCs | tCO ₂ e | Data Not Available | Data Not Available |
| HFCs | tCO ₂ e | Data Not Available | Data Not Available |
| Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, FCs, SF ₆ , NF ₃ , if available) | tCO ₂ e | 20,548 | 54,936 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) | tCO ₂ e/INR | 0.00000017 | 0.00000052 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | tCO ₂ e/INR adjusted for PPP | 0.00000038 | 0.0000012 |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output | | Data Not Available | Data Not Available |
| Total Scope 1 and Scope 2 emission intensity (optional)- the relevant matric may be selected by the entity | - | Data Not Available | Data Not Available |

⁸ There are difference between the data for the previous and current year as we have improved our data gathering systems for better accuracy.

Note: Indicate if any independent assessment, evaluation or assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. During the year, an independent limited assurance has been carried out by M/s. Tibu & Niyas Chartered Accountants for FY2023-24

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

The company has undertaken some initiatives to curb energy consumption leading to reduction in greenhouse gas emissions

- Using inverters instead of diesel-based power backup systems.
- MFL has three windmills (combined capacity of 3.75 MW) operating in Tamil Nadu for the last 16-17 years.
- Compact Fluorescent Lamps in multiple branches of MFL were replaced with energy efficient LED lamps
- Conventional tube light signboards replaced with LED glow signboards
- Other initiatives such as buying second-hand laptops, used furniture also helps reduce the GHG emissions associated with production of new products.

Resource Efficiency is one of the material ESG topics for MFL and we have undertaken the following targets for the same-

- By 2030, 100% renewable energy in office buildings owned by Muthoot
- By 2025, Integrate water-efficient technologies in all existing buildings (ex. Monitors)
- By 2030, Create an incentives program for employees switching to EVs, and double the number of existing charging stations that have been set up
- From 2024 onwards, continue to support lake restoration and afforestation initiatives
- Going forward MFL aims to initiate more such projects and implement closer monitoring for these.

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

| Parameter | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|--|---|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | Data Not Available | Data Not Available |
| E-waste (B) | Data Not Available | Data Not Available |
| Bio-medical waste (C) | Data Not Available | Data Not Available |
| Construction and demollition waste (D) | Data Not Available | Data Not Available |
| Battery waste (E) | Data Not Available | Data Not Available |
| Radioactive waste (F) | Data Not Available | Data Not Available |
| Other Hazardous waste. Please specify, if any. (G) | Data Not Available | Data Not Available |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector) | Data Not Available | Data Not Available |
| Total (A+B + C + D + E + F + G + H) | Data Not Available | Data Not Available |
| Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) | Data Not Available | Data Not Available |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) | Data Not Available | Data Not Available |
| Waste intensity in terms of physical output | Data Not Available | Data Not Available |
| Waste intensity (optional) – the relevant metric may be selected by the entity | Data Not Available | Data Not Available |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| (i) Recycled/Re-used | Data Not Available | Data Not Available |
| (iii) Other recovery operations | Data Not Available | Data Not Available |
| Total | Data Not Available | Data Not Available |

| Parameter | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|--|---|
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| (i) Incineration | Data Not Available | Data Not Available |
| (ii) Landfilling | Data Not Available | Data Not Available |
| (iii) Other disposal operations | Data Not Available | Data Not Available |
| Total | Data Not Available | Data Not Available |

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.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Muthoot Finance Ltd. being an NBFC engaged in the service sector, the waste management implications are very limited. It does not particularly apply to the NBFC sector owing to its limited waste generation. However the Company ensures minimum waste generation and is in the process of setting up a robust process for monitoring the same.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

| Sl. No. | Location of operations/ offices | Type of operations | Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If not, the reasons thereof and corrective action taken, if any. |
|---------|---------------------------------|--------------------|--|
| | | | N.A. |

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

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

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules there under (Y/N). If not, provide details of all such non-compliances, in the following format:

| Sl. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the noncompliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---------|---|--------------------------------------|---|---------------------------------|
| NA | NA | NA | NA | NA |

Leadership Indicators

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The importance of data security increases as the quantity of data produced and stored continues to grow at unprecedented rates. As a financial organization a security and compliance framework that covers a broad set of requirements are in place. In addition to the existing controls and to meet these requirements, we have successfully implemented adequate controlling measures to safeguard the data. Our data management strategies are aligned in such a way to ensure the data availability and proper data management.

We have successfully implemented onsite storage snapshots for critical data, which can automatically generate a set of pointers to information stored on disk, enabling faster data recovery. Similarly, we have adopted a high availability mechanism in all our critical infrastructure to ensure maximum uptime for end users.

DR Centre: To ensure geographic separation between the Data Center (DC) and Disaster Recovery (DR) site, we have hosted our DC in Bangalore and our DR site in InfoPark Cochin. Adequate measures have been implemented to ensure that the Recovery Point Objective (RPO) and Recovery Time Objective (RTO) are both set to 15 minutes. This ensures business continuity even in the event of data loss or damage during a disaster

DR Plan: In order to ensure the effectiveness of the documented plan, we have successfully conducted a DR Drill. During the drill process all the functional branches and central IT infra, were enabled as the BCP plan and completed live business transactions for a period of one hour.

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.

4

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.

| Sl. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/ National) |
|---------|---|--|
| 1 | Federation of Indian Chamber of Commerce & Industries | National |
| 2 | Association of Gold Loan Companies | National |
| 3 | Confederation Of Indian Industry | National |
| 4 | Kerala Non-Banking Finance Companies Association | State |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

| Name of authority | Brief of the case | Corrective action taken |
|-------------------|-------------------|-------------------------|
| N.A | | |

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.

No social impact assessments of projects were undertaken during the year.

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

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

None.

| Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|--|-------|----------|---|--------------------------|---|
| | | | N.A. | | |

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

Grievances of various stakeholders including community are addressed as per the Grievance Redressal Policy for Stakeholders available on the company website. MFL offers multiple channels for stakeholders to report grievances, including in-person, by letter or email, over the phone, and via toll-free contact numbers. Complaints against decisions of officials below the Branch Manager are addressed by the Branch Manager. Written complaints can be directed to various company offices or designated email addresses. Telephonic complaints can be registered via company landline or mobile numbers, including toll-free options.

Each grievance should include the complainant's contact details, relationship with MFL, previous complaint history, details of the issue, and any supporting documents. Grievances are acknowledged within three working days and resolved within 21 days. Unresolved issues at the branch level are escalated to higher authorities, and complaints can be directed to an Internal Ombudsman (IO) if rejected, with a decision provided within 30 days. The company's structured grievance redressal system ensures prompt and effective resolution.

Weblink : <https://cdn.muthootfinance.com/sites/default/files/pdf/Grievance-Redressal-Policy-for-Stakeholders.pdf>

4. Percentage of input material* (inputs to total inputs by value) sourced from suppliers:

| | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|--|--|---|
| Directly sourced from MSMEs/ small producers | 41 % | Data Not Available |
| Directly from within India | 100% | Data Not Available |

* it only covers Raw Materials

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

| Parameter | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|--------------|--|---|
| Rural | Data not available | Data not available |
| Semi-urban | Data not available | Data not available |
| Urban | Data not available | Data not available |
| Metropolitan | Data not available | Data not available |

(place to be categorized as per RBI Classification System – rural/ semi-urban / urban / metropolitan)

Leadership Indicators

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

| Sl. No. | State | Aspirational District | Amount spent (In INR) |
|---------|---------------|-----------------------|-----------------------|
| 1 | Tamil Nadu | Virudhunagar District | 50000 |
| 2 | Punjab | Moga | 78668 |
| 3 | Uttar Pradesh | Chandauli | 162910 |
| 4 | Odisha | Balangir | 640880 |
| 5 | Bihar | Gaya | 122500 |

2. Details of beneficiaries of CSR Projects:

| Sl. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|---------|---|---|--|
| 1 | Donation of Six Blood Donation Couches and Three visitor chairs to Civil Hospital Blood Bank, Moga, Punjab on 25 th July 2023. | 5000 | 100% |
| 2 | Donation of Muthoot Smart Classroom to the Gov-ernment Model Primary School at Madhiya Village, Chandauli District, Uttar Pradesh on 5 th Sep 2023. | 400 | 100% |
| 3 | Repaired & Renovated two Classrooms that were handed over to the Government UP School Nagaon Agalpur, Block District Bolangir, Odisha on 18 th Sep 2023. | 150 | 100% |
| 4 | A Toilet Block was constructed at Government Upper Primary School in Santika village, Bolangir, Od-isha on 18 th Sept 2023. | 200 | 100% |
| 5 | Donation of 250 Woolen Blink Blankets to the Needy, Poor, Old, Homeless and Widows in association with IIM Bodh Gaya, Bihar on 9 th Jan 2024. | 250 | 100% |
| 6 | Muthoot Vivahasammanam Project Muthoot Vivahasammanam aims at assisting widowed mothers to bear their daughter's marriage expenses. Under the project, the company will provide financial assistance of Rs.50,000/- each to deserving girls from identified communities. | 1 | 100% |

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

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

The Company has a dedicated email ID viz. mails@muthootgroup.com and helpline numbers (South 99469 01212), (Rest of India -78348 86464, 88006 75111, 011 46697744) to serve as contact points for raising grievances and complaints. A grievance once received will be acknowledged by the grievance owner, within three working days of the grievance being submitted. The mode of communication shall be in written format, over telephone, e-mail or verbal. Complaints received from Regulators will be resolved by Principal Nodal Officer at Head Office accordingly. The timelines as mandated by the respective regulator will be adhered to, as far as possible.

If a complaint is with respect to a particular branch, customer may contact the Branch Manager (BM) directly or by phone, e-mail, or any other means, to get their grievance redressed. BM shall strive to resolve the complaint within the next working day of receiving the grievance at the branch level itself.

If the grievance is not redressed within the next working day at the branch level itself, a complaint may be lodged to higher authorities. To ensure an effective complaint redressal mechanism, the company has put in place a complaint redressal system for all channel complaints.

To facilitate faster and complete resolution of complaints, a complaint letter /email should contain:

- Complainant's name, address, and contact details (e-mail id, phone / mobile numbers etc.)
- Relationship information of stakeholders with the organization.
- Details of previous complaint / request lodged, if any.
- Details and nature of the complaint.
- Name of the company and branch at which the complainant had encountered the cause of action leading to the complaint.
- Copies of supporting documents, wherever applicable.

2. Turnover of products and / services as a percentage of turnover from all products/services that carry information about:

| | As a percentage to total turnover |
|---|-----------------------------------|
| Environmental and social parameters relevant to the product | N.A. |
| Safe and responsible usage | N.A. |
| Recycling and/or safe disposal | N.A. |

3. Number of consumer complaints in respect of the following:

| | FY2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|---|---------------------------------------|-----------------------------------|----------------------------|---|-----------------------------------|--|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data Privacy | 0 | 0 | | 0 | 0 | |
| Advertising | 0 | 0 | | 0 | 0 | |
| Cyber security | 0 | 0 | | 0 | 0 | |
| Delivery of essential services | 0 | 0 | | 0 | 0 | |
| Restrictive Trade Practices | 0 | 0 | | | 0 | |
| Unfair Trade Practices | 0 | 0 | | | 0 | |
| Other- (Loans and advances, Staff Behaviour etc.) | 916 | 5 | Complaints stands resolved | 1033 | 1 | Complaints were received in the last month of the year. These were resolved successfully immediately after the close of FY 22-23 |

4. Details of instances of product recalls on accounts of safety issues

| | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | N.A | N.A |
| Forced recalls | N.A | N.A |

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, the data privacy policy can be accessed at <https://www.muthootfinance.com/privacy-policy>

The company collects information from users when they register on the site, submit queries, subscribe to newsletters, respond to surveys, or fill out forms. Users may be asked to provide their name, email address, mailing address, and phone number. The company employs various security measures to protect personal information during its collection, submission, and access. Personal information is not sold, traded, or transferred to outside parties, except trusted third parties who assist in website operations and agree to confidentiality. Information may be released to comply with legal requirements, enforce site policies, or protect rights, property, and safety.

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.

No corrective action was needed

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches NIL
- b. Percentage of data breaches involving personally identifiable information of customers NIL
- c. Impact, if any, of the data breaches NIL

Leadership Indicators

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

Website: (<https://online.muthootfinance.com/>), iMuthoot (Mobile App.) and Virtual Payments (option to repay loan through virtual account of loan)

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services

The Fair Practices Code of MFL has been designed to give all stakeholders, especially customers, a clear understanding of the company's practices in providing products and services. This code, based on the RBI's "Guidelines on Fair Practices Code for NBFCs" and periodically updated, helps customers make informed decisions about the company's offerings.

Inspirational campaigns like "Sunheri Soch" allowed MFL to reach a wider audience and attract new and potential customers to its flagship Gold Loan product, using both offline and online channels. Another successful campaign, "Haathi Pe Bharosa Karogey Toh Pakka Jeetogey," utilized a multi-media approach through television, print, outdoor, internet, and point of sale, significantly boosting gold loan conversions and digital visibility.

Digital initiatives such as the Gold Unlocker, AI-powered chat engine, iMuthoot, and Muthoot Online were enhanced to provide customers with a seamless and secure digital experience, ensuring assistance is always available.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The company engages with customers through various communication channels, ensuring they are informed about the latest services, disruptions, or changes. Depending on the disruption's criticality, communication methods may include digital or offline channels. Information is typically shared via websites, letters, emails, SMS, and MFL's various online apps.

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, the company maintains ongoing and transparent communication with its customers, regularly conducting customer satisfaction surveys to address identified issues. Product and service information is readily accessible on the website and at branches. Additionally, branding and marketing campaigns periodically help disseminate this information. Apps like iMuthoot and Muthoot Online further enhance transparency and awareness of products and services. Moving forward, the company plans to conduct annual customer satisfaction surveys to gather feedback on major products and services.

Independent Practitioners' Limited Assurance Report on the Sustainability disclosures in the Business Responsibility and Sustainability Report ("BRSR") of Muthoot Finance Limited (the 'Company') for the period from April 01, 2023 to March 31, 2024

To
The Board of Directors
Muthoot Finance Limited

We have performed a Limited Assurance engagement for Muthoot Finance Limited ("the Company") (Corporate Identity Number L65910KL1997PLC011300) vide our engagement letter dated 1st August 2024, in respect of the Identified Sustainability Information listed below in accordance with the criteria stated in paragraph 3 below. This Sustainability Information is included in the Company's Business Responsibility and Sustainability Report (the "BRSR") incorporated in the Company's Annual Report for the year ended March 31, 2024.

Identified Sustainability Information (ISI)

Our scope of Limited Assurance consists of the Identified Sustainability Information listed in the Annexure I to our report.

Our Limited Assurance engagement was with respect to the year ended March 31, 2024 information only unless otherwise stated and we have not performed any procedures with respect to earlier periods or any other elements included in the BRSR and, therefore, do not express any conclusion thereon.

Criteria

In accordance with the explanation given to us and to the best of our information and belief the company has used the criteria to prepare the Identified Sustainability Information as envisaged in the following below:

- Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (the "SEBI LODR") as amended;
- BRSR reporting guidelines (Annexure II) as per SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, and incorporated Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023;
- SEBI Circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023, and clarifications thereto issued by SEBI.

Management's Responsibility

The Company's management is responsible for selecting or establishing suitable criteria for preparing the Sustainability Information, taking into account applicable laws and regulations, if any, related to reporting on the Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal controls relevant to the preparation of the Reports and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between companies. Measurement of certain indicators, some of which are estimates, is subject to substantial inherent measurement uncertainty, including, water credit and carbon sequestration. Obtaining sufficient appropriate evidence to support our opinion does not reduce the uncertainty in the amounts and metrics.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") and the SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/ 2023/122 dated July 12, 2023, and its clarifications thereto and have the required competencies and experience to conduct this assurance engagement.

Our firm applies Standard on Quality Control (SQC) 1, Quality Control for firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our Responsibility

Our responsibility is to express a Limited Assurance conclusion on the Identified Sustainability Information listed in Annexure I based on the procedures we have performed and evidence we have obtained. We conducted our engagement in accordance with the Standard on Sustainability Assurance Engagements (SSAE) 3000, "Assurance Engagements on Sustainability Information", and Standard on Assurance Engagements (SAE) 3410 Assurance Engagements on Greenhouse Gas Statements (together the "Standards"), both issued by the Sustainability Reporting Standards Board (the "SRSB") of the ICAI.

These Standards requires that we plan and perform our engagement to obtain Limited Assurance about whether the Identified Sustainability Information are prepared, in all material respects, in accordance with the Criteria. A Limited Assurance engagement involves assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records.

As part of Limited Assurance engagement in accordance with the Standards, we exercised professional judgment and maintained professional skepticism throughout the engagement.

We performed the following procedures among others:

- Reviewed the Identified Sustainable Information (ISI) under Annexure I- BRSR Core, The format of BRSR Core issued by SEBI Circular dated 12th July 2023 is used as a basis of limited level of assurance.
- Evaluation of the design and implementation of key systems, processes and controls for collecting, managing and reporting the BRSR Core indicators.
- Assessment of operational control and reporting boundaries.
- Seek extensive evidence across all relevant areas, ensuring a detailed examination of BRSR Core indicators. Engaged directly with internal stakeholders to gather insights and corroborative evidence for each disclosed indicator.
- Interviews with selected senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.
- Conduct a comprehensive examination of key material aspects within the BRSR Core framework supporting adherence to the assurance based on applicable principles plus specified data and information.

Exclusions

Our assurance scope excludes the following and therefore we will not express a conclusion on the same:

- Operations of the Company other than those mentioned in the Scope para of the Engagement letter
- Aspects of the BRSR and the data / information (qualitative or quantitative) other than the ISI.
- Data and information outside the defined reporting period i.e., from April 01, 2023 to March 31, 2024.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Company.

Limited Assurance Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Sustainability Information listed in Annexure I and presented in the BRSR for the year ended March 31, 2024 are not prepared, in all material respects, in accordance with the Criteria as stated in paragraph 3 above.

Restriction on use

Our Limited Assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely, to assist the Company in reporting on Company's sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our Limited Assurance report should not be used for any other purpose or by any person other than the addressees of our report. We neither accept nor assume any duty of care or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For Tibu & Niyas

Chartered Accountants

Firm Registration Number : 0220215



Tibu John

Partner

Membership No: 244123

UDIN : 24244123BKABFS1332

Place: Cochin

Date : 03/09/2024

Annexure I – BRSR Core

Identified Sustainability Information subject to Limited Assurance

(Sebi Circular No: SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023)

| Sr. No. | BRSR Core Indicator | Description of Indicator |
|---------|---|---|
| 1 | Section – C - Principle 6 – Question 1 | Total energy consumption from renewable sources Total energy consumption from non renewable sources Total Energy Consumed Energy intensity per rupee turnover Energy intensity per rupee of turnover adjusted for Purchasing Power Parity |
| 2 | Section – C - Principle 6 – Question 3 | Water withdrawal by source – Surface Water, Ground Water, Third party water (KL), Seawater / desalinated water, Others. Water intensity per rupee of turnover Water intensity per rupee of turnover adjusted for Purchasing Power Parity |
| 3 | Section – C - Principle 6 – Question 4 | Water discharge by destination and level of treatment |
| 4 | Section – C - Principle 6 – Question 7 | Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity 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) Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, FCs, SF ₆ , NF ₃ , if available) Total Scope 1 and Scope 2 emission intensity per rupee of turnover Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) |
| 5 | Section – C - Principle 6 – Question 9 | Details related to waste management by the entity Total Waste generated : Plastic waste, E- Waste, Bio-medical waste, Construction and demolition waste, Battery waste, Radioactive waste, Waste intensity per rupee of turnover Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) Details related to waste recovered through recycling, re-using or other recovery operations Details related to waste disposed by nature of disposal method – Incineration, Landfilling, Others |
| 6 | Section C – Principle 5 – Question E7 | Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, including complaints reported, complaints as a % of female employees, and complaints upheld |
| 7 | Section C – Principle 1 – Question E9 | Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties |
| 8 | Section C – Principle 1 – Question E8 | Number of days of accounts payable |
| 9 | Section C – Principle 8 – Question E5 | Job creation in smaller towns |
| 10 | Section C – Principle 3– Question E1(c) | Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the Company |

| Sr. No. | BRSR Core Indicator | Description of Indicator |
|----------------|--|---|
| 11 | Section C – Principle 3 – Question 11 | - Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites) |
| 12 | Section C – Principle 5 – Question E3(b) | Gross wages paid to females as % of wages paid |
| 13 | Section C – Principle 8 – Question E4 | Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India |
| 14 | Section C – Principle 9 – Question 7 | - Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events |

Annexure 4

AOC - 2

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014:

1. Details of contracts or arrangements or transactions not at arm's length basis: **Nil**
2. Details of material contracts or arrangement or transactions at arm's length basis:

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangement/ transactions | Duration of the contracts / arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any: | Date(s) of approval by the Board, if any: | Amount paid as advances, if any: |
|---|--|--|---|---|----------------------------------|
| NIL | | | | | |

For and On Behalf of the Board of Directors

Sd/-

George Jacob Muthoot
Chairman & Whole Time Director

Sd/-

George Alexander Muthoot
Managing Director

Place: Kochi

Date: September 03, 2024

Annexure 5

Declaration regarding receipt of certificate of independence from all independent directors

I, Mr. George Alexander Muthoot, Managing Director of the Company do hereby confirm that the Company has received from all the independent directors namely Mr. Vadakkakara Antony George, Mr. Chamacheril Mohan Abraham, Mr. Ravindra Pisharody, Mr. Joseph Korah, Mr. Jose Mathew, Ms. Usha Sunny, and Mr. Abraham Chacko a certificate stating their independence as required under Section 149(6) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sd/-

George Alexander Muthoot

Managing Director

DIN: 00016787

Place: Kochi

Date: September 03, 2024

Annexure 6

Report on Corporate Governance

1. Company's Philosophy on Corporate Governance

Good corporate governance helps to build an environment of trust, transparency and accountability necessary for fostering long-term investment, financial stability and business integrity, thereby supporting stronger growth.

Effective fundamentals of Company which is 'unchanging values in changing time' is frequently lauded and followed practice in your Company and is the founding stone of your Company and key to effective governance and business with an unblemished track record.

The company's Philosophy of Corporate Governance is aimed at transparency in corporate decision-making, value creation, and keeping the interests of all stakeholders protected in the most inclusive way. The principal of inclusion has been the foundation of our business and governance practices.

Corporate Governance has always been an integral element of the Company to have a system of proper accountability, transparency, and responsiveness and for improving efficiency and growth as well as enhancing investor confidence. The company believes in sustainable corporate growth that emanates from the top management down through the organisation to the various stakeholders which is reflected in its sound financial system and enhanced market reputation.

Your Company had aligned and have its corporate governance practice in a manner to achieve the objectives of principles as envisaged in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

2. Board of Directors

A. Composition of Board

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors in compliance with the requirements of Regulation 17 of SEBI Listing Regulations, and Section 149 of the Companies Act, 2013 ("Act").

As of March 31, 2024, Company's Board consisted of 14 Directors of which 7 Directors are Executive Non-Independent Directors (50%) and 7 Directors are Independent Directors (50%). Your Company believes that the Independent Directors bring with them the rich experience, knowledge and practices followed in other companies resulting in imbibing the best practices followed in the industry.

The day-to-day management of affairs of your Company is managed by Managing Director and Whole-Time Directors who function under the overall supervision and guidance of the Board of Directors. The Board of Directors of your Company plays the primary role as the trustees to safeguard and enhance stakeholders' value through its effective decisions and supervision.

The names, categories, and other details of Directors as of March 31, 2024 are as follows:

| Name of Directors | Category | Date of Present Appointment | Number of Directorships in Other Public Companies | | Number of Committee positions held in other Public Companies | | Directorship in other listed entity | |
|---|---------------------------------------|-----------------------------|---|--------|--|--------|-------------------------------------|----------|
| | | | Chairman | Member | Chairman | Member | Name of Listed Entity | Category |
| George Jacob Muthoot Chairman & Whole Time Director (DIN: 00018235) | Executive, Non-Independent (Promoter) | 01 Apr 2020 | 0 | 3 | 0 | 1 | Nil | NA |
| George Alexander Muthoot Managing Director (DIN: 00016787) | Executive, Non-Independent (Promoter) | 01 Apr 2020 | 0 | 4 | 0 | 0 | Nil | NA |
| George Thomas Muthoot Whole Time Director (DIN: 00018281) | Executive, Non-Independent (Promoter) | 01 Apr 2020 | 0 | 3 | 0 | 0 | Nil | NA |

| Name of Directors | Category | Date of Present Appointment | Number of Directorships in Other Public Companies | | Number of Committee positions held in other Public Companies | | Directorship in other listed entity | |
|--|--|-----------------------------|---|--------|--|--------|---|--|
| | | | Chairman | Member | Chairman | Member | Name of Listed Entity | Category |
| Alexander George Whole Time Director (DIN: 00938073) | Executive, Non-Independent (Promoter Group) | 30 Sep 2020 | 0 | 1 | 0 | 0 | Nil | NA |
| George Muthoot Whole Time Director (DIN: 00018329) | Executive, Non-Independent (Promoter Group) | 15 Dec 2021 | 0 | 2 | 0 | 0 | Nil | NA |
| George Alexander Whole Time Director (DIN: 00018384) | Executive, Non-Independent (Promoter Group) | 15 Dec 2021 | 0 | 3 | 0 | 1 | Nil | NA |
| George Muthoot Jacob Whole Time Director (DIN: 00018955) | Executive, Non-Independent (Promoter Group) | 15 Dec 2021 | 0 | 7 | 0 | 4 | V Guard Industries Limited | Independent Director |
| Jose Mathew (DIN: 00023232) | Non-Executive, Independent | 30 Sep 2020 | 0 | 0 | 0 | 0 | Nil | NA |
| Joseph Korah (DIN: 09128318) | Non-Executive, Independent | 29 Sep 2023 | 0 | 0 | 0 | 0 | Nil | NA |
| Ravindra Pisharody (DIN: 01875848) | Non-Executive, Independent | 31 Aug 2022 | 0 | 3 | 0 | 2 | Savita Oil Technologies Limited Happy Forgings Limited | Independent, Non-Executive |
| V A George (DIN: 01493737) | Non-Executive, Independent | 31 Aug 2022 | 0 | 2 | 0 | 1 | Thejo Engineering Limited | Independent, Non-Executive Executive Chairman |
| C A Mohan (DIN: 00628107) | Non-Executive, Independent | 31 Aug 2022 | 0 | 1 | 1 | 0 | Nil | NA |
| Usha Sunny (DIN: 07215012) | Non-Executive, Independent | 30 Nov 2023 | 0 | 0 | 0 | 0 | Nil | NA |
| Abraham Chacko (DIN: 06676990) | Non-Executive, Independent | 18 Sep 2021 | 0 | 3 | 2 | 1 | Nil | NA |

Other directorships mentioned above do not include alternate directorships, directorships of private limited companies, Section 8 companies under the Act and of Companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit Committee and Stakeholders Relationship Committees. For determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

All Independent Directors meet the criteria of independence as specified in SEBI Listing Regulations and the Act and have furnished individual declarations to the Board that they qualify the conditions of being an Independent Director in

compliance of requirements under SEBI Listing Regulations and the Act. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of

Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. The Independent Directors have confirmed that they have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

None of the Independent Directors are related to any other Directors on the Board of Directors in terms of the definition of "relative" given under the Act. Necessary disclosures regarding committee positions in other public companies as at March 31, 2024 have been made by the Directors.

None of the Directors on the Board:

- holds directorships in more than 10 public companies;
- serves as Director or as Independent Director in more than 7 listed entities; and
- who are the Executive Directors serves as Independent Director in more than 3 listed entities.

Whole Time Directors and Managing Director on the Board are related to each other.

Except Mr. C A Mohan, Independent Director (who holds 100 shares) no other Independent Director holds any shares of the Company as at March 31, 2024.

Details of change in composition of the Board during the current and previous financial year

| Sl No. | Name of Director | Capacity | Nature of change | Effective date |
|--------|----------------------|----------------------|------------------|--------------------|
| 1 | Jacob Benjamin Koshy | Independent Director | Retirement | September 29, 2023 |
| 2 | Joseph Korah | Independent Director | Appointment | September 29, 2023 |
| 3 | Usha Sunny | Independent Director | Re-Appointment | November 30, 2023 |

Meetings, Attendance of each of Directors and other Details

During the Financial Year 2023-24, your Board of Directors met 5 times on 06-04-2023, 19-05-2023, 11-08-2023, 09-11-2023, 14-02-2024. Your Board has met at least once in a calendar quarter and the maximum gap between these Board Meetings did not exceed one hundred and twenty days. The requisite quorum was present for all the meetings. The composition and attendance of the Members in the Board meetings held during the FY 2023-24 and the Annual General Meeting (AGM) held on the 29th of September 2023 are as follows:

| Name of Directors | AGM 29 September 2023 | Board Meeting Dates | | | | | Held during the FY | Attended during the FY |
|------------------------------------|-----------------------------|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------------|---------------------------|
| | | 1 06-04-2023 | 2 19-05-2023 | 3 11-08-2023 | 4 09-11-2023 | 5 14-02-2024 | | |
| George Jacob Muthoot | P | P | P | P | P | P | 5 | 5 |
| George Alexander Muthoot | P | P | P | P | P | P | 5 | 5 |
| George Thomas Muthoot | A | P | P | P | P | P | 5 | 5 |
| Alexander George | P | P | P | P | P | P | 5 | 5 |
| George Muthoot George | P | P | P | P | P | P | 5 | 5 |
| George Alexander George Muthoot | P | A | P | P | P | P | 5 | 4 |
| Jacob | | | | | | | | |
| Jose Mathew | P | P | P | P | P | P | 5 | 5 |
| Jacob Benjamin Koshy* | P | P | P | P | - | - | 5 | 3 |
| Ravindra Pisharody | P | P | P | P | P | P | 5 | 5 |
| V A George | P | P | P | P | P | P | 5 | 5 |
| Usha Sunny | P | P | P | P | P | P | 5 | 5 |
| Abraham Chacko | P | P | P | P | P | P | 5 | 5 |
| C A Mohan | P | P | P | P | P | P | 5 | 5 |
| Joseph Korah** | NA | NA | NA | NA | P | P | 5 | 2 |

P = Present; A = Absent, NA = Not Applicable

*Mr. Jacob Benjamin Koshy retired from the position of Independent Director with effect from September 29, 2023.

**Mr. Joseph Korah was appointed as an Independent Director on the Board of Muthoot Finance Limited with effect September 29, 2023.

During FY 2023-24, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, was placed before the Board for its consideration.

B. Meeting of Independent Directors

In compliance with requirement under Schedule IV of the Act and SEBI Listing Regulations, a separate meeting of the Independent Directors was held on 14 February 2024. The meeting was attended by all Independent Directors. Independent Directors, at the meeting, reviewed and discussed various matters as required under the Act and SEBI Listing Regulations.

C. Performance Evaluation of Board, Committees and Directors

The Board of Directors carried out annual evaluation of its own performance, its Committees and individual Directors based on the criteria and framework adopted by the Board and in accordance with the existing regulations.

The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board:

| | |
|---|--|
| Knowledge of Financial Service Industry | Understanding of the functioning of NBFC's across the length and breadth of the country and its regulatory jurisdictions. |
| Strategy and Planning | Appreciation of long-term trends, strategic choices, and experience in guiding and leading management teams to make decisions in uncertain environments. |
| Governance, Ethics and Regulatory Oversight | Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long term effective stakeholder engagements, and driving corporate ethics and values. |
| Audit, Risk Management, Internal Control | Experience in both internal and external audit of Companies / body corporates in financial services industry. |

Pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h) of SEBI Listing Regulations, the Board of Directors has identified the following requisite skills/expertise and competencies of the Board of Directors for the effective functioning of the Company. The profiles of Directors are available on the website of the Company at <https://www.muthootfinance.com/our-directors>

| Name of Directors | Skills / Expertise / Core Competencies | | | |
|--|---|-----------------------|---|--|
| | Knowledge of Financial Service Industry | Strategy and Planning | Governance, Ethics and Regulatory Oversight | Audit, Risk Management, Internal Control |
| George Jacob Muthoot Chairman & Whole Time Director | ✓ | ✓ | ✓ | |
| George Alexander Muthoot Managing Director | ✓ | ✓ | ✓ | ✓ |
| George Thomas Muthoot Whole Time Director | ✓ | ✓ | ✓ | |
| Alexander George Whole Time Director | ✓ | ✓ | ✓ | |
| George Muthoot George Whole Time Director | ✓ | ✓ | ✓ | |
| George Alexander Whole Time Director | ✓ | ✓ | ✓ | |
| George Muthoot Jacob Whole Time Director | ✓ | ✓ | ✓ | |
| Jose Mathew | ✓ | ✓ | ✓ | ✓ |
| Joseph Korah* | ✓ | ✓ | ✓ | ✓ |
| Ravindra Pisharody | ✓ | ✓ | ✓ | ✓ |
| V A George | ✓ | ✓ | ✓ | ✓ |
| C A Mohan | ✓ | ✓ | ✓ | ✓ |
| Usha Sunny | ✓ | ✓ | ✓ | ✓ |
| Abraham Chacko | ✓ | ✓ | ✓ | ✓ |

*Mr. Joseph Korah, an experienced IT professional with a demonstrated history of working in the information technology and services industry and is a consulting professional skilled in Global Delivery, IT Strategy, Management, Pre-sales, and Business Intelligence.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. Being a company in the financial services industry, the Company's business runs across different geographical markets across the country. The Directors so appointed are drawn from diverse backgrounds and possess special skills/knowledge about the financial services industry.

The evaluation of performance of each Independent Director was carried out by all the directors except the Independent Director evaluated. The review of the performance of non-independent directors, the Board as a whole, the Chairperson of the Company, quantity and timeliness of flow of information was carried out by independent directors of the Company. Criteria for evaluation includes qualification, experience, age, participation, attendance, knowledge, quality of discussion, beneficial contribution etc. Annual Performance Incentive and Commission payable to Directors were decided on the basis of performance review by the Board of Directors of your Company without the presence of the Director being reviewed.

The Committees were reviewed by the Board of Directors and whenever necessary the required changes are made in Committees by way of re-constitution to make them more effective by change in constitution and composition.

Brief profile of each of the directors on the Board are given below:

| SI No. | Name of the Director & Designation | Profile |
|---------------|--|--|
| 1. | George Jacob Muthoot Chairman & Whole Time Director | George Jacob Muthoot has a degree in civil engineering from Manipal University and is a businessman by profession. He has over three decades of experience in managing businesses operations in the field of financial services. |
| 2. | George Alexander Muthoot Managing Director | George Alexander Muthoot is a chartered accountant who qualified with first rank in Kerala and was ranked 20 th overall in India, in 1978. He has a bachelor's degree in commerce from Kerala University where he was a gold medallist. He was also awarded the Times of India group Business Excellence Award in customised Financial Services in March 2009. He has over three decades of experience in managing businesses in the field of financial services. |
| 3. | George Thomas Muthoot Whole Time Director | George Thomas Muthoot is a businessman by profession. He is an undergraduate. He has over three decades of experience in managing businesses operating in the field of financial services. He has received the 'Sustainable Leadership Award 2014' by the CSR congress in the individual category. |
| 4. | Alexander George Whole Time Director | Alexander George is an MBA graduate from Thunderbird, The Garvin School of International Management, Glendale, Arizona, USA. He has been heading the marketing, operations, and international expansion of the Company. Under his dynamic leadership and keen vision, the Company has enhanced its brand visibility through innovative marketing strategies and has also implemented various IT initiatives that have benefitted both the customers and employees. Currently manages the entire business operations of North, East and West India of Muthoot Finance |
| 5. | George Muthoot George Whole Time Director | George Muthoot George completed his Bachelor's Degree in Hospitality Management from Welcome group Graduate school of Hotel Administration in Manipal and Mr. George Muthoot George pursued his Master's degree at the prestigious Essec-Cornell University in Paris, France. George Muthoot George is also the recipient of the Distinguished Alumni award from Manipal University (2015) and the ITC Chairman's award for his contribution to the field of hospitality |
| 6. | George Alexander Whole Time Director | George Alexander has done his Master's in Business Administration from University of North Carolina's Kenan & Flagler Business School and holds a Bachelor's degree in Mechanical Engineering from University of Kerala - TKM College of Engineering. He has over 15 years of experience in the field of financial services. He also serves on the board of three other subsidiary companies - Asia Asset Finance PLC, Muthoot Insurance Brokers Private Limited and Belstar Microfinance Limited. Prior to joining his family business, George Alexander had worked for Kotak Mahindra Bank in India. |

| Sl No. | Name of the Director & Designation | Profile |
|--------|---|--|
| 7. | George Muthoot Jacob Whole Time Director | George Muthoot Jacob completed his Bachelor's degree in Law, BA.LLB (Hons), from the National University of Advanced Legal Studies, Kochi. Further, he did his LLM in International Economic Law from the University of Warwick, UK and his Masters in Management from CASS Business School, London. Mr. George Muthoot Jacob also serves as an Independent Director on the Board of V Guard Industries Limited, one of the listed Companies from Kerala. |
| 8. | Jose Mathew Independent Director | <p>Jose Mathew is a qualified chartered accountant. He was employed with Kerala State Drugs & Pharmaceutical Limited, a Government of Kerala undertaking from 1978 in various positions and demitted office as managing director in 1996 – 97. He also served as the secretary and general manager finance of Kerala State Industrial Enterprises (KSIE). He was the member of the first Responsible Tourism Committee constituted by Department of Tourism, Government of Kerala.</p> <p>He was also the Secretary and Treasurer of Kerala Travel Mart Society, a private-public Government organisation under the Kerala Tourism Department. He has been honoured with various awards and recognitions in tourism, including awards from Kerala Travel Mart. He was also honoured with the CNBC 'Awaaz' Award, for sustainability in Responsible Tourism in the year 2013.</p> |
| 9. | Joseph Korah Independent Director | Mr. Joseph Korah is an experienced IT professional with a demonstrated history of working in the information technology and services industry has consented for the appointment as Independent Director on the Board of Directors of the Company. Mr. Joseph Korah is a consulting professional skilled in Global Delivery, IT Strategy, Management, Pre-sales, and Business Intelligence. |
| 10. | Ravindra Pisharody Independent Director | <p>Ravindra Pisharody is a corporate business leader and management professional with over 35 years of experience across diverse industries. He super-annuated, in September 2017, as Whole- Time Director on the Board of Tata Motors Limited, where he was heading the Commercial Vehicles Business Unit. During his career, he has held national/ regional/ global leadership roles in Sales, Marketing, Business Management and Strategy Development. He also undertakes Coaching and Mentoring assignments.</p> <p>At Tata Motors, he was leading the large Commercial Vehicles Business with around ₹ 40,000 crores revenue; the business footprint included a sizeable overseas presence across over 25 countries. He chaired Joint Ventures including Tata-Cummins and Tata–Marcopolo, as well as overseas companies such as Tata Daewoo (Korea) and Tata Motors South Africa, and served on the boards of Indian subsidiaries like Tata Motors Finance Limited.</p> <p>His previous corporate roles include an 18-year stint with Philips India, where his last role was Vice-President, Consumer Electronics; and 8 years in BP/ Castrol, where he was a member of the Board of Directors of Castrol India Limited, and simultaneously Regional Director for Africa, Middle East and India, and subsequently based in Singapore as Head, Global Marketing for the Motorcycles and Scooters category.</p> <p>He is exposed to the business environment in most parts of the world, particularly in emerging markets as a result of overseeing the substantial growth in Tata Motor's international business and also his global role with BP Singapore. He has considerable expertise in retail and distribution models in the automotive, auto accessories and consumer durables industries.</p> <p>His expertise is in sales and marketing, as well as Business Strategy. He has also been active in industry bodies- he has been a member of the Advertising Standards Council of India (ASCI), a council member and subsequently Chairman of the Audit Bureau of Circulation (ABC), and Vice President of the Society of Indian Automobiles Manufacturers (SIAM) in 2016-17.</p> <p>Since 2018, he has been serving as an Independent Director on the Boards of various listed and unlisted companies. He is also a certified Executive Coach, and undertakes coaching assignments of senior managers , across a wide spectrum of companies and industries.</p> |
| 11. | V A George Independent Director | Mr. V.A. George, Executive Chairman, Thejo Engineering Limited, Chennai is a Mechanical Engineer with a Post Graduate Diploma in Management. He holds a Board Director Diploma with Distinction from the International Institute of Management Development, Switzerland, a Corporate Director Certificate from Harvard Business School, USA, an Advanced Certificate in Corporate Governance, and a Certificate in Global Management from INSEAD, Paris. |

| SI No. | Name of the Director & Designation | Profile |
|--------|--|---|
| | | He is a fellow of All India Management Association and Institute of Directors. He has more than four decades of experience in the corporate world (both in public and private sector) of which, more than 25 years has been in senior management positions. |
| | | He is a director on multiple Boards. He has served Equipment Leasing Association of India as its Chairman and had been an Adjunct/Visiting Faculty in several Management Institutes, including XLRI, Jamshedpur, Loyola Institute of Business Administration, Chennai, and International Institute of Management Development (IMD), Lausanne, Switzerland. In November 2023, Mr George was elected as one among five of the Board. Community founding Directors by IMD, Global Board Centre, Lausanne, Switzerland. |
| 12. | Usha Sunny Independent Director | Mrs. Usha Sunny is an experienced banking professional with more than 3 decades of experience. Mrs. Usha Sunny has worked with Mashreq Bank PSC, Dubai, Standard Chartered Bank, Dubai, Indian Overseas Bank and Kerala State Drugs and Pharmaceuticals Limited in diversified roles. Mrs. Usha Sunny is a member of the Institute of Cost Accountants of India, New Delhi and holds a master's degree in Commerce from University of Kerala. Mrs. Usha Sunny is the Promoter and Director of Securaplus Safety Private Limited, a company engaged in the Import of Personal Protective Equipments. |
| 13. | Abraham Chacko Independent Director | Mr. Abraham Chacko is an experienced banking professional with an experience of over 40 years in India and abroad. During his early career, he served HSBC India for a period 14 years and has held varied roles in Operations and Corporate banking. He was also the Country Manager in ABN AMRO Bank N.V and worked in UAE and Sri Lanka in country management before his elevation as the Executive Director at the Bank with a regional product sales role covering Asia Pacific, Middle East and Africa. He was also employed as the Executive Director at The Royal Bank of Scotland for a span of 2 years and he retired as Executive Director and the President - Treasury from The Federal Bank Limited, India, after serving for a period 4 years. Post retirement from a full-time career, he is currently the independent director of few companies. |
| 14. | Chamacheril Abraham Mohan | Mr. C A Mohan is a senior finance professional and Chartered Accountant, having passed Intermediate and Final Examinations securing 11 th Rank (1974) and 13 th Rank (1976) respectively. He was the Vice Chairman and Managing director of J Thomas & Co. Pvt. Ltd, the largest and oldest tea auctioneers in the world. He retired from the Company on 31 st March 2015 after putting in 38 years of service and was Consultant for the Company till 31 st March 2016. He was a trustee of VAANI, Deaf Children's Foundation which is a registered Trust and works towards bringing language and communication into the lives of deaf children and their families across India. He was on the Board of Directors of J Thomas Finance Ltd., Tea Consultancy and Plantation Services (India) Ltd., and Tea Quotas Private Ltd. He was also member of Committee of Tea Trade Association and Chamber of Commerce. He is presently a Partner in Chartered Accountancy Firm, M/s. K J Anto & Co, Cochin. |

Pursuant to Clause C(2)(i) of Schedule V read with Regulation 34(3) of SEBI Listing Regulations, in the opinion of the Board, all the independent directors fulfil the conditions as specified in the SEBI Listing Regulations and are independent of the management. Certificate from Company secretary in practice certifying that none of the Directors on the Board have been debarred or disqualified from being appointed or continuing as Director of the Company by SEBI/Ministry of Corporate Affairs or any other statutory authority is annexed as Annexure-D to this report.

D. Familiarisation Programme

The Company has adopted a structured orientation of Independent Directors at the time of their joining so as to familiarise them with the Company- its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. The Company

updates the members of Board of Directors on a continuing basis on any significant changes therein and provides them an insight to their expected roles and responsibilities so as to be in a position to take well-informed and timely decisions and contribute significantly to the Company.

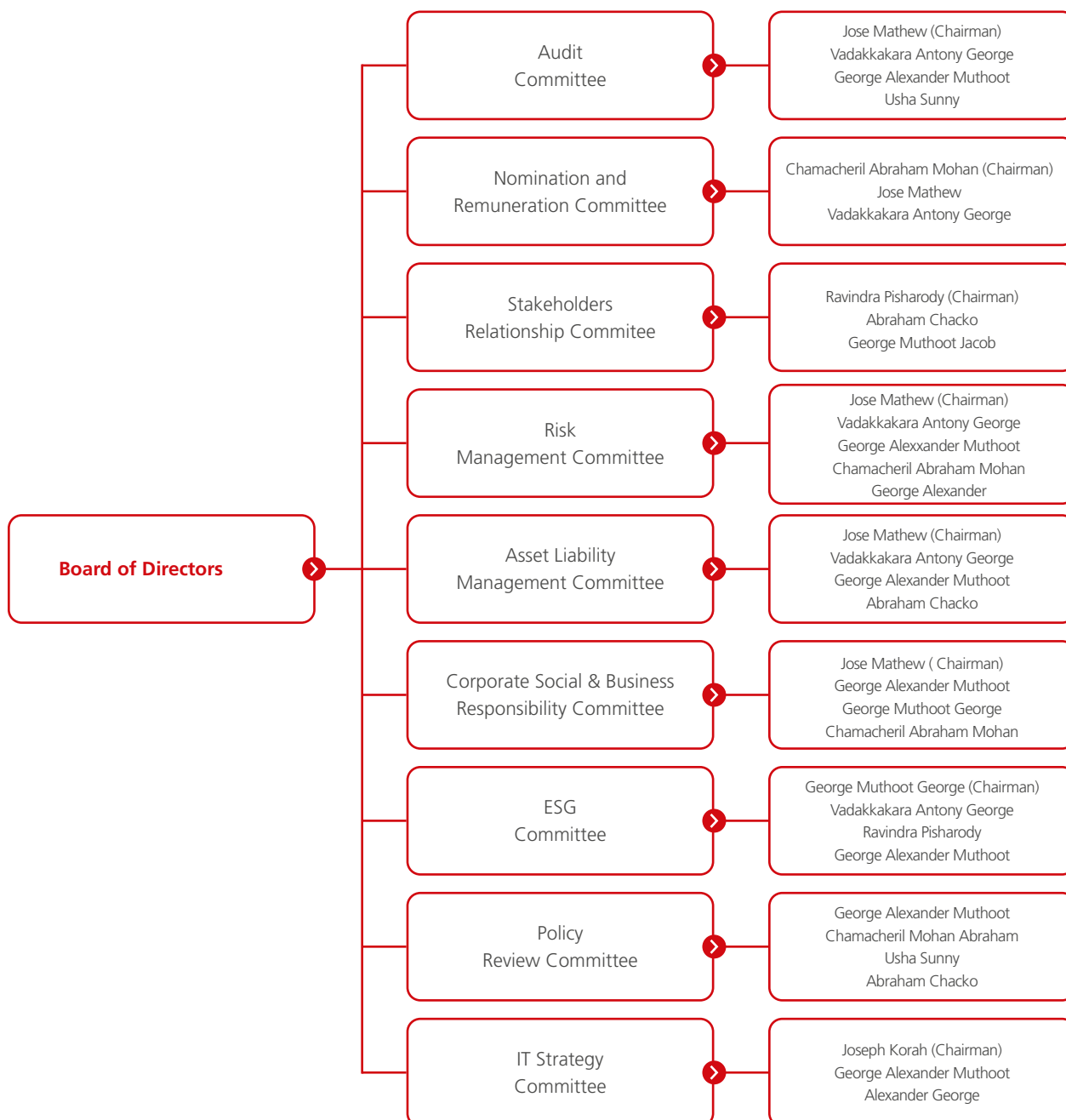
The Company through its Managing Director/Senior Managerial Personnel makes presentations regularly to the Board regarding, the business strategies, operations review, quarterly and annual results, review of Internal Audit Report and Action Taken Report, statutory compliances, risk management, operations of its Subsidiaries etc. This enables the Directors to get a deeper insight into the operations of the Company and its subsidiaries. Functional Heads of various departments are required to give presentation in Board Meeting to familiarise the Board with their activities and allied matters. Company held a separate training and

familiarisation programme for Independent Directors during the financial year which was conducted by experts to gain familiarisation with change in regulations especially in SEBI Listing Regulations and the Act and on allied matters including duties of Independent Directors and performance evaluation. The details of familiarisation program are available on the website of the company at <https://cdn.muthootfinance.com/sites/default/files/files/2024-05/id-familiarisation-programme-fy24.pdf>

Committees and its terms of reference

The Board has constituted various sub-committees with specific terms of reference and scope in compliance with the provisions of the Act, SEBI Listing Regulations and RBI Directions. The composition of the Board Committees is available on the Company's website https://www.muthootfinance.com/investors/board_committees and are also stated herein.

Details of various committees of the Board, as required to be constituted under various acts and regulations, as at March 31, 2024 are as under:



Audit Committee

The Audit Committee of the Board is constituted under Section 177 of the Act read with Rule 6 & 7 of Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 18 of the SEBI Listing Regulations and Reserve Bank of India directions/guidelines.

Composition and Attendance

As on March 31, 2024, the Audit Committee of the Board consisted of four Members out of which three are Non - Executive Independent Directors. All the Members of the Committee are financially literate and have accounting and financial management expertise. The Company Secretary of the Company acts as the Secretary to the Committee.

The composition and attendance of the Members at the Audit Committee meetings held during the FY 2023-24 are as follows:

| Name of Directors | Designation in the Committee | Nature of Directorship | Date of Appointment in the Committee | Audit Committee Meeting Dates | | | | | | Held during the FY | Attended during the FY |
|--------------------------|------------------------------|------------------------|--------------------------------------|-------------------------------|------------|------------|------------|------------|------------|--------------------|------------------------|
| | | | | 1 | 2 | 3 | 4 | 5 | 6 | | |
| | | | | 06.04.2023 | 18.05.2023 | 10.08.2023 | 08.11.2023 | 13.02.2024 | 29.02.2024 | | |
| Jose Mathew | Chairman | Independent Director | 08.11.2017 | P | P | P | P | P | P | 6 | 6 |
| V A George | Member | Independent Director | 13.11.2019 | P | P | P | P | P | P | 6 | 6 |
| George Alexander Muthoot | Member | Managing Director | 23.07.2010 | P | P | P | P | P | P | 6 | 6 |
| Usha Sunny | Member | Independent Director | 09.02.2021 | P | P | P | P | P | P | 6 | 6 |

P = Present; A = Absent, NA = Not Applicable

Brief Terms of reference of the Audit Committee:

- Oversight of 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, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees or any payment to statutory auditors for any other services;
- Reviewing, with the management, the annual financial statements and Auditors Report thereon before submission to the board for approval;
- Discussion with internal auditors on any significant findings and follow up there on;
- To review the functioning of the Whistle Blower mechanism;

- Approval or any subsequent modification of transactions of the Company with related parties;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is set up by the Board in compliance with the Section 178 (1) of the Act and Regulation 19 of the SEBI Listing Regulations. The Committee is entrusted with combined advisory responsibilities concerning the nomination for appointment or removal of Directors and Key Managerial Personnel and recommendation of remuneration policy. The Company Secretary of the Company acts as the Secretary to the Committee.

Composition and attendance

As at March 31, 2024, the Nomination and Remuneration Committee comprise of three Non - Executive Independent Directors.

The composition and attendance of the Members at the meetings of the Nomination and Remuneration Committee held during the FY 2023-24 are as follows:

| Name of Directors | Designation in the Committee | Nature of Directorship | Date of Appointment in the Committee | Nomination and Remuneration Committee Meeting Dates | | Held during the FY | Attended during the FY |
|-----------------------|------------------------------|------------------------|--------------------------------------|---|------------|--------------------|------------------------|
| | | | | 1 | 2 | | |
| | | | | 18.05.2023 | 01.08.2023 | | |
| Jacob Benjamin Koshy* | Chairman | Independent Director | 05.04.2019 | P | P | 2 | 2 |
| C A Mohan** | Chairman | Independent Director | 03.10.2023 | NA | NA | NA | NA |
| Jose Mathew | Member | Independent Director | 08.11.2017 | P | P | 2 | 2 |
| V A George | Member | Independent Director | 09.10.2020 | P | P | 2 | 2 |

P = Present; A = Absent, NA = Not Applicable

* Justice (Retd) Jacob Benjamin Koshy retired from the position of the Chairman/Member of the Committee with effect from September 29, 2023

** C A Mohan was elected as the Member and Chairman of the Committee with effect from October 03, 2023

Brief Terms of reference of the Nomination and Remuneration Committee:

- Identifying persons who are qualified to become Directors and who may be appointed as KMP's in accordance with Criteria as laid down and recommend to Board their appointment and removal;
- Review and carry out every Director's performance, the structure, size and composition including skills, knowledge and experience required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- Plan for the succession planning for directors in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
- Determine and agree with the Board the framework for broad policies for criteria for determining qualifications, positive attitudes and independence of a director and recommend to the Board policies, relating to remuneration for the Directors, Key Managerial Personnel and other employees;
- Review the on-going appropriateness and relevance of the remuneration policy;
- Formulate ESOP plans and decide on grant of stock options;

Senior Management:

As at March 31, 2024, the Senior Management of the Company comprise of the following officials:

| Name | Designation |
|-----------------|---|
| Eapen Alexander | Executive Director (IT & Digital Initiatives) |
| K. R . Bijimon | Executive Director & Chief Operating Officer |
| Oommen K Mammen | Chief Financial Officer |
| Rajesh A | Company Secretary |

There was no change in Senior Management during the financial year 2023-24.

Managerial Remuneration:

Board of Directors of your Company aligns the remuneration of Directors with the long-term interest of the Company and its stakeholders. The non-executive Independent Directors were paid sitting fees of ₹ 75,000/- for each of the Board meeting attended and ₹ 30,000/- for Committee Meetings attended. There are no other pecuniary relationships or transactions by Non-Executive Directors with the Company.

The Managing Director and Executive Directors of the Company were paid remuneration as per terms of their appointment. No other remuneration was paid to the Directors. The criteria for payment of remuneration to non- executive directors are in accordance with Nomination and Remuneration Policy of the Company. Company have not given any options under ESOP Plan to any members of Board of Directors.

Nomination and Remuneration Policy of the Company is available at website of the Company at <https://www.muthootfinance.com/sites/default/files/2020-08/1452753862Nomination%20and%20Remuneration%20Policy.pdf> Details of remuneration paid to Directors including sitting fees paid during the FY 2023-24 are given below:

| Sl. No. | Name of Directors | Category | Rupees in Millions | | | | No. of equity shares held as on March 31, 2024 |
|---------|--------------------------|--------------------------------|--------------------|---------------------------------|-----------------|--------|--|
| | | | Sitting fees | Salary Allowances & Perquisites | Commission Paid | Total | |
| 1 | George Jacob Muthoot | Chairman & Whole Time Director | - | 245.46 | - | 245.46 | 4,36,30,900 |
| 2 | George Alexander Muthoot | Managing Director | - | 245.46 | - | 245.46 | 2,36,30,900 |
| 3 | George Thomas Muthoot | Whole Time Director | - | 245.46 | - | 245.46 | 4,36,30,900 |
| 4 | Alexander George | Whole Time Director | - | 245.46 | - | 245.46 | 2,22,89,710 |
| 5 | George Muthoot George | Whole Time Director | - | 23.85 | - | 23.85 | 2,22,89,710 |
| 6 | George Alexander | Whole Time Director | - | 23.85 | - | 23.85 | 1,75,25,000 |
| 7 | George Muthoot Jacob | Whole Time Director | - | 23.85 | - | 23.85 | 1,50,50,000 |
| 8 | Jose Mathew | Independent Director | 1.04 | - | 1.50 | 2.54 | - |
| 9 | Jacob Benjamin Koshy* | Independent Director | 0.36 | - | 0.74 | 1.10 | - |
| 10 | Ravindra Pisharody | Independent Director | 0.58 | - | 1.50 | 2.08 | - |
| 11 | V A George | Independent Director | 0.87 | - | 1.50 | 2.37 | - |
| 12 | Usha Sunny | Independent Director | 0.71 | - | 1.50 | 2.21 | - |
| 13 | Abraham Chacko | Independent Director | 0.77 | - | 1.50 | 2.27 | - |
| 14 | C A Mohan | Independent Director | 0.77 | - | 1.50 | 2.27 | 100 |
| 15 | Joseph Korah** | Independent Director | 0.22 | - | 0.75 | 0.97 | - |

* Justice (Retd) Jacob Benjamin stepped down from the board membership with effect from September 29, 2023 consequent to completion of term of office.

**Mr. Joseph Korah was appointed as a Director on the Board of Muthoot Finance Limited with effect from September 29, 2023.

Stakeholders Relationship Committee

In compliance with the provisions of Section 178 (5) of the Act and Regulation 20 of the SEBI Listing Regulations, the Board has constituted a Stakeholders Relationship Committee to redress the grievances of shareholders, debenture holders and other stakeholders. The Company Secretary of the Company acts as the Secretary to the Committee.

Composition and attendance

The composition and attendance of the Members at the Stakeholders Relationship Committee meetings held during the FY 2023-24 are as follows:

| Name of Directors | Designation in the Committee | Nature of Directorship | Date of Appointment in the Committee | Stakeholders Relationship Committee Meeting Dates | | | | Held during the FY | Attended during the FY |
|-----------------------|------------------------------|------------------------|--------------------------------------|---|------------|------------|------------|--------------------|------------------------|
| | | | | 1 | 2 | 3 | 4 | | |
| | | | | 18.05.2023 | 01.08.2023 | 08.11.2023 | 13.02.2024 | | |
| Jacob Benjamin Koshy* | Chairman | Independent Director | 08.11.2017 | P | P | NA | NA | 4 | 2 |
| Ravindra Pisharody** | Member | Independent Director | 09.10.2020 | P | P | P | P | 4 | 4 |
| George Muthoot Jacob | Member | Whole-Time Director | 10.11.2022 | P | P | P | P | 4 | 4 |
| Abraham Chacko | Member | Independent Director | 10.11.2022 | P | P | P | P | 4 | 4 |

P = Present; A = Absent, NA = Not Applicable

*Mr. Jacob Benjamin Koshy stepped down as a Chairman and member of the Committee with effect from September 29, 2023.

**Mr. Ravindra Pisharody was appointed as the Chairman of the Committee with effect from October 03, 2023

Brief Terms of reference of the Stakeholders Relationship Committee:

- To approve or otherwise deal with applications for transfer, transmission, transposition and mutation of shares and certificates including duplicate, split, sub-division or consolidation of certificates and to deal with all related matters; and also to deal with all the matters related to de-materialisation or re-materialisation of securities, change in the beneficial holders of demat securities and granting of necessary approvals wherever required;
- To look into and redress shareholder's/investors grievances.

Status of Investor Complaints:

Pursuant to Regulation 13 (3) of SEBI Listing Regulations, the status of investor complaints received and redressed during the FY 2023-24 are as follows:

| Sl. No. | Particulars | Equity | NCD's |
|---------|---|--------|-------|
| 1. | Number of investor complaints pending at the beginning of the year (i.e. 01.04.2023) | 01 | 00 |
| 2. | Number of investor complaints received during the year (i.e. 01.04.2023 to 31.03.2024) | 19 | 05 |
| 3. | Number of investor complaints redressed during year (i.e. 01.04.2023 to 31.03.2024) | 20 | 05 |
| 4. | Number of investor complaints remaining unresolved at the end of the year (i.e. 31.03.2024) | 00 | 00 |

Compliance Officer

Mr. Rajesh A, Company Secretary of the Company is the Compliance Officer who is responsible for ensuring compliance with various requirements of the SEBI Listing Regulations.

Risk Management Committee

The Board of Directors has constituted a Risk Management Committee consisting of the majority of directors. The terms of reference of the Risk Management Committee include a periodical review of the risk management policy, risk management plan, implementing and monitoring the risk management plan, and mitigation of the key risks. The Risk Management Committee is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations.

The composition and attendance of the Members at the Risk Management Committee meetings held during the FY 2023-24 are as follows:

| Name of Directors | Designation in the Committee | Nature of Directorship | Date of Appointment in the Committee | Risk Management Committee Meeting Dates | | | | Held during the FY | Attended during the FY |
|--------------------------|------------------------------|------------------------|--------------------------------------|---|------------|------------|------------|--------------------|------------------------|
| | | | | 1 | 2 | 3 | 4 | | |
| | | | | 05.05.2023 | 01.08.2023 | 09.11.2023 | 12.02.2024 | | |
| Jose Mathew | Chairman | Independent Director | 08.11.2017 | P | P | P | P | 4 | 4 |
| V A George | Member | Independent Director | 13.11.2019 | P | P | P | P | 4 | 4 |
| George Alexander Muthoot | Member | Managing Director | 08.11.2017 | P | P | P | P | 4 | 4 |
| George Alexander | Member | Whole-time Director | 10.11.2022 | P | P | P | P | 4 | 4 |
| C A Mohan | Member | Independent Director | 10.11.2022 | P | P | P | P | 4 | 4 |

P = Present; A = Absent, NA = Not Applicable

Risk Management Department periodically places its report on risk management to the Risk Management Committee of the Board of Directors. During the year, your Company has incorporated various practices and suggestions made by the Risk Management Committee which helped the Company in attaining an improved vigilance and security system, improved security of gold jewellery and cash, improved system of grading of branches, Regional Offices etc. The risk owners are accountable to the Risk Management Committee for identifying, assessing, aggregating, reporting and monitoring the risk related to their respective areas/ functions.

In line with the requirements of RBI notifications, your Company has appointed a Chief Risk Officer to oversee the risk management practices within the organization.

Asset Liability Management Committee

Your Board has created an Asset Liability Management Committee to oversee the ALM position of the Company. The Asset Liability Management Committee is responsible for overseeing the liquidity position of the Company and liquidity risk management.

Composition and attendance

The composition and attendance of the Members at the meetings of the Asset Liability Management Committee held during the FY 2023-24 are as follows:

| Name of Directors | Designation in the Committee | Nature of Directorship | Date of Appointment in the Committee | Asset Liability Management Committee Meeting Dates | | | | Held during the FY | Attended during the FY |
|--------------------------|------------------------------|------------------------|--------------------------------------|--|------------|------------|------------|--------------------|------------------------|
| | | | | 1 | 2 | 3 | 4 | | |
| | | | | 05.05.2023 | 01.08.2023 | 09.11.2023 | 13.02.2024 | | |
| Jose Mathew | Chairman | Independent Director | 18.11.2017 | P | P | P | P | 4 | 4 |
| V A George | Member | Independent Director | 13.11.2019 | P | P | P | A | 4 | 3 |
| George Alexander Muthoot | Member | Managing Director | 23-07-2010 | P | P | P | P | 4 | 4 |
| Abraham Chacko | Member | Independent Director | 10.11.2022 | NA | NA | NA | P | 1 | 1 |

P = Present; A = Absent, NA = Not Applicable

Brief Terms of reference of the Asset Liability Management Committee:

- To ensure that the asset liability management strategy and Company's market risk management policies are implemented.
- To provide a strategic framework to identify, assess, quality and manage market risk, liquidity risk, interest rate risk, price risk etc.
- To report to the Board of Directors on the adequacy of the Company's systems and controls for managing risk, and for recommending any changes or improvements, as necessary.
- To review and assess the management of funding undertaken by Company and formulate appropriate actions.
- To review and assess the management of the Company's liquidity with the framework and policies established by the Board, as the case may be, and formulate appropriate actions to be taken.
- To consider the significance of ALM of any changes in customer behaviour and formulate appropriate actions; and

Corporate Social & Business Responsibility Committee

In line with the requirements of Section 135 of the Act, your Board has constituted a Corporate Social & Business Responsibility Committee of the Board to oversee the CSR functions of the Company. The details of meetings of the Corporate Social & Business Responsibility Committee including composition are provided in the Annual

Report on Corporate Social Responsibility appended to the Annual Report.

Environment, Social, and Governance Committee

The Board instituted an Environmental, Social and Governance Committee ("ESG Committee"), with effect from August 06, 2021, to discharge its oversight responsibility on matters related to organization-wide ESG initiatives, priorities, and leading ESG practices.

Composition

The ESG Committee consists of following members:

| Name of Member | Designation | Date of appointment in the committee |
|-------------------------------|-------------|--------------------------------------|
| Mr. George Muthoot George | Chairperson | 12-08-2022 |
| Mr. Vadakkakara Antony George | Member | 06-08-2021 |
| Mr. Ravindra Pisharody | Member | 06-08-2021 |
| Mr. George Alexander Muthoot | Member | 06-08-2021 |

Information Technology Strategy Committee

The Information Technology Strategy Committee ("IT Strategy Committee") was originally constituted by the Board on 08th November 2017 and was reconstituted on 14th February 2024 to discharge its oversight responsibility on matters related to IT strategic planning processes, assessment and management of IT and cybersecurity risks, and adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management.

Composition

The IT Strategy Committee consists of following members:

| Name of Member | Designation | Date of appointment in the committee |
|--------------------------|-------------|--------------------------------------|
| Joseph Korah | Chairperson | 14.02.2024 |
| George Alexander Muthoot | Member | 08.11.2017 |
| Alexander George | Member | 14.02.2024 |

Brief Terms of reference of the IT Strategy Committee

- Ensure that the Company has put an effective IT strategic planning process in place;
- Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Company towards accomplishment of its business objectives;
- Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation;
- Ensure that the Company has put in place processes for assessing and managing IT and cybersecurity risks;
- Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are

commensurate with the Company's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives; and

- Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company.

Policy Review Committee

The Board instituted a Policy Review Committee with effect from April 06, 2023, entrusted with the powers to review, recommend and approve various policies that are required to be put in place by the Company.

Composition

The Policy Review Committee consists of following members:

| Name of Member | Designation | Date of appointment in the committee |
|--------------------------|-------------|--------------------------------------|
| George Alexander Muthoot | Chairperson | 06.04.2023 |
| C A Mohan | Member | 06.04.2023 |
| Usha Sunny | Member | 06.04.2023 |
| Abraham Chacko | Member | 06.04.2023 |

Brief Term of reference of the Policy Review Committee

- Powers to review, recommend and approve various policies that are required to be put in place by the Company.

1. General Body Meetings

- i. Details of Annual General Meetings held during the previous 3 financial years and details of special businesses, if any, transacted are as under:

| Financial Year | 2022-23 | 2021-22 | 2020-21 |
|------------------|---|---|---|
| Date and Time | September 29, 2023 03.30 PM | August 31, 2022 03.30 PM | September 18, 2021 03.30 PM |
| Place of Meeting | Meeting conducted through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") pursuant to the Ministry of Corporate Affairs Circular. | Meeting conducted through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") pursuant to the Ministry of Corporate Affairs Circular. | Meeting conducted through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") pursuant to the Ministry of Corporate Affairs Circular. |

- ii. Special Resolutions Passed during the previous 3 Annual General Meetings:

| Date of AGM | Details of Special Resolutions Passed |
|--------------------|---|
| September 29, 2023 | (i) Appointment of Mr. Joseph Korah as an Independent Director (ii) Re-appointment of Ms. Usha Sunny as an Independent Director (iii) Increase in the borrowing powers of the Board of Directors under Section 180(1)(c) of the Companies Act, 2013 |
| August 31, 2022 | (i) Appointment of Mr. C A Mohan as an Independent Director (ii) Re-appointment of Mr. Ravindra Pisharody as an Independent Director (iii) Re-appointment of Mr. V A George as an Independent Director |

| Date of AGM | Details of Special Resolutions Passed |
|--------------------|--|
| September 18, 2021 | (i) To alter Article 100 of the Articles of Association of the Company (ii) Appointment of Mr. George Muthoot George as Whole-time Director. (iii) Appointment of Mr. George Alexander as Whole-time Director. (iv) Appointment of Mr. George Muthoot Jacob as Whole-time Director. (v) Approval for revision in the terms of remuneration of Mr. Alexander George, Whole Time Director. (vi) Alteration of Clause IIIA (iii) of the Memorandum of Association of the Company |

iii. No Extraordinary General meeting was held during the FY 2023-24.

iv. No ordinary nor special resolutions were passed through postal ballot during the FY 2023-24.

2. Remuneration to Auditors

The details of total fees paid to the Statutory Auditors and all entities in the network firm/ network entity of which the statutory auditor is a part, during the FY 2023-24 for all the services rendered by them is given below:

| Particulars | ₹ in Millions | |
|--------------------------------------|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Auditor's (including limited review) | 8.25 | 7.50 |
| Fee for Other Services | 1.47 | 1.82 |
| Reimbursement of Expenses | 0.14 | - |
| Total | 9.86 | 9.32 |

3. Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund:

Section 124 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), as amended, mandates that companies transfer dividend that has remained unclaimed / un-encashed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules mandate that the shares on which dividend has not been claimed / encashed for seven consecutive years or more be transferred to the IEPF. The details of unclaimed dividend are available on the Company's website www.muthootfinance.com. During the financial year 2023-24, the Company had transferred 1,314 equity shares to the IEPF.

In order to educate the shareholders and with an intent to protect their rights, the Company also sends regular reminders to shareholders to claim their unclaimed dividends / shares before it is transferred to IEPF. Shareholders may note that both the unclaimed dividends and corresponding shares transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed from IEPF following the procedure prescribed in the Rules. No claim shall lie in respect thereof with the Company.

4. General Shareholder information

a. Company Registration Details

The Company is registered in the state of Kerala, India. The Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs is L65910KL1997PLC011300. The Company has been classified as an Upper layer Non-Deposit taking NBFC pursuant to RBI Scale Based Regulations and registered with Reserve Bank of India.

b. 27th Annual General Meeting

| Date | Time | Venue |
|--------------------|---------------|--------------------------|
| September 30, 2024 | 3:30 PM (IST) | Through Video Conference |

As required under SEBI Listing Regulations, particulars of Directors seeking appointment/ re-appointment at the forthcoming Annual General Meeting are given in the Annexure to the Notice of the 27th AGM to be held on September 30, 2024.

- c. **Financial Year** : April 01, 2023 to March 31, 2024
- d. **Date of Book Closure** : As mentioned in the Notice of AGM
- e. **Dividend Pay-out Date** : Interim dividend for the FY 2023-24 was declared on May 23, 2024 and paid on June 19, 2024.
- f. **Listing Details**

ISIN of Equity Shares : INE414G01012

| Name and address of the Stock Exchange | Script Code | Status of Listing Fee for the FY 2023-24 |
|---|-------------|--|
| BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 | 533398 | Paid |
| National Stock Exchange of India Limited Exchange Plaza, Plot No. C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 | MUTHOOTFIN | Paid |

NCD's issued by the Company through Public Issue are listed in BSE Limited and National Stock Exchange of India Limited.

g. **Annual Custody Fee to Depositories**

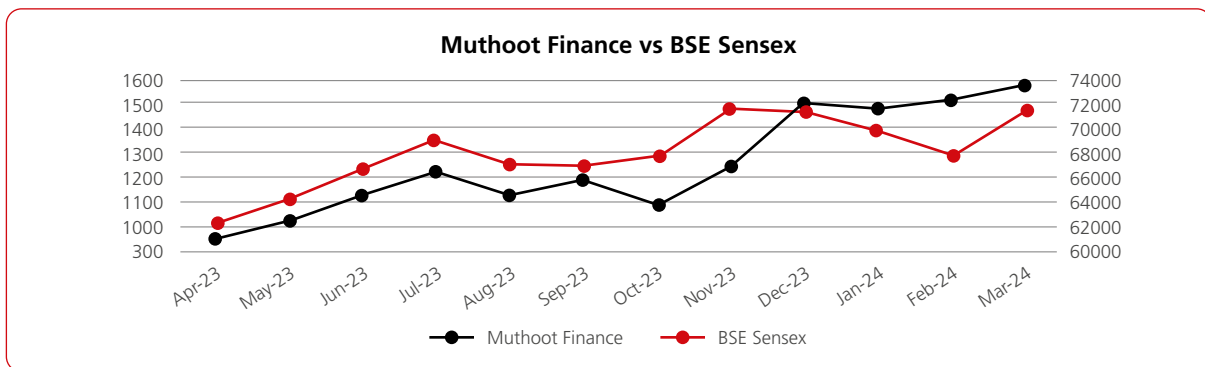
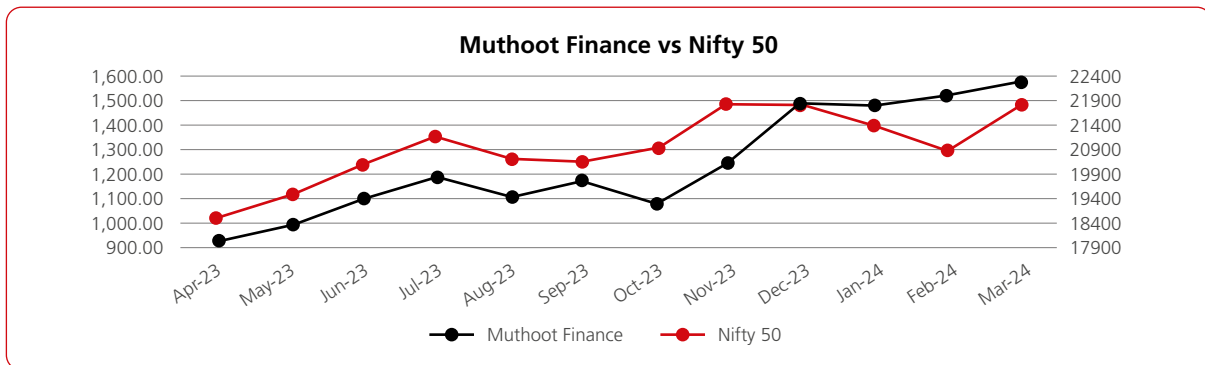
Annual Custody/Issuer Fees for the FY 2023-24 have been paid to CDSL and NSDL.

h. **Stock market price data (in ₹ Per share)**

The high and low market price data and the volume of shares traded during each month of the FY 2023-24:

| Month | National Stock Exchange of India Limited | | | BSE Limited | | |
|----------------|--|-----------|----------------------|-------------|-----------|----------------------|
| | High Price | Low Price | No. of shares traded | High Price | Low Price | No. of shares traded |
| April 2023 | 1,078.30 | 976.15 | 1,26,24,206 | 1078.8 | 971.05 | 3,25,165 |
| May 2023 | 1,143.70 | 1,012.00 | 1,73,69,361 | 1146.25 | 1012.05 | 4,63,489 |
| June 2023 | 1254.45 | 1109.00 | 92,95,113 | 1254.7 | 1105.05 | 3,08,269 |
| July 2023 | 1358.00 | 1237.35 | 86,25,184 | 1358.8 | 1238.05 | 4,38,338 |
| August 2023 | 1379.95 | 1225.00 | 1,24,32,301 | 1379.95 | 1217.3 | 3,42,372 |
| September 2023 | 1339.00 | 1206.35 | 69,51,776 | 1338 | 1206.5 | 2,29,144 |
| October 2023 | 1339.35 | 1182.35 | 1,14,86,738 | 1339.95 | 1170.05 | 2,96,854 |
| November 2023 | 1506.5 | 1216.00 | 1,20,81,171 | 1507.15 | 1217.05 | 4,09,076 |
| December 2023 | 1507.95 | 1420.00 | 82,42,139 | 1507 | 1411.05 | 3,57,714 |
| January 2024 | 1537.35 | 1350.35 | 79,09,734 | 1537.4 | 1351.8 | 2,00,549 |
| February 2024 | 1445.45 | 1261.90 | 1,15,44,939 | 1444.3 | 1262.25 | 3,96,824 |
| March 2024 | 1527.00 | 1294.35 | 2,25,46,364 | 1495.8 | 1293.1 | 5,55,484 |

i. Performance of the share price in comparison (based on closing prices) to broad-based indices during the FY 2023-24



j. Registrar and Share Transfer Agents

Link Intime India Private Limited
Surya, 35, Mayflower Avenue
Behind Senthil Nagar, Sowripalayam Road,
Coimbatore - 641 028
Tel: + 91 422 - 2314792, 2315792
Fax: + 91 422 - 2314792
Email: coimbatore@linkintime.co.in
Contact Person: S Dhanalakshmi

k. Share transfer system

The shareholders are free to hold the Company's shares either in physical form or in dematerialized form. However, with effect from April 01, 2019, the shareholders are not allowed to transfer any shares in the physical form and hence, the dematerialisation of the shares is mandatory for transfer of shares. Thus, the Company encourages the holding of shares in dematerialized form. The shares held in dematerialized form can be transferred through the depositories without the Company's involvement.

Pursuant to Regulation 40 (9) of the SEBI Listing Regulations, the Company obtains a certificate from a Company Secretary in Practice on a yearly basis to the effect that all the transfers are completed within the statutory stipulated period. A copy of the said certificate has been submitted to both the Stock Exchanges, where the shares of the Company are listed.

I. Category-wise summary of Shareholding as on March 31, 2024

| Category | No. of Shares | % of Holding |
|--------------------------------|--------------------|---------------|
| Promoter and Promoter Group | 29,44,63,872 | 73.35 |
| Mutual Fund | 5,63,94,063 | 14.0472 |
| Alternate Investment Funds | 8,96,043 | 0.2232 |
| Foreign Portfolio Investor | 3,34,61,131 | 8.3349 |
| Financial Institutions / Banks | 225 | 0 |
| Provident Funds/ Pension Funds | 13,88,129 | 0.3458 |
| Insurance Companies | 3,89,428 | 0.0970 |
| Others including Public | 1,44,68,585 | 3.6039 |
| Total | 401,461,676 | 100.00 |

m. Distribution of Shareholding as on March 31, 2024

| Category (Shares) | No. of Holders | % of Holders | Number of shares | % of Shares |
|-------------------|-----------------|---------------|--------------------|---------------|
| 1 – 500 | 196135 | 98.4791 | 58,83,575 | 1.4655 |
| 501 - 1000 | 1337 | 0.6713 | 9,65,778 | 0.2406 |
| 1001 - 2000 | 718 | 0.3605 | 10,22,259 | 0.2546 |
| 2001 - 3000 | 199 | 0.0999 | 4,86,520 | 0.1212 |
| 3001 - 4000 | 95 | 0.0477 | 3,39,703 | 0.0846 |
| 4001 - 5000 | 78 | 0.0392 | 3,50,210 | 0.0872 |
| 5001 - 10000 | 165 | 0.0828 | 11,90,868 | 0.2966 |
| 10001 and above | 437 | 0.2194 | 39,12,22,763 | 97.4496 |
| Total | 199164 * | 100.00 | 401,461,676 | 100.00 |

* As on the end of March 31, 2024, the number of shareholders based on demat accounts are 1,99,164 and based on PAN are 1,94,951. There is a difference in the number of shareholders based on demat and PAN since shareholders can have multiple demat accounts under a single PAN.

n. Top ten Equity Shareholders of the Company as on March 31, 2024

| Sl. No. | Name of the Shareholders | Number of Shares | Percentage (%) |
|---------|--------------------------|------------------|----------------|
| 1. | George Jacob Muthoot | 4,36,30,900 | 10.87 |
| 2. | George Thomas Muthoot | 4,36,30,900 | 10.87 |
| 3. | Susan Thomas | 2,99,85,068 | 7.47 |
| 4. | Sara George | 2,90,36,548 | 7.23 |
| 5. | SBI Mutual Fund | 3,52,84,168 | 8.79 |
| 6. | George Alexander Muthoot | 2,36,30,900 | 5.89 |
| 7. | Alexander George | 2,22,89,710 | 5.55 |
| 8. | George Muthoot George | 2,22,89,710 | 5.55 |
| 9. | Eapen Alexander | 1,75,25,000 | 4.37 |
| 10. | George Alexander | 1,75,25,000 | 4.37 |

* Top ten equity shareholders calculated based on PAN based shareholders data as on March 31, 2024.

o. Dematerialization of shares

The Company has arrangements with both National Securities Depositories Limited and Central Depository Services (India) Limited to establish electronic connectivity of our shares for scrip-less trading. The shareholders can hold the Company's shares with any of the depository participants, registered with these depositories. The ISIN for the shares of the Company is INE414G01012.

As on March 31, 2024, 99.99% of shares of the Company were held in dematerialized form.

p. Shares in Suspense Account

No equity shares of the Company are held in demat-suspense account/unclaimed suspense account as on March 31, 2024.

q. Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company does not have any outstanding GDRs/ ADRs/ Warrants or any Convertible instruments as on date.

r. Branch locations:

Company has 4,854 branches as on March 31, 2024. The details of locations are available on the Company's website at:

<https://www.muthootfinance.com/branch-locator>

s. Commodity price risk or foreign exchange risk and hedging activities:

The Company had no exposure to commodity and commodity risk during the FY 2023-24. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings and investments in foreign subsidiary companies. The Company's

foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company has hedged its foreign currency risk on its foreign currency borrowings as on March 31, 2024 by entering into cross currency swaps and forward contracts with the intention of covering the entire term of foreign currency exposure.

The Company's exposure on account of Foreign Currency Borrowings are provided in the Notes forming part of the financial statements.

t. Address for Correspondence

Muthoot Finance Limited

2nd Floor, Muthoot Chambers
Opposite Saritha Theatre Complex
Banerji Road, Ernakulam - 682 018
Kerala, India
Tel: (+91 484) 2396478, 239 4712
Fax: (+91 484) 239 6506, 2397399
Website: www.muthootfinance.com
Email: mails@muthootgroup.com

u. Credit Rating

The list of all credit ratings for all debt instruments and other instruments enjoyed by the Company as on March 31, 2024 are as under.

| Credit Rating Agency | Instrument | Rating as on March 31, 2024 |
|---------------------------------|--------------------------------|-----------------------------|
| CRISIL | Commercial Paper | CRISIL A1+ |
| | Subordinated Debts | CRISIL AA+/Stable |
| | Non-Convertible Debentures | CRISIL AA+/Stable |
| ICRA | Commercial Paper | [ICRA] A1+ |
| | Short Term Bank Borrowings | [ICRA] A1+ |
| | Long Term Bank Borrowings | [ICRA]AA+(Stable) |
| | Subordinated Debts | [ICRA]AA+(Stable) |
| | Non-Convertible Debentures | [ICRA]AA+(Stable) |
| International Ratings | | |
| (i) Fitch Ratings | External Commercial Borrowings | BB(Stable) |
| (ii) S&P Global | | BB(Negative) |
| (iii) Moody's Investors Service | | Ba2/(Stable) |

5. Other Disclosures

| Particulars | Statutes | Details | Website link for details/ policy |
|---------------------------------------|--|--|---|
| Monitoring of Subsidiary Companies | Regulation 24 of the SEBI Listing Regulations | <p>The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The Company does not have any material unlisted subsidiary company as at March 31, 2024. The Company has a policy for determining 'material subsidiaries' which is disclosed on its website. The Company does not have any Material Subsidiaries as at March 31, 2024.</p> <p>Presentation on the financial and operational performance of each of the subsidiary companies are regularly made to the Board of Directors of the Company.</p> | https://www.muthootfinance.com/sites/default/files/2020-08/1472561568policy%20on%20material%20subsidiary.pdf |
| Related Party Transaction | Regulation 23 of SEBI Listing Regulations and as defined under the Act | <p>In the opinion of the Board of Directors, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or their relatives or other designated persons which may have a potential conflict with the interest of the Company at large.</p> <p>Further, there were no material related party transactions which required approval of shareholders under SEBI Listing Regulations. The details of the related party transactions are disclosed in the notes on accounts, forming part of Financial Statements.</p> <p>The Company had obtained approval of the Audit Committee for all related party transactions. Further, all related party transactions entered into by the Company were on arm's length basis and are in the ordinary course of its business. Omnibus approval was obtained for the transactions of repetitive nature.</p> | https://www.muthootfinance.com/sites/default/files/2022-02/muthoot-finance-rpt-policy-v5_0.pdf |
| Proceeds of the Public issue | | <p>Moneys raised through Public Issue of Equity Shares as well as Public Issues of Secured Non-Convertible Debentures have been utilized for the purposes, as disclosed in the Prospectus/ Offer Documents, for which it was raised and there has been no deviation as on date in the utilisation of the moneys so raised. Details of debentures issued through public issues are disclosed in the financial statements of the Company.</p> | |

| Particulars | Statutes | Details | Website link for details/ policy |
|--|--|---|---|
| Details of non-compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the last three financial years. | Schedule V (C) 10(b) to the SEBI Listing Regulations | <p>Except as disclosed below, there were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any other statutory authority on any matter related to Capital Market during the last three financial years:</p> <p>Details of SOP fines imposed by Stock Exchanges:</p> <p>Stock Exchanges had imposed SOP fines on the Company for violations of Regulations 19, 20, 57(1), and 57(4). Company had subsequently filed waiver applications with Stock Exchanges and received waiver on some of the above mentioned violations.</p> <p>Company has been regular in filing necessary returns with regulators and all necessary information with the Stock Exchanges where the shares and securities are listed.</p> | |
| Terms of Appointment of Independent Directors | Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV to the Act | Terms and conditions of appointment/re-appointment of Independent Directors are available on the Company's website. | https://www.muthootfinance.com/themes/bartik/uploads/ID_Terms_of_Appointment.pdf |
| Whistle Blower Policy & Vigil Mechanism | Regulation 22 of SEBI Listing Regulations | The Company has formulated a comprehensive Whistle Blower Policy in line with the provisions of Section 177 (9) & 177 (10) of the Companies Act, 2013 and Regulation 4 (2) (d) (iv) & 34 (3) read with Para 10 of Part C of Schedule V of the SEBI Listing Regulations 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. It outlines the method and process for various stakeholders to voice genuine concerns about unethical conduct that may be in breach with the employees' Code of Conduct. Board of Directors affirms that no personnel were denied access to the audit committee. | https://www.muthootfinance.com/vigil-mechanism |
| Code of Conduct | Regulation 17 (5) of the SEBI Listing Regulations | <p>The Company has put in place a Code of Conduct for Directors and Senior Management. This code for Directors and Senior Management is intended to focus the Board and Senior Management on areas of ethical risk, provide guidance to Directors and Senior Management to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct and to help foster a culture of honesty and accountability.</p> <p>Pursuant to the Regulation 26 (3) of SEBI Listing Regulations, all the members of the Board and Senior Management Personnel affirmed compliance with this code and a declaration by the Managing Director confirming the adherence to this code is annexed as Annexure A to this report.</p> | https://www.muthootfinance.com/code-of-conduct |

| Particulars | Statutes | Details | Website link for details/ policy |
|--|--|---|-------------------------------------|
| CEO/CFO Certification | Regulation 17 (8) of the SEBI Listing Regulations | The certificate, duly signed by the Managing Director and Chief Financial Officer for the financial year ended March 31, 2024 was reviewed by the Board of Directors. The same is annexed as Annexure B to this report. | |
| Compliance Certificate on Corporate Governance | | <p>The Company has complied, in all material respects, with the conditions of corporate governance, as stipulated in the SEBI Listing Regulations during the year ended March 31, 2024.</p> <p>The compliance certificate on Corporate Governance received from the Joint Statutory Auditors of the Company confirming the compliance with the conditions of Corporate Governance as stipulated under SEBI Listing Regulations is annexed as Annexure C to this report.</p> | |
| Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 | Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 | <p>The Company has in place an Internal Complaints Committee in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder for reporting and conducting inquiry into the complaints made by the victim on the harassments at the work place. The functioning of the Committee was carried out as per letter and spirit contained in the provisions of the Act.</p> <p>The Internal Complaints Committee looks into the complaints of aggrieved women employees, if any, and is instrumental in:</p> <ul style="list-style-type: none"> Promoting gender equality and justice and the universally recognized human right to work with dignity; and Prevention of sexual harassment of women at the workplace. <p>Details/status of complaints filed in the FY 2023-24 are shown in the Board's Report of the Company.</p> | |
| Disclosure of certain type of agreements binding listed entities | Para G of Schedule V of SEBI Listing Regulations read with clause 5A of para A of Part A of Schedule III of SEBI Listing Regulations | The company has not entered into any agreements falling under the provisions of clause 5A of paragraph A of Part of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations. | |

| Particulars | Statutes | Details | Website link for details/ policy |
|---------------------|----------|---|-------------------------------------|
| General Disclosures | | Board of Directors of your Company periodically discuss, review and decides upon matters related to policy formulations, appraisal of performances, overall supervision and control of your Company, review to Compliance Reports pertaining to compliance of all laws prepared by the management etc. Board of Directors of your Company have also delegated various powers to Committees which monitors day to day activities of your Company. Notice and Agendas setting out the business to be transacted are being sent to Directors in advance by complying necessary regulations in this regard. In some instances, documents which are primarily price sensitive information are tabled at meetings and presentations are also made by Senior Executives on matters related to them in the Board as well as Committee meetings. Your Company also have suitable policies on Code of Conduct for Directors and Senior Management, Code of conduct of Independent Directors, plans for succession of Board of Directors. Your Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of SEBI Listing Regulations. | |

6. Means of communication

The quarterly, half yearly and annual results were published in leading national dailies and regional dailies. The Company is also maintaining a functional website <https://www.muthootfinance.com/> wherein all the communications are updated including the quarterly financial results of the Company. Presentations made to the institutional investors and analysts after declaration of the quarterly results are also displayed on the web site of the Company. The Annual reports containing the Audited Annual Accounts, Auditors' Reports, Boards' Report, the Management Discussion and Analysis Report forming part of Boards' Report and other material information are circulated to the members and others entitled thereto. Annual Reports of the Company are emailed to all shareholders who have provided their email IDs in the records of the Depository. All the disclosures and communications to be filed with the Stock Exchanges were submitted through e-filing platform/email and there were no instances of non-compliances.

7. Adoption of Mandatory and Non-Mandatory requirements of Part E of Schedule II of SEBI Listing Regulations:

Your Company has complied with all the mandatory requirements as stipulated in SEBI Listing Regulations and fulfilled the following non - mandatory requirements:

- The Report of the Statutory Auditors on the financial statement of the Company for the FY 2023-24 doesn't contain any qualification or reservation.
- The position of Chairman and Managing Director are held by different individuals; and
- Internal Auditor of the Company directly reports to the Audit Committee of the Board.

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole Time Director
DIN: 00018235

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Place: Kochi
Date: September 03, 2024

Annexure A

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

To,

The Members of Muthoot Finance Limited

I hereby confirm that the Company has obtained from all the members of the Board and designated senior management employees of the Company, affirmation that they have complied with "Code of Conduct for Board Members and Senior Management" ("Code") of the Company for the financial year ended March 31, 2024.

Sd/-

George Alexander Muthoot

Managing Director

Date: September 03, 2024

Place: Kochi
DIN: 00016787

Annexure B

CEO / CFO CERTIFICATION TO THE BOARD

The Board of Directors

Muthoot Finance Limited

Kochi - 18

We, George Alexander Muthoot, Managing Director and Oommen K Mammen, Chief Financial Officer of Muthoot Finance Limited to the best of our knowledge and belief, certify that:

- A. We have reviewed the standalone and consolidated financial results for the quarter and year ended March 31, 2024, and that to the best of our knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) 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 listed entity 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. there have been no significant changes, if any, in internal control over financial reporting during the period;
- E. There have been no significant changes in accounting policies during the period; and
- F. There have been no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

George Alexander Muthoot
Managing Director

Place: Kochi
Date: May 30, 2024

Sd/-

Oommen K Mammen
Chief Financial Officer

Annexure C

INDEPENDENT AUDITORS' CERTIFICATE

ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

AS PER THE PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (AS AMENDED)

To,

The Members

Muthoot Finance Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated December 30, 2021 and subsequent engagement letters.
2. We have examined the compliance of conditions of Corporate Governance by **Muthoot Finance Limited** ("the Company") for the year ended March 31, 2024 as stipulated in Regulations 17 to 27 and clauses (b) to (i) & (t) of Regulation 46(2) and Para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable ("Listing Regulations").

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditors' Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance during the year ended March 31, 2024. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance of conditions of Corporate Governance by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance, as stipulated in the Listing Regulations during the year ended March 31, 2024.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on Use

10. This Certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose. Accordingly, we do not accept or assure any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come, without our prior consent in writing.

For Elias George & Co.

Chartered Accountants
Firm Regn. No. 000801S

Sd/-

Vaibhav T Ved

Partner

Membership No:235912

UDIN: 24235912BKAI6991

August 07,2024

Kochi

For Babu A. Kallivayalil & Co.

Chartered Accountants
Firm Regn. No. 005374S

Sd/-

Babu Abraham Kallivayalil

Partner

Membership No: 026973

UDIN: 24026973BKEKRQ6686

August 7,2024

Kochi

Annexure D

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para Clause (10) (i) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members

Muthoot Finance Limited

Muthoot Chambers, Opp. Saritha Theatre Complex,

Banerji Road, Ernakulam,

Kerala-682018.

I have examined the relevant registers, records, forms returns and disclosures received from the Directors of **Muthoot Finance Limited having CIN L65910KL1997PLC011300** and having registered office at Muthoot Chambers, Opp. Saritha Theatre Complex, Banerji Road, Ernakulam, Kerala-682018 (herein after referred to as “the Company”), produced before me 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 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 and its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ending on 31 March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr # | Name of the Director* | Designation | DIN | Nationality | Date of Appointment ** |
|------|---------------------------|---------------------|----------|-------------|------------------------|
| 1 | CHAMACHERIL ABRAHAM MOHAN | Director | 00628107 | Indian | 31/08/2022 |
| 2 | GEORGE ALEXANDER MUTHOOT | Managing Director | 00016787 | Indian | 20/11/2006 |
| 3 | USHA SUNNY | Director | 07215012 | Indian | 30/11/2020 |
| 4 | GEORGE MUTHOOT JACOB | Whole-time director | 00018955 | Indian | 15/12/2021 |
| 5 | ABRAHAM CHACKO | Director | 06676990 | Singapore | 18/09/2021 |
| 6 | GEORGE THOMAS MUTHOOT | Whole-time director | 00018281 | Indian | 16/08/2005 |
| 7 | GEORGE JACOB MUTHOOT | Whole-time director | 00018235 | Indian | 16/08/2005 |
| 8 | GEORGE MUTHOOT GEORGE | Whole-time director | 00018329 | Indian | 15/12/2021 |
| 9 | GEORGE ALEXANDER | Whole-time director | 00018384 | Indian | 15/12/2021 |
| 10 | RAVINDRA PISHARODY | Director | 01875848 | Indian | 28/09/2019 |
| 11 | VADAKKAKARA ANTONY GEORGE | Director | 01493737 | Indian | 28/09/2019 |
| 12 | ALEXANDER GEORGE | Whole-time director | 00938073 | Indian | 05/11/2014 |
| 13 | JOSE MATHEW | Director | 00023232 | Indian | 20/09/2017 |
| 14 | JOSEPH KORAH | Director | 09128318 | Indian | 29/09/2023 |

*List of Directors as on 31st March 2024;

**the date of appointment is as per the MCA portal

Ensure the eligibility of 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.

Sunil Sankar Puthalath

Company Secretary in Practice

Membership No :: 20171

Certificate of Practice No :: 10613

UDIN :: A020171F000690632

Peer Review Certificate no. :: 4335/2023

Ernakulam,
July 08, 2024

Annexure 7

Management Discussion and Analysis

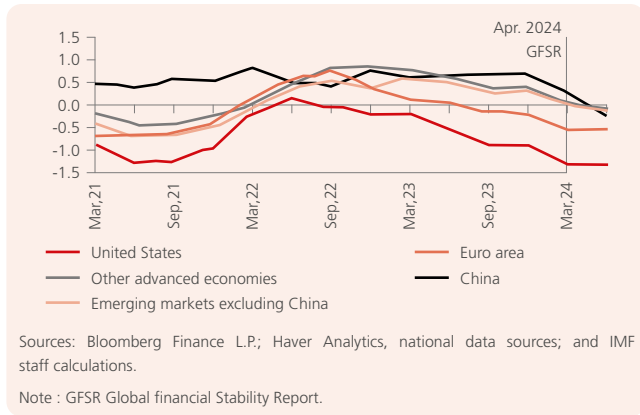
Economy

Global economy

In 2023, the global economy exhibited resilience despite uncertainties related to geopolitical conflicts, sluggish economic activity, tight monetary policy and disruptions in the supply chain. The global economy grew by 3.3% in 2023, whereas in the same period advanced economies grew by 1.6% and the emerging market and developing economies grew by 4.3%. Central banks of major economies took steps to rein in inflation and in 2023, global inflation fell from 8.7% in 2022 to 6.8%.

The global economy is anticipated to grow by 3.2% in 2024 and it is expected to be supported by a further decline in global inflation to 5.9% in 2024. It is also expected to make way for stronger structural reforms and bolster productivity.

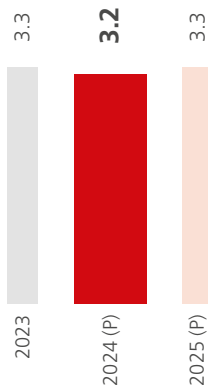
Figure 1.2. Financial Conditions Index
(Number of standard deviations from the mean)



Source: IMF JULY, 2024.

Growth in the Global GDP

Global GDP Growth (in %)



P- projected

Source: World Economic Outlook July 2024, IMF

Indian economy

The Indian economy exhibited robust GDP growth of 8.2% in FY 2024, increasing from 7% in FY 2023. As one of the fastest-growing economies in the world, the Indian economy registered the third consecutive year of GDP growth above 7%. Domestic inflation touched 5.4% and fiscal deficit in FY 2024 declined to 5.6% of GDP from 6.4% in FY 2023. In addition to this, the Indian Government made significant interventions to improve the business environment and helped to attract foreign direct investment of USD 71 billion in FY 2024.

In FY 2024, the manufacturing sector exhibited strong growth of 9.9%, driven by an emphasis on “Make in India” and other favourable policies. Also, the economy experienced strong domestic trading, reflected through strong GST collection of ₹ 20.18 lakh crore in FY 2024, a growth of 11.7% from FY 2023.

Moving ahead, the Indian economy is anticipated to grow at 7.0% in FY 2025 supported by a favourable policy environment. The Indian government aims to make India a lucrative manufacturing hub and it is expected to attract investors and create a thriving environment for businesses to flourish.

GDP growth trend in India

GDP growth (in%)



*Projected

Business

Indian Financial services industry

The financial sector in India exhibited strong growth in FY 2024

The Indian financial market witnessed considerable growth in FY 2024, despite persistent global economic headwinds pertaining to volatility in crude oil prices and tight monetary policy in major economies. The industry experienced significant transformation owing to increased penetration of neo-banking,

digital authentication, rise in UPI transactions and increased usage of smartphones. In FY 2024, the domestic financial industry drew strength from the country's robust economic activities and strong macroeconomic fundamentals. The performance of the financial services sector in India was supported by the integration of advanced technologies and the support extended by the Indian Government through supportive policies.

Over the years, India made significant progress towards achieving its financial inclusion goals. Financial inclusion remained the key focus of the Indian Government and therefore, initiatives such as Pradhan Mantri Jan Dhan Yojana, Pradhan Mantri Suraksha Bima Yojana and Atal Pension Yojana were implemented successfully. In addition to this, the Reserve Bank of India undertook strategies to enhance financial inclusion by strengthening the financial infrastructure, supporting the integration of advanced technology and creating headroom for propagating financial literacy and awareness.

Growth Drivers for the Financial Services industry in India in FY 2024

- The active integration of technology into operations significantly helped in the growth of financial services. The adoption of digital payment platforms made way for convenient and secure payments for a large majority of the Indian population.
- India remained the second highest smartphone user market in the world and ranked second in terms of internet usage. This contributed significantly to the growth of the financial services industry. The availability of cheaper internet services helped to access digital financial services easily. It also enabled financial inclusion for users in rural areas.
- Efforts by the Indian Government to extend financial literacy programmes and create awareness about financial products and services has resulted in significant growth of the financial services industry.
- The growth of financial services in India was also propelled by increased per capita income of individuals during the reporting year. With increased per capita income, investment and consumption also increased.

NBFC

The Non-Banking Financial Company (NBFC) sector in India underwent a significant transformation and experienced strong growth during the year under review. Moreover, escalating demand for credit from MSMEs significantly contributed to the growth of NBFCs. Digitalisation also helped to expand the customer base of NBFCs, increased its operational efficiency and resulted in better customer service.

NBFCs demonstrated significant resilience and proved the ability to compete against larger financial institutions. The growth in housing and infrastructure loans further increased the contribution of NBFCs to the financial services industry.

Factors contributing to the growth of NBFCs in India in FY 2024.

Expansion to Tier 2, Tier 3 and Tier 4 markets, offering loans to a wide customer base.

NBFCs adapted offerings to cater to the specific requirements of customers.

Leveraging the growing fintech ecosystem to enhance efficiency.

Active partnership and collaboration with banks and fintech companies to expand its network.

Gold Market

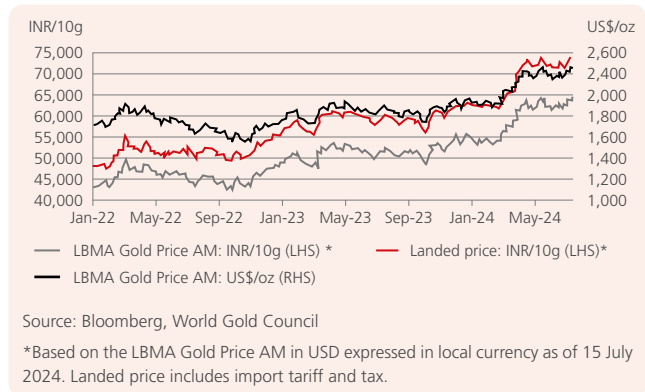
Global gold demand was the highest at 4,899tonne in 2023. The global gold price increased by 15% in comparison to the last year. Gold as an asset class is considered to be one of the most sought-after investment options for people from all parts of the world. Apart from using it for making jewellery, it is considered a means for long-term wealth generation. The Asia-Pacific region dominated the demand for gold in 2023, with the largest share of gold consumption attributed to Indian and Chinese markets.

Indian gold loan market

Gold has great significance for Indians. The preference for gold jewellery in Indian culture has made it an integral part of everyday life. From rituals and ceremonies to religious festivities, adorning gold is considered a good omen. At the same time, it also provides an opportunity for the common man to invest in an asset class that is considered to be extremely reliable due to its appreciating value. Gold loans have, therefore, become an easy way of accessing credit for numerous borrowers including individuals, small businesses and micro-enterprises. Globally, India is the world's largest market for gold and the gold loan market in India flourished, with around 2,950-3,350tonne of gold used as collaterals for instantly availing funds. Southern India has remained a significant market for gold loans due to the age old preference for owning gold. During the year, NBFCs offering gold loans resiliently retained their market share despite stiff competition faced by banks. The Assets Under Management of most gold loan providers increased significantly due to the rising credit demand for small and mid-sized loans. Besides, digital adoption has played an integral role in streamlining loan processing.

Price of gold

The domestic gold prices increased at unprecedented rates. The gold prices surged in March 2024 by 8% . The increased price level stimulated the investment demand. Moreover, the reduction in gold imports can be attributed to increased prices and a higher flow of recycled gold.



Factors contributing to the increased demand for gold

The demand for gold continues to rise on the back of economic growth and its affinity among people as a safe investment option.

Gold is considered an important asset class by a large majority of the country's population, driving up its demand.

Gold is culturally significant and it is perceived as a symbol of wealth and prosperity.

Features of Gold Loan

Quick processing resulting in faster loan processing with minimum documentation

Gold Loans are offered at lower interest rates in comparison to personal or home loans, making it an affordable choice for people.

Gold loans offer instant access to funds, making it an extremely convenient option for people. It does not require any credit score or income proof and is available to all sections of society, irrespective of their income earning status.

Borrowers are offered the flexibility to pay only the interest amount during the loan tenure and settle the principal amount on loan closure.

It has zero processing fees and unlike other loans, it does not incur foreclosure charges or prepayment penalties.

The loan amount is dependent on the market value of gold and is not based on the borrower's credit score.

Company Overview

Muthoot Finance has retained its position as India's most trusted financial services brand for the 8th consecutive year in FY2024.

Muthoot Finance is one of the leading non-banking financial companies (NBFC) in India and specialises in offering gold loans at attractive interest rates. The Company also offers business loans and personal loans. It has earned a reputation as a trusted player, catering to the diverse needs of people from various economic backgrounds.

The Company was incorporated as a private limited company in 1997 under the provision of the Companies Act, 1956, as The Muthoot Finance Private Limited and later in 2008 the Company was converted into a public limited company and was named as Muthoot Finance Limited. The Company is headquartered in Kerala and has a strong presence across the country, serving individuals who have gold but cannot avail of formal credit easily.

Key highlights of Muthoot Finance in FY 2024

- Muthoot Finance maintained its leadership position in the gold loan industry despite challenges in the external environment.
- Achieved the highest-ever gold loan advances to new customers, worth ₹ 164,512 million further exhibiting its position as a trusted partner in the gold loan industry.
- Through the personal loan, business loan and SME loans, the non-gold loan business offerings of the Company gained traction.
- 115 new branches were opened across various regions
- Muthoot Finance received multiple industrial recognition as the most trusted financial services brand and a great place to work.

Service offerings



Core business

- > Gold Loans



Other services

- > Money Transfer Services
- > Business loans
- > Corporate Loans
- > Collection Services
- > Personal Loans
- > Business Loans-SME

#1

Most trusted Financial Services Brand

29

States/Union territory presence

4,800+

Pan-India branches

SCOT Analysis

Strength

Strong brand name- Muthoot Finance has earned a reputation as one of the largest Gold Loan NBFCs in the country. Its established brand name and service excellence earned it the trust and loyalty of numerous customers.

Strong financial performance- The strong financial performance, operational efficiency and extensive branch network enable us to fulfil the diverse requirements of rural as well as urban customers.

Loan portfolio- With a strong Gold Loan portfolio, Muthoot Finance offers secured loans at attractive rates, making it the preferred choice for people in different parts of the country.

Branch network- the branches are present across the country, thereby, offering the customers the convenience to access in urban and the rural regions of the country.

Customer-centric- the documentation requirement and loan processing are streamlined effectively to offer the customers and borrowers a convenient and hassle-free experience.

Challenges

Financial stability- Issues with asset quality can weaken the financial stability, especially in the non-gold loan segments.

High operational expenses- Increased operational expenditure can increase costs and affect the profitability of Muthoot Finance.

Operational challenge- the operations of the gold loans are spread across different branches in decentralised form, posing internal and external security risks.

Nature of gold loan- gold loans are generally short-term and increased loan portfolio and size of the balance sheet every year can be challenging for the organisation.

Opportunity

Diversification of loan portfolio- expanding its secured as well as unsecured loan portfolio, Muthoot Finance can diversify its offerings to cater to the increased customer base.

Digitalisation- Digital adoption can pave the path for improving the service offered and enhancing customer convenience. It is expected to expand the ability to reach a wider customer base and fulfil their diverse demands.

Threat

Strong competition- Muthoot Finance faces competition from banks and NBFCs, especially those offering unsecured loans as well as gold loans. It may negatively affect its profit margin and industry position.

Operational Review

Please see page 27 of the Annual report for details on operational highlights

Financial Review

Please see page 18 of the Annual report for details on financial highlights

Risk management

Enterprise risk management

Muthoot Finance acknowledges that business encounters a variety of risks associated with changes and developments in the industry in which it operates. These risks are continuously evolving and can change in terms of their frequency of occurrence and the impact they have on the operations and profit-making ability of the Company. This compels Muthoot Finance to remain focused on efficiently managing and mitigating these risks such that their impact does not hinder its sustainable growth. In addition to this, the Risk Management Committee plays a significant role in effective risk management by overseeing and extending guidance to implement effective mitigation strategies. The Company has a robust risk management framework to identify and mitigate risks. It enables Muthoot Finance to efficiently handle threats and keep the Company insulated from internal as well as external risks.

Risk management

| Risk | Description | Mitigation strategies |
|-------------------------|---|---|
| Operational risk | Any direct or indirect losses incurred due to personnel, failures while implementing processes or external incidents. | There exists a strategic system and stringent process to mitigate operational risks. Along with centralised monitoring systems and surveillance cameras to prevent operational hazards, the employees are offered proper training to identify duplicate gold and fraudulent attempts. There is an audit personnel along with the centralised system to regularly monitor the overall risk management. |
| Collateral risk | Muthoot Finance can be impacted by a fall in gold prices to an extent where its profitability can be negatively affected. | Policy of retaining 25% of the gold price while calculating the loan amount is maintained. The sentimental value of gold jewellery drives redemption even if the value of the collateral falls below the repayment amount, thereby protecting the Company from any untoward risks. |
| Credit risk | This arises when the counterparty fails to abide by the terms and conditions of the financial contract imposed by Muthoot Finance. | Strict loan approval and collateral evaluation processes are implemented. In addition to this, it has a non-performance asset monitoring process and an effective collection approach to minimise the impact of the credit risk on the operations. Moreover, the credit risk is also mitigated through the collateral's liquidity. |
| Market risk | Unfavourable changes in the interest can undermine operational efficiency. | The increased interest rates are passed on to the borrowers to minimise the negative impact of fluctuations in the interest rates. Along with this, maintaining the fixed rate of interest for bulk borrowings and loans as well as advances remained integral to effectively managing the risks. |
| Liquidity risk | Challenges arise due to the failure to raise cash at the best possible rate from the market, undermining the operational strength and ability to strategically manage the debt. | There is regular interaction with the Asset and Liabilities Management Committee and ALCO Committee to understand the liquidity position based on future cash flows. Moreover, Muthoot Finance faces minimal liquidity risk owing to its diverse funding sources such as debentures, bank loans with longer maturity and external commercial borrowings. |
| Business cycle | The risk faced due to the cyclical nature of the industry, affects the operations of Muthoot Finance | The pan-India presence of Muthoot Finance cushions it against uncertainties in the external environment and protects against risks associated with the cyclical nature of the industry. |

Human resource

Human resources play an integral role in driving the Company's growth. Muthoot Finance is certified as a 'Great Place to Work', reiterating its emphasis on nurturing a positive and engaging working environment. The Company values its people and is committed to build an inclusive and diverse workplace where every individual is treated with dignity and respect.

Please see Page 44 of the Annual report for details on people practices.

Internal controls and adequacy

The Company has an effective internal control system in place to protect assets from unauthorised use or disposal. The system authorises, Records and reports transactions and guarantees that they are documented. Data are reliable for preparing financial

information and keep track of assets. The company's internal controls are reinforced by an intensive program of internal audits, management reviews, and documentation Policies, guidelines, and procedures.

Cautionary statement

This Management Discussion and Analysis may contain 'forward-looking statements' on the company's objectives, plans, estimates, and expectations, as defined by relevant laws and regulations. The Company's operations may be impacted by a downturn in the financial services industry, political and economic changes in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest, and other factors. Actual outcomes may vary significantly or dramatically from those expressed or implied. This report should be read in combination with the related financial statements and accompanying notes.

Annexure 8

Secretarial Audit Report

For the Financial Year ended 31st March, 2024

[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,
Muthoot Finance Limited
2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex,
Kochi – 682 018.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Muthoot Finance Limited** [CIN: L65910KL1997PLC011300] (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended on 31st March, 2024 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 authorised 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 during the year under review 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, 2024 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 there under;
- (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 Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - e) Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021
 - f) The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;
 - g) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993.
 - h) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (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) Master Direction- Non-Banking Financial Company Corporate Governance (Reserve Bank) Directions, 2015.
 - d) Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs - RBI Guidelines

- e) Master Direction- Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) Directions, 2023 (Limited to Corporate Governance Compliance)
- (vii) We have also examined compliance with the applicable clauses of the following:
- Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.
 - Listing Agreement for equity and debt securities entered into with BSE Limited and National Stock Exchange of India Limited.
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
- (viii) On the basis of the information and explanation provided, the Company had no transaction during the period under Audit requiring the compliance of applicable provisions of Act / Regulations / Directions as mentioned above in respect of:
- Foreign Direct Investment and External Commercial Borrowings.
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998
 - Issue of securities other than Equity shares issued under Employee stock option scheme and issue of non-convertible debt securities.

We further report that

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors

and Independent Directors. The changes in the composition of the Board of Directors that took place during the period covered under the Audit were 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:

- The Company had raised a sum of ₹ 65,205 million by issue of Non-Convertible Debentures (NCDs) during the financial year on private placement basis, in one or more series/tranches.
- The Company had raised a sum of ₹ 13,590 million from public issue of Non-Convertible Debentures during the financial year.

The aforesaid borrowings by the Company were within the overall limits approved by the shareholders of the company under Section 180 (1) (c) of Companies Act, 2013.

For KSR & Co Company Secretaries LLP

Sd/-

Dr. C.V. Madhusudhanan

Partner

(FCS: 5367; COP: 4408)

UDIN: F005367F000913054

PR No: 2635/2022

Date: August 06, 2024
Place: Coimbatore

KSR/CBE/M-154/429/2024-25

To,
The Members,
Muthoot Finance Limited
2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex,
Kochi – 682 018.

Our Secretarial Audit Report of even date of **Muthoot Finance Limited** [CIN: L65910KL1997PLC011300] 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, 2024.
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 are 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

Sd/-

Dr. C.V. Madhusudhanan

Partner

(FCS: 5367; COP: 4408)

UDIN: F005367F000913054

PR No: 2635/2022

Date: August 06, 2024
Place: Coimbatore

Annexure 9

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2023-24 ; the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2023-24;

| Sl. No. | Name of Director and KMP | Designation | % increase in remuneration during year 2023-24 | Ratio of Remuneration of each Director to median remuneration of employees of the company |
|---------|-------------------------------------|--------------------------------|--|---|
| 1 | George Jacob Muthoot | Chairman & Whole Time Director | 11% | 829:1 |
| 2 | George Thomas Muthoot | Whole Time Director | 11% | 829:1 |
| 3 | George Alexander Muthoot | Managing Director | 11% | 829:1 |
| 4 | Alexander George | Whole Time Director | 11% | 829:1 |
| 5 | George Muthoot George | Whole Time Director | 15% | 81:1 |
| 6 | George Muthoot Jacob | Whole Time Director | 15% | 81:1 |
| 7 | George Alexander (Jr.) | Whole Time Director | 15% | 81:1 |
| 8 | Jose Mathew | Independent Director | 11% | 9:1 |
| 9 | Jacob Benjamin Koshy ⁽¹⁾ | Independent Director | (47)% | 4:1 |
| 10 | Ravindra Pisharody | Independent Director | 1% | 7:1 |
| 11 | V A George | Independent Director | 15% | 8:1 |
| 12 | Usha Sunny | Independent Director | 6% | 7:1 |
| 13 | Abraham Chacko | Independent Director | 13% | 8:1 |
| 14 | C A Mohan | Independent Director | 98% | 8:1 |
| 15 | Joseph Korah ⁽²⁾ | Independent Director | Not Comparable | 3:1 |
| 16 | Oommen K Mammen | Chief Financial Officer | 6% | Not applicable |
| 17 | Rajesh A | Company Secretary | 4% | Not applicable |

⁽¹⁾ Retired from Board of Directors with effect from September 29, 2023

⁽²⁾ Appointed as Independent Director with effect from September 29, 2023

- b) the percentage increase in the median remuneration of employees in the financial year 2023-24: 16.54%
- c) The number of permanent employees on the rolls of company as on March 31, 2024: 28,286
- d) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average percentile in the salaries of employees other than the managerial personnel increased by 15.13%. The total managerial remuneration for the Financial Year 2023-24 was ₹ 1069.22 million as against ₹ 965.09 million during the previous year, an increase of 10.79%. The increase in managerial remuneration is on account of 10.83% increase in remuneration of Managing Director and six Whole-Time Directors. This was based on the overall performance of the Company during the year. Loan Assets under management increased by 20% reaching an all-time high of ₹ 758,270 million. The Profit after tax increased by 17% at ₹ 40,497 million which is the highest ever in the history of the Company. Hence the Board considered increasing variable Annual Performance Incentive of Managing Director and three Whole-Time Directors cumulatively from ₹ 576.08 million to ₹ 633.69 million due to exceptional performance of the Company during the year . Commission to Non-Executive Directors were also increased by 3% for the above reasons. The above increase in managerial remuneration is within the limits approved by shareholders. There is no exceptional circumstance for increase in managerial remuneration except as stated above.

- e) The remuneration paid is as per the remuneration policy of the Company.

For and On Behalf of the Board of Directors

Sd/-

George Jacob Muthoot

Chairman & Whole Time Director

Place: Kochi

Date: September 03, 2024

Sd/-

George Alexander Muthoot

Managing Director

Annexure 10

Disclosure pursuant to Part A of Schedule V read with Regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(Rs. In millions)

| Sl. No | Loans and Advances in the nature of loans | Amount Outstanding as at March 31, 2024 | Maximum Amount Outstanding during the year |
|--------|--|---|--|
| (A) | To Subsidiaries | 5,000 | 5,100 |
| (B) | To Associates | N.A | N.A |
| (C) | To Firms/Companies in which Directors are Interested(other than (A) and (B) above) | Nil | Nil |
| (D) | Investments by the loanee in the shares of Parent Company and Subsidiary Company when the Company has made a loan or advance in the nature of loan | Nil | Nil |

Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity:

Related Party transactions during the year:

| Particulars | George Thomas Muthoot | George Jacob Muthoot |
|--|---------------------------|---------------------------|
| | Year Ended March 31, 2024 | Year Ended March 31, 2024 |
| Interest paid on Borrowings | 104.39 | 47.83 |
| Directors Remuneration | 245.42 | 245.42 |
| Loans accepted | 1,516.64 | 1,542.87 |
| Loans repaid | 1,768.20 | 1,531.89 |
| Purchase of Listed NCDs of the Company | 125.00 | 125.00 |
| Redemption of Listed NCDs of the Company | 86.84 | 86.84 |
| Interest paid on NCD | 0.40 | 0.00 |
| Dividend paid | 959.88 | 959.88 |

Balance outstanding as at the year end: Asset/ (Liability)

| Particulars | George Thomas Muthoot | George Jacob Muthoot |
|--------------------------------|-----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2024 |
| NCDs - Listed | (664.00) | (979.00) |
| Borrowings | (545.07) | (151.32) |
| Directors Remuneration Payable | (80.40) | (80.40) |

Sd/-
George Jacob Muthoot
Chairman & Whole Time Director

Sd/-
George Alexander Muthoot
Managing Director

Place: Kochi
Date: September 03, 2024

Independent Auditors' Report

To the Members of **MUTHOOT FINANCE LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Muthoot Finance Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and Notes to the standalone financial statements, including a summary of material 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, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ('SAs'), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditors' 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 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the 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.

Key Audit Matter

1. Expected Credit Loss under IND AS 109 "Financial Instruments"

The Company recognises Expected Credit Losses (ECL) on loan assets under IND AS 109 "Financial Instruments" based on the Expected Credit Loss model developed by the Company. The estimation of expected credit loss on financial instruments involves significant judgement and estimates. Key estimates involve determining Exposure at Default (EAD), Probability at Default (PD) and Loss Given Default (LGD) using historical information. Hence, we have considered the estimation of ECL as a Key Audit Matter.

Refer Note 42 (Risk Management) to the standalone financial statements.

Auditors' Response

- Assessed the accounting policy for impairment of financial assets and its compliance with IND AS 109.
- Obtained an understanding of the Company's Expected Credit Loss (ECL) calculation and the underlying assumptions.
- Tested the key controls over the assessment and identification of significant increase in credit risk and staging of assets.
- Sample testing of the accuracy and appropriateness of information used in the estimation of Probability of Default (PD) and Loss Given Default (LGD).
- Tested the arithmetical accuracy of the computation of PD and LGD and also performed analytical procedures to verify the reasonableness of the computation.
- Assessed the disclosure made in relation to IND AS 109 for ECL allowance. Further, we also assessed whether the disclosure of key judgements and assumptions are adequate.
- Evaluated the Company's policies, processes and procedures in respect of identifying and disclosing related party transactions.
- Read the minutes of meetings of the shareholders, Board and Audit Committee regarding the Company's assessment of related party transactions for arm's length pricing.

2. Related Party Transactions

We identified related party transactions as a key audit matter due to the significance of related party transactions, regulatory compliance and risk of such transactions remaining undisclosed in the financial statements.

| Key Audit Matter | Auditors' Response |
|---|---|
| <p>3. Compliance and disclosure requirements</p> <p>Compliance and disclosure requirements under the applicable Indian Accounting Standards (Ind AS), Reserve Bank of India (RBI) guidelines and other applicable statutory, regulatory and financial reporting framework.</p> | <ul style="list-style-type: none"> ● Assessed the compliance with the Act, including authorisation and approvals as specified in sections 177 and 188 of the Act and Rules thereon and the Securities and Exchange Board of India regulations with respect to related party transactions ● Tested on a sample basis related party transactions with the underlying contracts and other documents. ● Assessed the systems and processes laid down by the Company to appropriately ensure compliance and disclosures as per the applicable Ind AS, RBI guidelines and other applicable statutory, regulatory and financial reporting framework. ● Designed and performed audit procedures to assess the completeness and correctness of the details disclosed having regard to the assumptions made by the Management in relation to the applicability and extent of disclosure requirements. ● Relied on internal records of the Company and external confirmations wherever necessary. |
| <p>4. Litigations</p> <p>The Company has various tax litigations pending under the Income Tax Act 1961, Goods and Services Tax Act 2017, service tax under Finance Act 1994 and Value Added Tax Acts of various states. The Company has disputed these in various forums and the outcome of these cases will depend on significant judgements, hence we have identified pending litigations as a Key Audit Matter.</p> | <p>In assessing the litigations, we have:</p> <ul style="list-style-type: none"> ● Read the communications with the relevant tax authorities in respect to the pending tax litigations and also considered the submissions made by the Management to the respective appellate authorities. ● We verified the accuracy of the disputed amounts with the relevant communication from the tax authorities. |
| <p>5. IT Systems and Controls</p> <p>The Company uses Information Technology (IT) application for financial accounts and reporting process. Any gap in the financial accounting and reporting process may result in a misstatement, hence we have identified IT systems and controls over financial reporting as a Key Audit Matter.</p> | <ul style="list-style-type: none"> ● Understood the IT systems and controls over key financial accounting and reporting systems. ● Tested the general IT controls for design and operating effectiveness. ● Understood the changes made in the IT environment during the year and ascertained its effect on the financial statements controls and accounts. ● We also assessed, through sample tests, the information generated from these systems which were relied upon for our audit. |

Information Other than the Standalone Financial Statements and Auditors' Report thereon (Other Information)

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Corporate Overview, Report of the Board of Directors, Management Discussion and Analysis Report, Business Responsibility and Sustainability Report and Report on Corporate Governance in the Annual Report of the Company for the financial year 2023-24, but does not include the standalone financial statements and our auditors' report thereon. The reports containing the other information as above are expected to be made available to us after the date of this auditors' report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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 during the course of our audit, or otherwise appears to be materially misstated.

When we read the reports containing the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

Responsibilities of Management and the Board of Directors 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' 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 Auditors' 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk 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 system in respect of 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' 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 auditors' 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.

Materiality is the magnitude of misstatements in the standalone financial statements that individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) Planning the scope of our audit work and in evaluating the results of our work; and
- (ii) To evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have compiled 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 financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' 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 per 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 purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for certain matters in respect of audit trail as stated in the paragraph 2(i)(vi) below. Since the key operations of the Company are automated with the key applications integrated to core banking system/MIS, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein.
 - c. The standalone Balance Sheet, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Cash Flow Statement and the standalone Statement of Changes in Equity dealt with by this Report are in agreement with books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024, from being appointed as a director in terms of section 164(2) of the Act;
 - f. The modifications relating to the maintenance of accounts and other matters connected therewith in respect of audit trail are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate report in '**Annexure B**' to this report;
 - h. With respect to the other matters to be included in the Auditors' report in accordance with section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act; and
 - i. With respect to other matters to be included in the Auditors' report in accordance with Rule 11 of the Companies(Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its standalone financial statements – Refer Note 38 to the standalone financial statements.
 - ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, 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 by the Company.
 - iv. With respect to clause (e) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended;
 1. The Management has represented that, to the best of its knowledge and belief, as disclosed

- in Note 62 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 its knowledge and belief, as disclosed in Note 62 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether 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 performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The dividend declared/paid during the year by the Company is in compliance with section 123 of the Act. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in compliance with Section 123 of the Act.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled at the database level to log any direct data changes.
- Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was enabled and operating.

For Elias George & Co.,

Chartered Accountants
Firm Regn. No. 000801S

Sd/-

Vaibhav T Ved

Partner
Membership No:235912
UDIN: 24235912BKAHYN2441

May 30, 2024
Kochi

For Babu A. Kallivayalil & Co.,

Chartered Accountants
Firm Regn. No. 005374S

Sd/-

Babu Abraham Kallivayalil

Partner
Membership No: 026973
UDIN: 24026973BKEKQM1290

May 30, 2024
Kochi

'ANNEXURE A' REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2024

- i. a. A. In our opinion the Company is maintaining proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ('PPE').
- B. In our opinion, the Company is maintaining proper records showing full particulars of intangible assets.
- b. According to the information and explanation given to us, the Company has a regular programme of physical verification of its PPE which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the programme, the Management has physically verified the Property, Plant and Equipment during the year and no material discrepancies were noticed on such verification.
- c. In our opinion and 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 property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company), disclosed in the financial statements are held in the name of the Company. In respect of certain immovable properties acquired under a scheme of amalgamation in a prior year, the title deeds continue to remain in the name of the erstwhile owners, the details of which are as stated below:

| S. No: | Description of property | Gross carrying value | Held in name of | Whether promoter, director or their relative or employee | Period held – indicate range, where appropriate | Reason for not being held in name of Company |
|--------|---|----------------------|---|--|---|--|
| 1 | Flat No: 1F in "West Gate Terrace" Pandit Karuppan road, Thevara, Cochin measuring 1224 Sq.ft | 7,74,095.00 | George Jacob | Promoter | From 01/04/2004 | The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from April 01, 2004, vide order dated January 31, 2005, by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |
| 2 | Office Space in " Vikas Marg", Laxmi Nagar, New Delhi, measuring 1,400 Sq. Ft | 3,96,000.00 | Late M. G. George, George Thomas, George Jacob and George Alexander | Promoters | From 01/04/2004 | -do- |
| 3 | Flat No: 4236, 5&6 Sector B in Vasant Kunj, New Delhi 125.09 Sq.Mtr | 3,90,343.00 | Late M. G. George | Promoter | From 01/04/2004 | -do- |

| S. No: | Description of property | Gross carrying value | Held in name of | Whether promoter, director or their relative or employee | Period held – indicate range, where appropriate | Reason for not being held in name of Company |
|--------|--|----------------------|---|--|---|--|
| 4 | Office Space in First Floor of "Nehru Place" Satkar Building 79-80 New Delhi measuring 591 Sq. ft. | 9,64,534.00 | Late M. G. George | Promoter | From 01/04/2004 | -do- |
| 5 | Office Space in "Pattom Building", Trivandrum, situated in 5 cents of land in Sy. No: 1752/B/1 in Nadathuvinnakkam, Trivandrum | 3,14,832.00 | Late M. G. George, George Thomas, George Jacob and George Alexander | Promoters | From 01/04/2004 | -do- |
| 6 | Flat No: 221 Block C, in "Sidharth Extension", New Delhi, measuring 900 Sq. ft. | 6,94,456.00 | Late M. G. George | Promoter | From 01/04/2004 | -do- |
| 7 | Office space No: 106/107 in "Navaketha Secunderabad", measuring 1446.5 Sq. ft. | 16,24,616.00 | Late M. G. George, George Thomas, George Jacob and George Alexander | Promoters | From 01/04/2004 | -do- |
| 8 | Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1,092 Sq. ft. (Sy. No. 318/7) | 9,43,088.00 | George Alexander | Promoter | From 01/04/2004 | -do- |
| 9 | Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 897 Sq. ft. (Sy. No. 318/7) | 7,73,081.00 | Anna Alexander | Relative of Promoter | From 01/04/2004 | -do- |
| 10 | Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1,469.50 Sq ft. (Sy. No. 318/7) | 13,09,640.00 | George Jacob | Promoter | From 01/04/2004 | -do- |
| 11 | Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 781 Sq. ft. (Sy. No. 318/7) | 6,91,956.00 | Elizabeth Jacob | Relative of Promoter | From 01/04/2004 | -do- |
| 12 | Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 932 Sq. ft. (Sy. No. 318/7) | 8,34,675.00 | George Thomas | Promoter | From 01/04/2004 | -do- |
| 13 | Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1094 Sq. ft. (Sy. No. 318/7) | 9,32,925.00 | George Thomas | Promoter | From 01/04/2004 | -do- |

| S. No: | Description of property | Gross carrying value | Held in name of | Whether promoter, director or their relative or employee | Period held – indicate range, where appropriate | Reason for not being held in name of Company |
|--------|--|----------------------|-------------------|--|---|--|
| 14 | Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1000 Sq. ft. (Sy. No. 318/7) | 8,57,171.00 | Susan Thomas | Relative of Promoter | From 01/04/2004 | -do- |
| 15 | Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1,637 Sq. ft. (Sy. No. 318/7) | 18,73,724.00 | Late. M G George | Promoter | From 01/04/2004 | -do- |
| 16 | Flat No: 2B3 at B-Canty Homes in 1,525 cents of land in Shasthamangalam, Trivandrum | 20,38,255.00 | George Jacob | Promoter | From 01/04/2004 | -do- |
| 17 | Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1345 sq.ft | 16,76,642.00 | Late M. G. George | Promoter | From 01/04/2004 | -do- |
| 18 | Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1500 sq.ft | 12,23,635.00 | George Alexander | Promoter | From 01/04/2004 | -do- |
| 19 | Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1733 sq.ft | 14,13,706.00 | George Alexander | Promoter | From 01/04/2004 | -do- |
| 20 | Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 213 sq.ft | 1,73,756.00 | George Alexander | Promoter | From 01/04/2004 | -do- |
| 21 | Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 315 sq.ft | 2,56,963.00 | George Alexander | Promoter | From 01/04/2004 | -do- |
| 22 | Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 2098 sq.ft | 19,98,602.00 | George Thomas | Promoter | From 01/04/2004 | -do- |
| 23 | Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1375 sq.ft | 13,09,856.00 | George Thomas | Promoter | From 01/04/2004 | -do- |
| 24 | Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1826 sq.ft | 24,95,574.00 | George Jacob | Promoter | From 01/04/2004 | -do- |
| 25 | Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 2,109 sq.ft | 21,60,701.00 | George Jacob | Promoter | From 01/04/2004 | -do- |

- d. According to the information and explanations given to us and based on the books of account of the Company examined by us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.
- e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company as at March 31, 2024, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. a. The Company is a Non-Banking Finance Company and its business does not require maintenance of inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to the Company.
- b. The Company has been sanctioned working capital limits in excess of Rs. 5 Crores in aggregate from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly statements filed with banks or financial institutions are in agreement with the books of account.
- iii. a. The principal business of the Company is to give loans, hence the requirement to report on clause 3(iii) (a) of the Order is not applicable to the Company.
- b. During the year the investments made, guarantee provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees are, in our opinion, not prejudicial to the Company's interest.
- c. In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. Being a Non-Banking (Non- Deposit Taking Systematically Important) Finance Company, there are instances where the repayment of principal and interest are not as per the stipulated terms.
- d. In respect of loans and advances granted by the Company, Refer notes 8(1) and 42(l) to the Standalone Financial Statements for the total amount overdue for more than ninety days under the title 'Stage 3' loans. In our opinion and according to the information and explanations given to us, reasonable steps have been taken by the Company for recovery of the principal and interest.
- e. The principal business of the Company is to give loans, hence the requirement to report on clause 3(iii) (e) of the Order is not applicable to the company.
- f. The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment. Hence the requirement to report loans granted to promoters, related parties as defined in clause 76 of section 2 of the Act or to any other parties on clause 3(iii) (f) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans granted, investments made and guarantees given, where applicable. The Company has not provided any security for which the provisions of sections 185 and 186 of the Act are applicable.
- v. The Company has not accepted any deposits from the public or amounts which are deemed to be deposits during the year which attract the directives issued by the Reserve Bank of India. Being a Non-Banking Finance Company registered with Reserve Bank of India, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed there under regarding acceptance of deposits are not applicable. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the Company.
- vii. a. In our opinion and according to the information and explanations given to us, the Company has generally been regular in depositing any undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2024, for a period of more than six months from the date they became payable.
- b. In our opinion and according to the information and explanations given to us, there are no disputed amounts dues to be deposited in respect of goods and services tax, provident fund, employees' state insurance, sales tax, duty of customs, duty of excise, value added tax and cess as at March 31, 2024, except the following:

According to the information and explanations given to us the following disputed amounts of income tax and service tax have not been deposited with the authorities as at March 31, 2024:

| Nature of dues | Statute | Amount payable (Net of payments made) Rs. in millions | Period to which the amount relates | Forum where the dispute is pending |
|----------------------------------|----------------------|---|---------------------------------------|--|
| Service tax (excluding interest) | Finance Act, 1994 | 3,004.08 | 2007-2008 to 2011-2012 | Customs Excise and Service Tax Appellate Tribunal (Bangalore) |
| -do- | -do- | 94.21 | 2014-2015 | High Court of Kerala |
| Income tax | Income Tax Act, 1961 | 158.90 | AY 2023-24 | Application for rectification pending before assessing officer |
| -do- | -do- | 39.83 | AY 2022-23 | Application for rectification pending before assessing officer |

- viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no instances of any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. a. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the 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 a wilful defaulter by any bank or financial institution or any other lender.
- c. In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans for the purpose for which they were obtained.
- 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 funds raised on short-term basis have, prima facie not been utilized for long-term purposes by the Company.
- e. According to the information and explanations 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 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 subsidiaries, joint ventures or associate companies.
- x. a. According to the information and explanations provided to us and the records of the Company examined by us, the Company has not raised monies by way of initial public offer or further public offer except for the public offer of debt instruments.
- According to the information and explanation provided to us and the records of the Company examined by us, the monies raised by way of public offer of debt instruments during the year were applied for the purposes for which those were raised.
- b. According to the information and explanations given to us, the Company has not made any preferential allotment/private placement of shares or convertible debentures (fully/partly/optionally convertible) during the year except Employee Stock Options issued during the year.
- xi. a. To the best of our knowledge and according to the information and explanations given to us, there have been instances of fraud on the Company amounting to Rs. 50.65 million as included in Note 50 to the standalone financial statements. No fraud by the Company has been noticed or reported during the year, nor have we been informed of any such instance by the Management.
- b. No report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year by the Statutory Auditors and up to the date of this Report.
- c. We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- xii. The Company is not a Nidhi company as prescribed under Section 406 of the Companies Act. Accordingly, the reporting requirement under clause 3 (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with related parties

are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

- xiv. a. In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- b. The internal audit is performed as per a planned program approved by the Management and those charged with governance of the Company. We have considered, during the course of our audit, the reports of the branch internal audits for the year under audit in accordance with the guidance provided in SA 610 'Using the Work of Internal Auditors' issued by the Institute of Chartered Accountants of India.
- xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence reporting requirement under Clause 3 (xv) of the Order are not applicable to the Company.
- xvi. a. The Company is a Non-Banking Finance Company and is required to obtain Registration under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained.
- b. The Company has a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) for conducting Non-Banking Financial activities and no business has been conducted by the Company without a valid CoR.
- c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting requirements under clause 3 (xvi)(c) of the Order is not applicable.
- d. As per the information and explanations given to us, there are no core investment companies as defined in the regulations made by the Reserve Bank of India as part of its group and hence the reporting requirements under clause 3 (xvi)(d) of the Order are not applicable.
- xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- xx. a. In our opinion and according to the information and explanations given to us, there is no unspent amount required to be transferred to a fund specified in Schedule VII of the Companies Act in compliance with second proviso to sub section 5 of section 135 of the said Act for the year.
- b. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has fully spent the required amount towards Corporate Social Responsibility and there are no unspent Corporate Social Responsibility amount for the current Financial Year which is required to be transferred to a fund specified in Schedule VII to the Companies Act, 2013 or special account in compliance with the provisions of sub Section 6 of Section 135 of the said Act.

For Elias George & Co.,
Chartered Accountants
Firm Regn. No. 0008015

Sd/-
Vaibhav T Ved
Partner
Membership No:235912
UDIN: 24235912BKAHYN2441

May 30, 2024
Kochi

For Babu A. Kallivayalil & Co.,
Chartered Accountants
Firm Regn. No. 0053745

Sd/-
Babu Abraham Kallivayalil
Partner
Membership No: 026973
UDIN: 24026973BKEKQM1290

May 30, 2024
Kochi

'ANNEXURE B' REFERRED TO IN PARAGRAPH 2(G) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2024

Report on the INTERNAL FINANCIAL CONTROLS under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Opinion

We have audited the internal financial controls over financial reporting of Muthoot Finance Limited ('the Company') as of March 31, 2024, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on 'Audit of Internal Financial Controls Over Financial Reporting' issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal standalone 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 Companies Act, 2013 ('the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the ICAI. 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 standalone financial controls system 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 auditors' 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 system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal standalone 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

For Elias George & Co.,

Chartered Accountants
Firm Regn. No. 000801S

Sd/-

Vaibhav T Ved

Partner
Membership No:235912
UDIN: 24235912BKAHYN2441

May 30, 2024
Kochi

3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Babu A. Kallivayalil & Co.,

Chartered Accountants
Firm Regn. No. 005374S

Sd/-

Babu Abraham Kallivayalil

Partner
Membership No: 026973
UDIN: 24026973BKEKQM1290

May 30, 2024
Kochi

Balance Sheet

as at March 31, 2024

(Rupees in millions, except for share data and unless otherwise stated)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|----------|-------------------------|-------------------------|
| I. ASSETS | | | |
| 1 Financial assets | | | |
| a) Cash and cash equivalents | 5 | 50,365.46 | 64,288.01 |
| b) Bank Balance other than (a) above | 5 | 93.14 | 323.95 |
| c) Derivative financial instruments | 6 | - | - |
| d) Receivables | 7 | | |
| (i) Trade receivables | | 10.34 | 16.06 |
| (ii) Other receivables | | - | - |
| e) Loans | 8 | 7,70,014.49 | 6,42,648.80 |
| f) Investments | 9 | 22,683.27 | 13,168.59 |
| g) Other financial assets | 10 | 1,858.14 | 1,336.19 |
| 2 Non-financial Assets | | | |
| a) Deferred tax assets (Net) | 32 | 328.65 | 401.54 |
| b) Property, Plant and Equipment | 11 | 3,461.16 | 2,682.10 |
| c) Capital work-in-progress | 11 | 883.16 | 674.27 |
| d) Other intangible assets | 12 | 39.65 | 35.59 |
| e) Other non-financial assets | 13 | 546.75 | 623.04 |
| Total Assets | | 8,50,284.21 | 7,26,198.14 |
| II. LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| 1 Financial Liabilities | | | |
| a) Derivative financial instruments | 6 | 138.86 | 1,892.41 |
| b) Payables | 14 | | |
| (i) Trade payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,001.73 | 794.92 |
| (ii) Other payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,037.39 | 1,004.10 |
| c) Debt securities | 15 | 1,63,714.70 | 1,37,383.63 |
| d) Borrowings (other than debt securities) | 16 | 4,23,613.13 | 3,58,992.41 |
| e) Subordinated liabilities | 17 | 502.95 | 967.03 |
| f) Other financial liabilities | 18 | 12,563.37 | 9,626.49 |
| 2 Non-financial Liabilities | | | |
| a) Current tax liabilities (net) | | 538.56 | 789.38 |
| b) Provisions | 19 | 3,475.57 | 3,515.56 |
| c) Other non-financial liabilities | 20 | 795.06 | 612.93 |
| EQUITY | | | |
| a) Equity share capital | 21 | 4,014.62 | 4,014.48 |
| b) Other equity | 22 | 2,38,888.27 | 2,06,604.80 |
| Total Liabilities and Equity | | 8,50,284.21 | 7,26,198.14 |

Notes on accounts form part of standalone financial statements

As per our report of even date attached

For Elias George & Co.
(FRN : 000801S)

Sd/-
Vaibhav T Ved
Partner
Chartered Accountants
Membership No. 235912

For Babu A. Kallivayalil & Co.
(FRN : 005374S)

Sd/-
Babu Abraham Kallivayalil
Partner
Chartered Accountants
Membership No. 026973

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: May 30, 2024

Place: Kochi
Date: May 30, 2024

Statement of Profit and Loss

for the year ended March 31, 2024

(Rupees in millions, except for share data and unless otherwise stated)

| Particulars | Note No. | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|----------|------------------------------|------------------------------|
| Revenue from operations | | | |
| (i) Interest income | 23 | 1,24,475.66 | 1,03,686.11 |
| (ii) Dividend income | | 70.74 | 23.77 |
| (iii) Net gain on fair value changes | 24 | 820.87 | 672.70 |
| (iv) Sale of services | 25 | 88.87 | 90.70 |
| (v) Service charges | | 893.94 | 675.21 |
| (I) Total Revenue from operations | | 1,26,350.08 | 1,05,148.49 |
| (II) Other Income | 26 | 590.36 | 288.99 |
| (III) Total Income (I + II) | | 1,26,940.44 | 1,05,437.48 |
| Expenses | | | |
| (i) Finance costs | 27 | 46,547.62 | 36,991.40 |
| (ii) Impairment on financial instruments | 28 | 1,977.71 | 605.27 |
| (iii) Employee benefits expenses | 29 | 13,869.16 | 11,994.41 |
| (iv) Depreciation, amortization and impairment | 30 | 656.25 | 583.14 |
| (v) Other expenses | 31 | 9,401.87 | 8,599.00 |
| (IV) Total Expenses (IV) | | 72,452.61 | 58,773.22 |
| (V) Profit before tax (III- IV) | | 54,487.83 | 46,664.26 |
| (VI) Tax Expense: | 32 | | |
| (1) Current tax | | 14,109.62 | 12,069.87 |
| (2) Deferred tax | | (118.44) | (58.47) |
| (3) Taxes relating to prior years | | - | (82.45) |
| (VII) Profit for the year (V- VI) | | 40,496.65 | 34,735.31 |
| (VIII) Other Comprehensive Income | | | |
| A) (i) Items that will not be reclassified to profit or loss | | | |
| - Remeasurement of defined benefit plans | | 65.88 | 48.95 |
| - Fair value changes on equity instruments through other comprehensive income | | 375.94 | (84.82) |
| - Changes in value of forward element of forward contract | | 471.82 | 405.35 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | (229.95) | (92.99) |
| Subtotal (A) | | 683.69 | 276.49 |
| B) (i) Items that will be reclassified to profit or loss | | | |
| - Effective portion of gain/(loss) on hedging instruments in cash flow hedges | | (87.59) | 245.23 |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | 22.04 | (61.72) |
| Subtotal (B) | | (65.55) | 183.51 |
| Other Comprehensive Income (A + B) (VIII) | | 618.14 | 460.00 |
| (IX) Total comprehensive income for the year (VII+VIII) | | 41,114.79 | 35,195.31 |
| (X) Earnings per equity share | 33 | | |
| (Face value of ₹10/- each) | | | |
| Basic (₹) | | 100.88 | 86.54 |
| Diluted (₹) | | 100.87 | 86.52 |

Notes on accounts form part of standalone financial statements

As per our report of even date attached

For Elias George & Co.
(FRN : 000801S)

Sd/-
Vaibhav T Ved
Partner
Chartered Accountants
Membership No. 235912

For Babu A. Kallivayalil & Co.
(FRN : 005374S)

Sd/-
Babu Abraham Kallivayalil
Partner
Chartered Accountants
Membership No. 026973

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: May 30, 2024

Place: Kochi
Date: May 30, 2024

Statement of Changes in Equity

for the year ended March 31, 2024

(Rupees in millions, except for share data and unless otherwise stated)

a. Equity Share Capital

Equity shares of ₹ 10/- each issued, subscribed and fully paid

| Particulars | Number | Amount |
|---|---------------------|-----------------|
| As at April 01, 2022 | 40,13,45,266 | 4,013.45 |
| Shares issued in exercise of Employee Stock Options during the year | 1,02,965 | 1.03 |
| As at March 31, 2023 | 40,14,48,231 | 4,014.48 |
| Shares issued in exercise of Employee Stock Options during the year | 13,445 | 0.14 |
| As at March 31, 2024 | 40,14,61,676 | 4,014.62 |

b. Other Equity

| Particulars | Reserves and Surplus | | | | | Other Comprehensive Income | | | | Total | |
|---|----------------------|--------------------|--|-----------------|--------------------------|----------------------------|---|---------------------------------------|--|--------------|-------------------------------------|
| | Statutory Reserve | Securities Premium | Debt Redemption Reserve (Refer Note 22.1(c)) | General Reserve | Share Option Outstanding | Retained Earnings | Equity instruments through Comprehensive Income | Effective portion of Cash Flow Hedges | Cost of Hedging Reserve (Remeasurement of defined benefit plans) | | Other Items of Comprehensive Income |
| Balance as at April 01, 2022 | 41,428.90 | 15,063.70 | 35,123.97 | 2,676.33 | 61.74 | 85,359.55 | 519.08 | (204.14) | (658.28) | 61.40 | 1,79,432.27 |
| Interim Dividend for 2021-22 | - | - | - | - | - | (8,026.91) | - | - | - | - | (8,026.91) |
| Transfer to/from retained earnings | 6,947.06 | - | - | - | - | (6,947.06) | - | - | - | - | - |
| Profit for the year after income tax | - | - | - | - | (9.16) | 34,735.31 | - | - | - | - | 34,735.31 |
| Transfer from ESOP reserves | - | - | - | - | - | 9.16 | - | - | - | - | - |
| Share based payment expenses | - | - | - | - | - | - | - | - | - | - | - |
| Share option exercised during the year | - | 36.59 | - | - | (32.46) | - | - | - | - | - | 4.13 |
| Other Comprehensive Income (OCI) for the year before income tax | - | - | - | - | - | - | (84.82) | 245.23 | 405.35 | 48.95 | 614.71 |
| Income Tax on OCI | - | - | - | - | - | - | 21.35 | (61.72) | (102.02) | (12.32) | (154.71) |
| Balance as at March 31, 2023 | 48,375.96 | 15,100.29 | 35,123.97 | 2,676.33 | 20.12 | 1,05,130.05 | 455.61 | (20.63) | (354.95) | 98.03 | 2,06,604.80 |

Statement of Changes in Equity

for the year ended March 31, 2024

(Rupees in millions, except for share data and unless otherwise stated)

b. Other Equity (Contd..)

| Particulars | Reserves and Surplus | | | | | Other Comprehensive Income | | | | Total | |
|---|----------------------|--------------------|--|-----------------|--------------------------|----------------------------|---|---------------------------------------|-------------------------|---------------|--|
| | Statutory Reserve | Securities Premium | Debiture Redemption Reserve (Refer Note 22.1(c)) | General Reserve | Share Option Outstanding | Retained Earnings | Equity instruments through Comprehensive Income | Effective portion of Cash Flow Hedges | Cost of Hedging Reserve | | Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans) |
| Interim Dividend for 2022-23 | - | - | - | - | - | (8,831.86) | - | - | - | - | (8,831.86) |
| Transfer to/from retained earnings | 8,099.33 | - | - | - | - | (8,099.33) | - | - | - | - | - |
| Profit for the year after income tax | - | - | - | - | - | 40,496.65 | - | - | - | - | 40,496.65 |
| Transfer from ESOP reserves | - | - | - | - | (3.83) | 3.83 | - | - | - | - | - |
| Share based payment expenses | - | - | - | - | - | - | - | - | - | - | - |
| Share option exercised during the year | - | 5.67 | - | - | (5.13) | - | - | - | - | - | 0.54 |
| Other Comprehensive Income (OCI) for the year before income tax | - | - | - | - | - | - | 375.94 | (87.59) | 471.82 | 65.88 | 826.05 |
| Income Tax on OCI | - | - | - | - | - | - | (94.62) | 22.04 | (118.75) | (16.58) | (207.91) |
| Balance as at March 31, 2024 | 56,475.29 | 15,105.96 | 35,123.97 | 2,676.33 | 11.16 | 1,28,699.34 | 736.93 | (86.18) | (1.86) | 147.33 | 2,38,888.27 |

Notes on accounts form part of standalone financial statements

As per our report of even date attached

For Elias George & Co.
(FRN : 000801S)

Sd/-
Vaibhav T Ved
Partner
Chartered Accountants
Membership No. 235912

For Babu A. Kallivayalil & Co.
(FRN : 005374S)

Sd/-
Babu Abraham Kallivayalil
Partner
Chartered Accountants
Membership No. 026973

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: May 30, 2024

Place: Kochi
Date: May 30, 2024

Cash Flow Statement

for the year ended March 31, 2024

(Rupees in millions, except for share data and unless otherwise stated)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| A. Cash flow from Operating activities | | |
| Profit before tax | 54,487.83 | 46,664.26 |
| Adjustments to reconcile profit before tax to net cash flows: | | |
| Depreciation, amortisation and impairment | 656.25 | 583.14 |
| Impairment on financial instruments | 1,977.71 | 605.27 |
| Finance cost | 46,547.62 | 36,991.40 |
| (Profit)/Loss on sale of mutual funds | (926.87) | (672.69) |
| (Profit)/Loss on sale of Property, plant and equipment | (7.72) | (9.74) |
| Provision for Gratuity | 116.81 | 116.14 |
| Provision for Compensated absences | (21.14) | 29.38 |
| Interest income on investments | (2,553.54) | (2,139.31) |
| Dividend income | (70.74) | (23.77) |
| Unrealised gain on investment | 106.00 | (0.01) |
| Operating Profit Before Working Capital Changes | 1,00,312.21 | 82,144.07 |
| Adjustments for: | | |
| (Increase)/Decrease in Trade receivables | 5.72 | 5.38 |
| (Increase)/Decrease in Bank balances other than cash and cash equivalents | 230.43 | 319.47 |
| (Increase)/Decrease in Loans | (1,29,323.14) | (49,414.35) |
| (Increase)/Decrease in Other financial assets | (519.24) | (128.59) |
| (Increase)/Decrease in Other non-financial assets | 130.07 | 74.37 |
| Increase/(Decrease) in Other financial liabilities | 188.54 | 226.95 |
| Increase/(Decrease) in Other non-financial liabilities | 182.13 | (438.71) |
| Increase/(Decrease) in Trade payables | 206.81 | 93.72 |
| Increase/(Decrease) in Other payables | 33.29 | 341.50 |
| Increase/(Decrease) in Provisions | (90.04) | (176.76) |
| Cash generated from/ (used in) operations | (28,643.22) | 33,047.05 |
| Finance cost paid | (49,999.28) | (39,500.62) |
| Income tax paid | (14,377.01) | (12,563.65) |
| Net cash from / (used in) operating activities | (93,019.51) | (19,017.22) |
| B. Cash flow from Investing activities | | |
| Purchase of Property, plant and equipment and intangible assets (Including Capital work in progress) | (1,709.78) | (941.46) |
| Proceeds from sale of Property, plant and equipment | 15.45 | 12.39 |
| (Increase)/Decrease in Investment in mutual funds (Net) | 926.87 | 672.69 |
| (Increase)/Decrease in Investments at amortised cost | 20.02 | 10.00 |
| Investment in Equity shares of subsidiary | (7,529.99) | (50.00) |
| (Increase)/Decrease in investment in Security Receipts (Net) | (1,395.20) | - |
| Investments in quoted equity shares | (338.34) | - |
| Interest received on investments | 2,549.63 | 2,148.13 |
| Dividend income | 70.74 | 23.77 |
| Net cash from / (used in) investing activities | (7,390.60) | 1,875.52 |

Cash Flow Statement

for the year ended March 31, 2024

(Rupees in millions, except for share data and unless otherwise stated)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| C. Cash flow from Financing activities | | |
| Proceeds from issue of equity share capital | 0.64 | 5.15 |
| Increase / (Decrease) in Debt securities | 26,351.11 | 12,309.88 |
| Increase / (Decrease) in Borrowings (other than Debt securities) | 69,433.69 | (14,184.65) |
| Increase / (Decrease) in Subordinated liabilities | (466.40) | (459.47) |
| Dividend paid | (8,831.48) | (8,026.35) |
| Net cash from / (used in) financing activities | 86,487.56 | (10,355.44) |
| D. Net increase/(decrease) in cash and cash equivalents (A+B+C) | (13,922.55) | (27,497.14) |
| Cash and cash equivalents at April 01, 2023/ April 01, 2022 | 64,288.01 | 91,785.15 |
| Cash and cash equivalents at March 31, 2024/ March 31, 2023(Refer note 5.1) | 50,365.46 | 64,288.01 |

Notes on accounts form part of standalone financial statements

As per our report of even date attached

For Elias George & Co.
(FRN : 000801S)

For Babu A. Kallivayalil & Co.
(FRN : 005374S)

For and on behalf of the Board of Directors

Sd/-

Vaibhav T Ved

Partner

Chartered Accountants

Membership No. 235912

Sd/-

Babu Abraham Kallivayalil

Partner

Chartered Accountants

Membership No. 026973

Sd/-

George Jacob Muthoot

Chairman & Whole-time Director

DIN: 00018235

Sd/-

Oommen K. Mammen

Chief Financial Officer

Sd/-

George Alexander Muthoot

Managing Director

DIN: 00016787

Sd/-

Rajesh A

Company Secretary

Place: Kochi

Date: May 30, 2024

Place: Kochi

Date: May 30, 2024

Notes

Forming Part of Financial Statements

1. Corporate Information

Muthoot Finance Limited ("the Company") was incorporated as a private limited company on 14th March, 1997 and was converted into a public limited company on November 18, 2008. The Company was promoted by Late Mr. M. G. George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot and Mr. George Alexander Muthoot who collectively operated under the brand name of "The Muthoot Group". The Company obtained permission from the Reserve Bank of India for carrying on the business of Non-Banking Financial Institutions on 13-11-2001 vide Regn No. N 16.00167. **The Reserve Bank of India vide its press release 2022-2023/975 dated September 30, 2022, has classified Muthoot Finance Limited as Upper Layer NBFC as per their "Scale based regulatory framework".** The Registered Office of the Company is at Second Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.

The Company made an Initial Public Offer of 51,500,000 Equity Shares of the face value ₹ 10/- each at a price of ₹ 175/- raising ₹ 9,012.50 millions during the month of April 2011. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited from May 6, 2011.

2. Basis of preparation and presentation

2.1. Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). These financial statements may require further adjustments, if any, necessitated by the guidelines / clarifications / directions issued in the future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable.

2.2. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for following assets and liabilities which have been measured at fair value:

- i) fair value through other comprehensive income (FVOCI) instruments,
- ii) derivative financial instruments,
- iii) other financial assets held for trading,

- iv) financial assets and liabilities designated at fair value through profit or loss (FVTPL)

2.3. 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.

2.4. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest million, except when otherwise indicated.

2.5. New Accounting Standards that are issued but not effective

There are no standards that are issued but not yet effective on March 31, 2024.

3. Material accounting policies

3.1. Revenue Recognition

3.1.1. Recognition of interest income

The Company recognises Interest income by applying the effective interest rate (EIR) to the gross carrying amount of a financial asset except for purchased or originated credit-impaired financial assets and other credit-impaired financial assets.

For purchased or originated credit-impaired financial assets, the Company applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

For other credit-impaired financial assets, the Company applies effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

The effective interest rate on a financial asset is 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. While estimating future cash receipts, factors like expected behaviour and life cycle of the financial asset, probable fluctuation in collateral value etc are considered which has an impact on the EIR.

While calculating the effective interest rate, the Company includes all fees and points paid or received to and from the

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borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Interest income on all trading assets and financial assets required to be measured at FVTPL is recognised using the contractual interest rate as net gain on fair value changes.

3.1.2. Recognition of revenue from sale of goods or services

Revenue (other than for Financial Instruments within the scope of Ind AS 109) is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance 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

Revenue from contract with customer for rendering services is recognised at a point in time when performance obligation is satisfied.

3.1.3. Recognition of Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established. This is established when 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.

3.1.4. Net gain/loss on fair value changes

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains/loss on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis. 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.

3.2. Financial instruments

A. Financial Assets

3.2.1. Initial recognition and measurement

All financial assets are recognised initially at fair value when the Company become party to the contractual provisions of the financial asset. In case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

3.2.2. Subsequent measurement

The Company classifies its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

a. Financial assets measured at amortised cost

A financial asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of financial asset give rise on specified dates to cash flows that are solely

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payments of principal and interest on the principal amount outstanding.

c. Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

3.2.3. Investments in Subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in Subsidiaries, Associates and Joint Ventures at cost less impairment loss, if any.

3.2.4. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the changes in fair value through other comprehensive income (FVOCI).

B. Financial liabilities

3.2.5. Initial recognition and measurement

All financial liabilities are recognized initially at fair value when the company become party to the contractual provisions of the financial liability. In case of financial liability which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liabilities, are adjusted to the fair value on initial recognition. The company's financial liabilities include trade and other payables, non-convertible debentures loans and borrowings including bank overdrafts.

3.2.6. Subsequent Measurement

Financial liabilities other than financial liabilities at fair value through profit or loss which includes derivative financial instruments are subsequently carried at amortised cost using the effective interest method. Subsequent measurement of derivative financial instruments are at fair value as detailed under Note 3.7 'Derivative Financial Instruments'

3.3. Derecognition of financial assets and liabilities

3.3.1. Financial Asset

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or it transfers its contractual rights to receive the cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. On derecognition of a financial asset in its entirety, the difference

between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) shall be recognised in profit or loss. Any rights and obligations created or retained in the transfer of such financial assets by the Company is recognized as a separate asset or liability.

3.3.2. Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the Statement of profit and loss.

3.4. Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all the following circumstances:

- a. The normal course of business
- b. The event of default
- c. The event of insolvency or bankruptcy of the Company and/or its counterparties

3.5. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit or loss.

3.5.1. Overview of the Expected Credit Loss (ECL) model

Expected Credit Loss, at each reporting date, is measured through a loss allowance for a financial asset:

- At an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.
- At an amount equal to 12-month expected credit losses, if the credit risk on a financial instrument has not increased significantly since initial recognition.

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Lifetime expected credit losses means expected credit losses that result from all possible default events over the expected life of a financial asset.

12-month expected credit losses means the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial assets credit risk has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses.

Based on the above process, the Company categorises its loans into three stages as described below:

For non-impaired financial assets

- Stage 1 is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk since initial recognition. A 12-month ECL provision is made for stage 1 financial assets. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition.
- Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The Company recognises lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12 months ECL provision.

For impaired financial assets:

Financial assets are classified as Stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognises lifetime ECL for impaired financial assets.

3.5.2. Estimation of Expected Credit Loss

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon.

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 considering fresh slippage of past years. For those pools where historical information is not available, the PD/ default rates as stated by external reporting agencies is considered.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, vehicles, etc. However, the fair value of collateral affects the calculation of ECL. The collateral is majorly the property for which the loan is given. The fair value of the same is based on data provided by third party or management judgements.

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case

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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.

3.6. Determination of fair value of Financial Instruments

The Company measures financial instruments, such as, investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments—Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole.

3.7. Derivative financial instruments

The Company enters into derivative financial instruments such as foreign exchange forward contracts and cross currency swaps to manage its exposure to foreign exchange rate risk and interest rate swaps to manage its interest rate risk.

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The resulting gain/loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Company has designated the derivative financial instruments as cash flow hedges of recognised liabilities and unrecognised firm commitments.

Hedge accounting

In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. The company enters into derivative financial instruments that have critical terms aligned with the hedged item and in accordance with the Risk management policy of the company, the hedging relationship is extended

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to the entire term of the hedged item. The hedges are expected to be highly effective if the hedging instrument is offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk. The assessment of hedge effectiveness is carried out at inception and on an ongoing basis to determine that the hedging relationship has been effective throughout the financial reporting periods for which they were designated.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in Other Comprehensive Income (OCI) within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the Statement of Profit and Loss. When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

3.8. Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts if any, as they are considered as an integral part of the Company's cash management.

3.9. Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment,

if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset 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.

3.9.1. Depreciation

Depreciation on Property, Plant and Equipment is calculated using written down value method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

The estimated useful lives are as follows:

| Particulars | Useful life |
|-----------------------|-------------|
| Furniture and fixture | 10 years |
| Office equipment | 5 years |
| Server and networking | 6 years |
| Computer | 3 years |
| Building | 30 years |
| Vehicles | 8 years |
| Wind Mill | 22 years |

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. 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.

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

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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.

3.10. 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 including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure related to the asset is added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Intangible assets comprising of software is amortised on straight line basis over a period of 5 years, unless it has a shorter useful 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.

3.11. Impairment of non-financial assets: Property, Plant and Equipment and Intangible Assets

The Company assesses, at each reporting date, whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of assets called Cash Generating Units (CGU) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount to determine the extent of impairment, if any.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset,

unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.12. Finance Cost

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:

- 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.
- By considering all the contractual terms of the financial instrument in estimating the cash flows.
- 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.

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Any subsequent changes in the estimation of the future cash flows is recognised in interest expense with the corresponding adjustment to the carrying amount of the financial liability.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

3.13. Other expenses

Expenses are recognised on accrual basis net of the goods and services tax, except where credit for the input tax is not statutorily permitted.

3.14. Employee Benefits Expenses

3.14.1. Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services

3.14.2. Post-Employment Benefits

A. Defined contribution schemes

All eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the company contribute monthly at a stipulated percentage of the covered employee's salary. Contributions are made to Employees Provident Fund Organization in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme at the prescribed rates and are charged to Statement of Profit and Loss at actuals. The company has no liability for future provident fund benefits other than its annual contribution.

B. Defined Benefit schemes

Gratuity

The Company provides for gratuity covering eligible employees under which a lumpsum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using

Projected Unit Credit Method. The Company makes annual contribution to a Gratuity Fund administered by Trustees and separate schemes managed by Kotak Mahindra Old Mutual Life Insurance Limited and/or ICICI Prudential Life Insurance Company Limited.

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.

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, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses (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 Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

3.14.3. Other Long term employee benefits

Accumulated compensated absences

The Company provides for liability of accumulated compensated absences for eligible employees on the basis of an independent actuarial valuation carried out at the end of the year, using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur.

3.14.4. Employee share based payments

Stock options granted to the employees under the stock option scheme established are accounted as per the accounting treatment prescribed by the SEBI (Share Based Employee Benefits) Regulations, 2014 issued by Securities and Exchange Board of India.

The Company follows the fair value method of accounting for the options and accordingly, the excess of market value of the stock options as on the date of grant over the fair value of the options is recognised as deferred employee compensation

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cost and is charged to the Statement of Profit and Loss on graded vesting basis over the vesting period of the options.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.15. 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.

3.16. Taxes

Income tax expense represents the sum of current tax and deferred tax.

3.16.1. Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India 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 i.e., either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income 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.

3.16.2. Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts in the financial statements for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has

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become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e., either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.17. Contingent Liabilities and Assets

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.

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 have any contingent assets in the financial statements.

3.18. Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share (EPS). 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 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.

3.19. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the Statement of profit and loss.

3.20. Cash-flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

3.21. Leases

Effective 01 April 2019, the Company had applied Ind AS 116 'Leases' to all lease contracts existing on 01 April 2019 by adopting the modified retrospective approach.

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset.

The Company as a lessee

The Company has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months and leases with low value assets. The Company determines the lease term as the non-cancellable period of a lease, together with

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periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company recognises the lease payments associated with these leases as an expense in Statement of Profit and Loss on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit. The related cash flows are classified as operating activities.

Wherever the above exception permitted under Ind AS 116 is not applicable, the Company at the time of initial recognition:

- measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is increased by interest on lease liability, reduced by lease payments made and remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.
- measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing and any initial direct costs. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation (depreciated on straight line basis over the lease period) and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases'

The Company as a lessor

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases. Lease payments from operating leases are recognised as an income in the Statement of Profit and Loss on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

4. 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. 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:

4.1. Business Model Assessment

Classification and measurement of financial assets depends on the results of the Solely payments of principal and interest and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

4.2. Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given 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).

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This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, probable fluctuations in collateral value as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

4.3. 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 models in the context of actual loss experience and adjust when necessary.

4.4. 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 at each reporting date.

4.5. Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured

based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.6. Determination of lease term

Ind AS 116 "Leases" requires lessee 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 assessment on the expected lease term on 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 lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

4.7. Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

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(Rupees in millions, except for share data and unless otherwise stated)

Note 5.1: Cash and cash equivalents

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Cash on hand | 2,368.59 | 1,612.98 |
| Balances with Banks | | |
| - in current accounts | 47,771.87 | 57,632.89 |
| - in fixed deposit (maturing within a period of three months) | 225.00 | 45.00 |
| Investment in TREPS | - | 4,997.14 |
| Total | 50,365.46 | 64,288.01 |

Note 5.2: Bank balance other than cash and cash equivalents

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Fixed deposits with bank (maturing after period of three months) | - | 140.00 |
| Fixed deposits with bank under lien (Refer Note 5.2.1) | | |
| - Maturing within a period of three months | 6.10 | 6.96 |
| - Maturing after period of three months | 17.12 | 70.19 |
| Balance in other escrow accounts | | |
| - Unpaid (Unclaimed) Dividend Account | 9.54 | 9.16 |
| - Unspent CSR expenditure account | - | 22.83 |
| - Unpaid (Unclaimed) interest and redemption proceeds of Non- Convertible debentures | 60.38 | 74.81 |
| Total | 93.14 | 323.95 |

Note 5.2.1: Fixed deposits with banks under lien

Fixed Deposits with bank include fixed deposits given as security for borrowings ₹ 8.59 millions (March 31, 2023: ₹ 8.49 millions), fixed deposits given as security for guarantees ₹ 12.54 millions (March 31, 2023: ₹ 66.65 millions) and fixed deposits on which lien is marked for other purposes ₹ 2.09 millions (March 31, 2023: ₹ 2.01 millions).

Note 5.3: The amount of Fixed deposits and Investment in TREPS in Notes 5.1 and 5.2 above does not include interest accrued aggregating to ₹ 11.46 millions (March 31, 2023: ₹ 8.76 millions) disclosed separately under Other financial assets in Note 10. Details of such interest accrued is as follows:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Fixed deposit and Investment in TREPS (maturing within a period of three months) | 9.88 | 2.59 |
| Fixed deposits with bank (maturing after period of three months) | 0.00 | 3.50 |
| Fixed deposits with bank under lien (maturing within a period of three months): | | |
| - given as security for borrowings | 0.04 | 0.13 |
| - given as security for guarantees | 0.33 | 0.24 |
| - other purposes | 0.00 | 0.00 |
| Fixed deposits with bank under lien (maturing after period of three months): | | |
| - given as security for borrowings | 0.24 | 0.14 |
| - given as security for guarantees | 0.86 | 2.08 |
| - other purposes | 0.11 | 0.08 |
| Total | 11.46 | 8.76 |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 6: Derivative Financial Instruments

| Particulars | As at March 31, 2024 | | | | As at March 31, 2023 | | | |
|---|---------------------------------|---------------------------------|--------------------|-------------------------|---------------------------------|---------------------------------|--------------------|-------------------------|
| | Notional amounts (USD millions) | Notional amounts (INR millions) | Fair value- Assets | Fair value- Liabilities | Notional amounts (USD millions) | Notional amounts (INR millions) | Fair value- Assets | Fair value- Liabilities |
| (i) Currency derivatives | | | | | | | | |
| - Forward contracts | 46.97 | 3,917.87 | - | 23.71 | 609.83 | 50,109.57 | - | 1,869.20 |
| - Cross currency swaps | - | - | - | - | - | - | - | - |
| (ii) Interest Rate derivatives | | | | | | | | |
| - Interest rate swaps | - | 13,000.00 | - | 115.15 | - | 6,000.00 | - | 23.21 |
| Total | 46.97 | 16,917.87 | - | 138.86 | 609.83 | 56,109.57 | - | 1,892.41 |
| Included in above are derivatives held for hedging and risk management purposes as follows: | | | | | | | | |
| (i) Fair value hedging | - | - | - | - | - | - | - | - |
| (ii) Cash flow hedging: | | | | | | | | |
| - Currency derivatives | 46.97 | 3,917.87 | - | 23.71 | 609.83 | 50,109.57 | - | 1,869.20 |
| - Interest rate derivatives | - | 13,000.00 | - | 115.15 | - | 6,000.00 | - | 23.21 |
| (iii) Net investment hedging | - | - | - | - | - | - | - | - |
| (iv) Undesignated Derivatives | - | - | - | - | - | - | - | - |
| Total (i)+ (ii)+(iii)+(iv) | 46.97 | 16,917.87 | - | 138.86 | 609.83 | 56,109.57 | - | 1,892.41 |

The Company undertakes derivative transactions for hedging its exposures to interest rate risk and foreign exchange rate risk. The management of foreign currency risk and interest rate risk is detailed in Note 42.

Note 7: Receivables

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| (I) Trade receivables | | |
| a) Receivables considered good - Secured | - | - |
| b) Receivables considered good - unsecured | | |
| Receivables from Money Transfer business | 10.34 | 15.16 |
| Receivables from Power Generation - Wind Mill | - | 0.90 |
| c) Receivables which have significant increase in Credit Risk | - | - |
| d) Receivables - credit impaired | - | - |
| Total | 10.34 | 16.06 |
| (II) Other receivables | - | - |
| Less: Allowance for impairment loss | - | - |
| Total Net Receivable | 10.34 | 16.06 |

Trade receivables are non-interest bearing and are short-term in nature. These consist of receivable from government and other parties, and does not involve any credit risk.

There are no dues from directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member

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(Rupees in millions, except for share data and unless otherwise stated)

Note 7: Receivables (Contd..)

7.1 Trade Receivables Ageing Schedule

| Particulars | As at March 31, 2024 | | | | | |
|--|--|-----------------------|----------------|----------------|----------------------|-------|
| | Outstanding for following periods from due date of payment | | | | | |
| | Less than 6 months | 6 months - 1 years | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables - considered good | 10.34 | - | - | - | - | 10.34 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |

| Particulars | As at March 31, 2023 | | | | | |
|--|--|-----------------------|----------------|----------------|----------------------|-------|
| | Outstanding for following periods from due date of payment | | | | | |
| | Less than 6 months | 6 months - 1 years | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables - considered good | 16.06 | - | - | - | - | 16.06 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 8: Loans

| Particulars | As at March 31, 2024 | | | | | | As at March 31, 2023 | | |
|---|----------------------|------------------------------------|------------------------|---|--------------------|--------------------|------------------------|---|--------------------|
| | Amortised Cost | At Fair value | | | Total | Amortised Cost | At Fair value | | Total |
| | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | | | Through profit or loss | Designated at fair value through profit or loss | |
| (A) | | | | | | | | | |
| i) Gold Loan | 7,50,088.74 | - | - | - | 7,50,088.74 | 6,37,038.17 | - | - | 6,37,038.17 |
| ii) Personal Loan | 8,755.81 | - | - | - | 8,755.81 | 5,373.68 | - | - | 5,373.68 |
| iii) Corporate Loan | 953.94 | - | - | - | 953.94 | 1,185.11 | - | - | 1,185.11 |
| iv) Business Loan | 3,760.91 | - | - | - | 3,760.91 | 2,255.74 | - | - | 2,255.74 |
| v) Staff Loan | 110.02 | - | - | - | 110.02 | 30.35 | - | - | 30.35 |
| vi) Loans to subsidiaries | 5,000.00 | - | - | - | 5,000.00 | 2,600.00 | - | - | 2,600.00 |
| vii) Insta Personal Loans | 9,095.13 | - | - | - | 9,095.13 | 1,599.07 | - | - | 1,599.07 |
| viii) Business Loans - SME | 1,389.93 | - | - | - | 1,389.93 | 15.24 | - | - | 15.24 |
| ix) Loan Against Property | 0.43 | - | - | - | 0.43 | - | - | - | - |
| x) Other Loans | 209.85 | - | - | - | 209.85 | 209.06 | - | - | 209.06 |
| Total (A) - Gross | 7,79,364.76 | - | - | - | 7,79,364.76 | 6,50,306.42 | - | - | 6,50,306.42 |
| Less: Impairment loss allowance | 9,350.27 | - | - | - | 9,350.27 | 7,657.62 | - | - | 7,657.62 |
| Total (A) - Net | 7,70,014.49 | - | - | - | 7,70,014.49 | 6,42,648.80 | - | - | 6,42,648.80 |
| (B) | | | | | | | | | |
| I) Secured by tangible assets (including book debts) | | | | | | | | | |
| i) Gold Loan | 7,50,088.74 | - | - | - | 7,50,088.74 | 6,37,038.17 | - | - | 6,37,038.17 |
| ii) Corporate Loan | 953.94 | - | - | - | 953.94 | 1,185.11 | - | - | 1,185.11 |
| iii) Business Loan | 17.64 | - | - | - | 17.64 | 21.54 | - | - | 21.54 |
| iv) Loan Against Property | 0.43 | - | - | - | 0.43 | - | - | - | - |
| v) Other Loans | - | - | - | - | - | 0.15 | - | - | 0.15 |
| Total (I) - Gross | 7,51,060.75 | - | - | - | 7,51,060.75 | 6,38,244.97 | - | - | 6,38,244.97 |
| Less: Impairment loss allowance | 8,726.90 | - | - | - | 8,726.90 | 7,512.81 | - | - | 7,512.81 |
| Total (I) - Net | 7,42,333.85 | - | - | - | 7,42,333.85 | 6,30,732.16 | - | - | 6,30,732.16 |
| II) Covered by Bank / Government Guarantees | - | - | - | - | - | - | - | - | - |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 8: Loans (Contd..)

| Particulars | As at March 31, 2024 | | | | | As at March 31, 2023 | | | | | |
|-------------------------------------|----------------------|------------------------------|------------------------|---|--------------------|----------------------|------------------------------|------------------------|---|--------------------|--|
| | Amortised Cost | At Fair value | | | Total | Amortised Cost | At Fair value | | | Total | |
| | | Through Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | | | Through Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | | |
| III) Unsecured | | | | | | | | | | | |
| i) Personal Loan | 8,755.81 | - | - | - | 8,755.81 | 5,373.68 | - | - | - | 5,373.68 | |
| ii) Business Loan | 3,743.27 | - | - | - | 3,743.27 | 2,234.20 | - | - | - | 2,234.20 | |
| iii) Staff Loan | 110.02 | - | - | - | 110.02 | 30.35 | - | - | - | 30.35 | |
| iv) Loans to subsidiaries | 5,000.00 | - | - | - | 5,000.00 | 2,600.00 | - | - | - | 2,600.00 | |
| v) Insta Personal Loans | 9,095.13 | - | - | - | 9,095.13 | 1,599.07 | - | - | - | 1,599.07 | |
| vi) Business Loans - SME | 1,389.93 | - | - | - | 1,389.93 | 15.24 | - | - | - | 15.24 | |
| vii) Other Loans | 209.85 | - | - | - | 209.85 | 208.91 | - | - | - | 208.91 | |
| Total (III) - Gross | 28,304.01 | - | - | - | 28,304.01 | 12,061.45 | - | - | - | 12,061.45 | |
| Less: Impairment loss allowance | 623.37 | - | - | - | 623.37 | 144.81 | - | - | - | 144.81 | |
| Total (III) - Net | 27,680.64 | - | - | - | 27,680.64 | 11,916.64 | - | - | - | 11,916.64 | |
| Total (B) (I+II+III) - Net | 7,70,014.49 | - | - | - | 7,70,014.49 | 6,42,648.80 | - | - | - | 6,42,648.80 | |
| (C) Loans in India | | | | | | | | | | | |
| i) Public Sector | - | - | - | - | - | - | - | - | - | - | |
| ii) Others | 7,79,364.76 | - | - | - | 7,79,364.76 | 6,50,306.42 | - | - | - | 6,50,306.42 | |
| (C) (II) Loans outside India | | | | | | | | | | | |
| Total (C) - Gross | 7,79,364.76 | - | - | - | 7,79,364.76 | 6,50,306.42 | - | - | - | 6,50,306.42 | |
| Less: Impairment loss allowance | 9350.27 | - | - | - | 9,350.27 | 7,657.62 | - | - | - | 7,657.62 | |
| Total (C) - Net | 7,70,014.49 | - | - | - | 7,70,014.49 | 6,42,648.80 | - | - | - | 6,42,648.80 | |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 8: Loans (Contd..)

8.1 Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 42.

| Particulars | As at March 31, 2024 | | | | As at March 31, 2023 | | | |
|---|-----------------------|-----------------------|------------------|--------------------|-----------------------|-----------------------|------------------|--------------------|
| | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total |
| Internal rating grade | | | | | | | | |
| Performing | | | | | | | | |
| High grade | 7,27,410.06 | - | - | 7,27,410.06 | 6,05,843.31 | - | - | 6,05,843.31 |
| Standard grade | 12,259.31 | - | - | 12,259.31 | 10,859.83 | - | - | 10,859.83 |
| Sub-standard grade | - | 10,597.71 | - | 10,597.71 | - | 5,762.32 | - | 5,762.32 |
| Past due but not impaired | - | 4,963.42 | - | 4,963.42 | - | 4,178.91 | - | 4,178.91 |
| Non- performing | - | - | - | - | - | - | - | - |
| Individually impaired | - | - | 24,845.28 | 24,845.28 | - | - | 23,985.95 | 23,985.95 |
| Total | 7,39,669.37 | 15,561.13 | 24,845.28 | 7,80,075.78 | 6,16,703.14 | 9,941.23 | 23,985.95 | 6,50,630.33 |
| EIR impact of Service charges received | | | | (711.02) | | | | (323.91) |
| Gross carrying amount closing balance net of EIR impact of service charge received | | | | 7,79,364.76 | | | | 6,50,306.42 |

8.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

| Particulars | As at March 31, 2024 | | | | As at March 31, 2023 | | | |
|---|-----------------------|-----------------------|------------------|--------------------|-----------------------|-----------------------|------------------|--------------------|
| | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total |
| Gross carrying amount opening balance | 6,16,703.14 | 9,941.23 | 23,985.95 | 6,50,630.33 | 5,62,809.04 | 21,063.32 | 17,372.24 | 6,01,244.61 |
| New assets originated or purchased | 8,77,558.94 | - | - | 8,77,558.94 | 7,21,398.32 | - | - | 7,21,398.32 |
| Assets derecognised or repaid (excluding write offs) | (7,22,521.24) | (7,304.45) | (18,022.98) | (7,47,848.69) | (6,37,685.16) | (18,839.36) | (15,318.92) | (6,71,843.44) |
| Transfers to Stage 1 | 5.95 | (4.58) | (1.37) | - | 33.32 | (31.28) | (2.04) | - |
| Transfers to Stage 2 | (14,547.97) | 14,548.32 | (0.35) | - | (8,484.27) | 8,485.31 | (1.04) | - |
| Transfers to Stage 3 | (17,529.45) | (1,619.40) | 19,148.83 | - | (21,368.11) | (736.76) | 22,104.87 | - |
| Amounts written off | - | - | (264.80) | (264.80) | - | - | (169.16) | (169.16) |
| Gross carrying amount closing balance | 7,39,669.37 | 15,561.13 | 24,845.28 | 7,80,075.78 | 6,16,703.14 | 9,941.23 | 23,985.95 | 6,50,630.33 |
| EIR impact of Service charges received | | | | (711.02) | | | | (323.91) |
| Gross carrying amount closing balance net of EIR impact of service charge received | | | | 7,79,364.76 | | | | 6,50,306.42 |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 8: Loans (Contd..)

8.3 Reconciliation of ECL balance is given below:

| Particulars | As at March 31, 2024 | | | | As at March 31, 2023 | | | |
|--|-----------------------|-----------------------|-----------------|-----------------|-----------------------|-----------------------|-----------------|-----------------|
| | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total |
| ECL allowance - opening balance | 5,092.93 | 99.97 | 2,464.72 | 7,657.62 | 5,169.69 | 209.80 | 1,839.42 | 7,218.91 |
| New assets originated or purchased | 7,145.93 | - | - | 7,145.93 | 5,859.16 | - | - | 5,859.16 |
| Assets derecognised or repaid (excluding write offs) | (5,760.80) | (74.49) | (1,858.93) | (7,694.22) | (5,751.47) | (183.72) | (1,605.91) | (7,541.10) |
| Transfers to Stage 1 | 2.07 | (0.69) | (1.38) | - | 7.61 | (5.56) | (2.05) | - |
| Transfers to Stage 2 | (117.40) | 117.40 | - | - | (77.31) | 78.34 | (1.04) | (0.01) |
| Transfers to Stage 3 | (143.73) | (15.68) | 159.41 | - | (194.91) | (8.71) | 203.62 | - |
| Impact on year end ECL of exposures transferred between stages during the year | (19.83) | 148.81 | 2,376.76 | 2,505.74 | 80.16 | 9.82 | 2,199.84 | 2,289.82 |
| Amounts written off | - | - | (264.80) | (264.80) | - | - | (169.16) | (169.16) |
| ECL allowance - closing balance | 6,199.17 | 275.32 | 2,875.78 | 9,350.27 | 5,092.93 | 99.97 | 2,464.72 | 7,657.62 |

Note 9: Investments

| Particulars | As at March 31, 2024 | | | | | | | |
|--|----------------------|--|------------------------------|--|-----------------|------------------|------------------|-------|
| | Amortised Cost | At Fair value | | | | Sub-total | At cost | Total |
| | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | | | | |
| i) Government securities | 1,855.82 | - | - | - | - | - | 1,855.82 | |
| ii) Equity instruments | | | | | | | | |
| Subsidiaries | - | - | - | - | - | 16,802.32 | 16,802.32 | |
| Others | - | 2,251.59 | 232.38 | - | 2,483.97 | - | 2,483.97 | |
| iii) Preference shares | | | | | | | | |
| Subsidiaries | - | - | - | - | - | 145.96 | 145.96 | |
| iv) Security Receipt | | | | | | | | |
| Others | - | - | 1,395.20 | - | 1,395.20 | - | 1,395.20 | |
| Total Gross (A) | 1,855.82 | 2,251.59 | 1,627.58 | - | 3,879.17 | 16,948.28 | 22,683.27 | |
| i) Investments outside India | - | 329.45 | - | - | 329.45 | 700.10 | 1,029.55 | |
| ii) Investments in India | 1,855.82 | 1,922.14 | 1,627.58 | - | 3,549.72 | 16,248.18 | 21,653.72 | |
| Total Gross (B) | 1,855.82 | 2,251.59 | 1,627.58 | - | 3,879.17 | 16,948.28 | 22,683.27 | |
| Less: Allowance for impairment loss (C) | - | - | - | - | - | - | - | |
| Total - Net D = (A) - (C) | 1,855.82 | 2,251.59 | 1,627.58 | - | 3,879.17 | 16,948.28 | 22,683.27 | |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 9: Investments (Contd..)

| Particulars | As at March 31, 2023 | | | | | | |
|---|----------------------|------------------------------------|------------------------|---|-----------------|-----------------|------------------|
| | Amortised Cost | At Fair value | | | Sub-total | At cost | Total |
| | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | | | |
| i) Government securities | 1,874.62 | - | - | - | - | - | 1,874.62 |
| ii) Equity instruments | | | | | | | |
| Subsidiaries | - | - | - | - | - | 9,272.32 | 9,272.32 |
| Others | - | 1,875.66 | 0.03 | - | 1,875.69 | - | 1,875.69 |
| iii) Preference shares | | | | | | | |
| Subsidiaries | - | - | - | - | - | 145.96 | 145.96 |
| iv) Security Receipt | | | | | | | |
| Others | - | - | - | - | - | - | - |
| Total Gross (A) | 1,874.62 | 1,875.66 | 0.03 | - | 1,875.69 | 9,418.28 | 13,168.59 |
| i) Investments outside India | - | 452.03 | - | - | 452.03 | 700.10 | 1,152.13 |
| ii) Investments in India | 1,874.62 | 1,423.63 | 0.03 | - | 1,423.66 | 8,718.18 | 12,016.46 |
| Total Gross (B) | 1,874.62 | 1,875.66 | 0.03 | - | 1,875.69 | 9,418.28 | 13,168.59 |
| Less: Allowance for impairment loss (C) | - | - | - | - | - | - | - |
| Total - Net D = (A) - (C) | 1,874.62 | 1,875.66 | 0.03 | - | 1,875.69 | 9,418.28 | 13,168.59 |

9.1 Details of investments are as follows :-

Government securities

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|-------------------------------|----------------------|-----------------|----------------------|-----------------|
| | Units | Amount | Units | Amount |
| State Development Loans | 74,90,300 | 749.86 | 76,90,300 | 769.59 |
| Central Government Securities | 1,15,00,000 | 1,105.96 | 1,15,00,000 | 1105.03* |
| Total | | 1,855.82 | | 1,874.62 |

* Lien has been marked on Central Government Securities of face value Rs. 190 Mn as additional margin given to the Clearing Corporation of India Limited.

Equity instruments

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|----------------------|------------------|----------------------|-----------------|
| | Units | Amount | Units | Amount |
| Subsidiaries | | | | |
| Quoted | | | | |
| Asia Asset Finance PLC, Sri Lanka | 9,05,58,778 | 554.14 | 9,05,58,778 | 554.14 |
| Unquoted | | | | |
| Muthoot Homefin (India) Limited | 11,91,55,843 | 3,639.89 | 11,91,55,843 | 3,639.89 |
| Muthoot Insurance Brokers Private Limited | 7,50,000 | 200.00 | 7,50,000 | 200.00 |
| Belstar Microfinance Limited (formerly known as Belstar Investment and Finance Private Limited) | 3,50,25,405 | 6,298.81 | 2,78,25,405 | 2,768.81 |
| Muthoot Trustee Private Limited | 10,00,000 | 10.00 | 10,00,000 | 10.00 |
| Muthoot Asset Management Private Limited | 10,00,00,000 | 1,000.00 | 10,00,00,000 | 1,000.00 |
| Muthoot Money Limited | 3,26,825 | 5,099.48 | 62,170 | 1,099.48 |
| Subtotal | | 16,802.32 | | 9,272.32 |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 9: Investments (Contd..)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|--|----------------------|------------------|----------------------|------------------|
| | Units | Amount | Units | Amount |
| Others | | | | |
| Quoted | | | | |
| Union Bank of India | 454 | 0.07 | 454 | 0.03 |
| Nabil Bank Limited, Nepal (Refer Note 9.2) | 11,98,531 | 329.45 | 11,98,531 | 452.03 |
| ESAF Small Finance Bank Limited | 1,87,17,244 | 1,014.47 | 1,87,17,244 | 772.65 |
| Muthoot Microfin Limited | 11,62,707 | 232.31 | - | - |
| Unquoted | | | | |
| Muthoot Forex Limited | 19,70,000 | 173.04 | 19,70,000 | 153.76 |
| Muthoot Securities Limited | 27,00,000 | 315.60 | 27,00,000 | 238.79 |
| CRIF High Mark Credit Information Services Private Limited | 19,26,531 | 419.03 | 19,26,531 | 258.43 |
| Subtotal | | 2,483.97 | | 1,875.69 |
| Total | | 19,286.29 | | 11,148.01 |

Preference shares

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|-----------------------------------|----------------------|---------------|----------------------|---------------|
| | Units | Amount | Units | Amount |
| Asia Asset Finance PLC, Sri Lanka | 3,96,87,516 | 145.96 | 3,96,87,516 | 145.96 |
| Total | | 145.96 | | 145.96 |

Security Receipts

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|----------------------|-----------------|----------------------|----------|
| | Units | Amount | Units | Amount |
| Arcil-Retail Loan Portfolio-091-A-Trust | 59,56,797 | 1,395.20 | - | - |
| Total | | 1,395.20 | | - |

9.2 : The Company holds 1,198,531 equity shares of Nepalese Rupee 100/- each in Nabil Bank Limited, Nepal as at March 31, 2024. The management does not have significant influence over the entity as specified in Ind AS-28 - Investments in Associates and Joint Ventures; and has elected to recognise and measure the investment at fair value through OCI as per the requirements of Ind AS 109 – Financial Instruments.

Note 10: Other financial assets

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Security deposits | 1,309.96 | 985.71 |
| Interest accrued on fixed deposits with banks and investment in TREPS (Refer Note 5.3) | 11.46 | 8.76 |
| Other financial assets | 536.72 | 341.72 |
| Total | 1,858.14 | 1,336.19 |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 11: Property, plant and equipment

| Particulars | Land | Buildings | Furniture and Fixtures | Plant and Equipment* | Computer** | Vehicles | Wind Mill | Total | Capital-work-in progress |
|---------------------------------|---------------|-----------------|------------------------|----------------------|---------------|---------------|--------------|-----------------|--------------------------|
| Gross block- at cost | | | | | | | | | |
| As at April 01, 2022 | 843.29 | 687.24 | 1,018.33 | 1,685.47 | 429.80 | 111.04 | 23.35 | 4,798.52 | 456.48 |
| Additions | - | 6.35 | 124.87 | 376.51 | 104.87 | 0.59 | - | 613.19 | 217.79 |
| Disposals | - | - | (0.06) | (10.88) | (0.03) | (1.81) | - | (12.78) | - |
| As at March 31, 2023 | 843.29 | 693.59 | 1,143.14 | 2,051.10 | 534.64 | 109.82 | 23.35 | 5,398.93 | 674.27 |
| Additions | - | 736.38 | 127.99 | 380.17 | 160.39 | 17.83 | - | 1,422.76 | 313.44 |
| Disposals | - | (6.07) | (0.06) | (8.42) | (0.02) | (12.62) | - | (27.19) | (104.55) |
| As at March 31, 2024 | 843.29 | 1,423.90 | 1,271.07 | 2,422.85 | 695.01 | 115.03 | 23.35 | 6,794.50 | 883.16 |
| Accumulated depreciation | | | | | | | | | |
| As at April 01, 2022 | - | 247.41 | 529.52 | 972.62 | 329.84 | 74.02 | 8.19 | 2,161.60 | - |
| Charge for the year | - | 43.35 | 157.97 | 272.57 | 79.40 | 10.84 | 1.25 | 565.38 | - |
| Disposals | - | - | (0.06) | (8.53) | (0.01) | (1.55) | - | (10.15) | - |
| As at March 31, 2023 | - | 290.76 | 687.43 | 1,236.66 | 409.23 | 83.31 | 9.44 | 2,716.83 | - |
| Charge for the year | - | 63.94 | 141.73 | 309.96 | 107.86 | 11.33 | 1.15 | 635.97 | - |
| Disposals | - | (2.17) | (0.06) | (5.89) | (0.02) | (11.32) | - | (19.46) | - |
| As at March 31, 2024 | - | 352.53 | 829.10 | 1,540.73 | 517.07 | 83.32 | 10.59 | 3,333.34 | - |
| Net Block | | | | | | | | | |
| As at March 31, 2023 | 843.29 | 402.83 | 455.71 | 814.44 | 125.41 | 26.51 | 13.91 | 2,682.10 | 674.27 |
| As at March 31, 2024 | 843.29 | 1,071.37 | 441.97 | 882.12 | 177.94 | 31.71 | 12.76 | 3,461.16 | 883.16 |

* Includes Office equipment

** Includes Server and networking

Refer note 34 for details of property pledged as security.

The Company has not revalued its Property, Plant and equipment (including Right-of-Use asset) during the year.

The title deeds of immovable property (other than the properties where the company is the lessee and the lease agreements are duly executed in favour of the Company), disclosed in the financial statements are held in the name of the Company. In respect of certain immovable properties acquired under a scheme of amalgamation in a prior year, the title deeds continue to remain in the name of the erstwhile owners the details of which are as stated below:

| S. No: | Description of property | Gross carrying value | Held in name of | Whether promoter, director or their relative or employee | Period held – indicate range, where appropriate | Reason for not being held in name of company |
|--------|---|----------------------|-----------------|--|---|--|
| 1 | Flat No: 1F in "West Gate Terrace" Pandit Karuppan road, Thevara, Cochin measuring 1224 Sq.ft | 0.77 | George Jacob | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 11: Property, plant and equipment (Contd..)

| S. No: | Description of property | Gross carrying value | Held in name of | Whether promoter, director or their relative or employee | Period held – indicate range, where appropriate | Reason for not being held in name of company |
|--------|---|----------------------|---|--|---|--|
| 2 | Office Space in " Vikas Marg", Laxmi Nagar, New Delhi, measuring 1,400 Sq. Ft | 0.40 | Late. M G George, George Thomas, George Jacob, George Alexander | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |
| 3 | Flat No: 4236, 5&6 Sector B in Vasanda Kunj, New Delhi 125.09 Sq Mtr | 0.39 | Late. M G George | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |
| 4 | Office Space in First Floor of "Nehru Place" Satkar Building 79-80 New Delhi measuring 591 Sq ft. | 0.96 | Late. M G George | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |
| 5 | Office Space in "Pattom Building", Trivandrum, situated in 5 cents of land in Sy. No: 1752/B/1 in Nadathuvinakkam, Trivandrum | 0.31 | Late. M G George, George Thomas, George Jacob, George Alexander | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |
| 6 | Flat No: 221 Block C, in "Sidharth Extension", New Delhi, measuring 900 Sq ft. | 0.69 | Late. M G George | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 11: Property, plant and equipment (Contd..)

| S. No: | Description of property | Gross carrying value | Held in name of | Whether promoter, director or their relative or employee | Period held – indicate range, where appropriate | Reason for not being held in name of company |
|--------|--|----------------------|---|--|---|--|
| 7 | Office space No: 106/107 in "Navaketha Secunderabad", measuring 1446.5 Sq ft. | 1.62 | Late. M G George, George Thomas, George Jacob, George Alexander | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |
| 8 | Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1,092 Sq ft. (Sy. No. 318/7) | 0.94 | George Alexander | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |
| 9 | Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 897 Sq ft. (Sy. No. 318/7) | 0.77 | Anna Alexander | Relative of Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |
| 10 | Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1,469.50 Sq ft. (Sy. No. 318/7) | 1.31 | George Jacob | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |
| 11 | Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 781 Sq ft. (Sy. No. 318/7) | 0.69 | Elizabeth Jacob | Relative of Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 11: Property, plant and equipment (Contd..)

| S. No: | Description of property | Gross carrying value | Held in name of | Whether promoter, director or their relative or employee | Period held – indicate range, where appropriate | Reason for not being held in name of company |
|--------|---|----------------------|------------------|--|---|--|
| 12 | Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 932 Sq ft. (Sy. No. 318/7) | 0.83 | George Thomas | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |
| 13 | Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1094 Sq ft. (Sy. No. 318/7) | 0.93 | George Thomas | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |
| 14 | Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1000 Sq ft. (Sy. No. 318/7) | 0.86 | Susan Thomas | Relative of Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |
| 15 | Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1,637 Sq ft. (Sy. No. 318/7) | 1.87 | Late. M G George | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |
| 16 | Flat No: 2B3 at B-Canty Homes in 1,525 cents of land in Shasthamangalam, Trivandrum | 2.04 | George Jacob | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 11: Property, plant and equipment (Contd..)

| S. No: | Description of property | Gross carrying value | Held in name of | Whether promoter, director or their relative or employee | Period held – indicate range, where appropriate | Reason for not being held in name of company |
|--------|--|----------------------|------------------|--|---|--|
| 17 | Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1345 sq.ft | 1.68 | Late. M G George | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |
| 18 | Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1500 sq.ft | 1.22 | George Alexander | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |
| 19 | Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1733 sq.ft | 1.41 | George Alexander | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |
| 20 | Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 213 sq.ft | 0.17 | George Alexander | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |
| 21 | Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 315 sq.ft | 0.26 | George Alexander | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 11: Property, plant and equipment (Contd..)

| S. No: | Description of property | Gross carrying value | Held in name of | Whether promoter, director or their relative or employee | Period held – indicate range, where appropriate | Reason for not being held in name of company |
|--------|--|----------------------|-----------------|--|---|--|
| 22 | Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 2098 sq.ft | 2.00 | George Thomas | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |
| 23 | Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1375 sq.ft | 1.31 | George Thomas | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |
| 24 | Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1826 sq.ft | 2.50 | George Jacob | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |
| 25 | Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 2109 sq.ft | 2.16 | George Jacob | Promoter | From 01/04/2004 | The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01 st April 2004 vide order dated 31 st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done. |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 11: Property, plant and equipment (Contd..)

11.1 Capital work-in-progress (CWIP) ageing schedule

| Particulars | As at March 31, 2024 | | | | |
|--------------------------------|--------------------------------|-------------|-------------|----------------------|--------|
| | Amount in CWIP for a period of | | | | |
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| Projects in progress | 268.34 | 184.80 | 65.00 | 365.02 | 883.16 |
| Projects temporarily suspended | - | - | - | - | - |

| Particulars | As at March 31, 2023 | | | | |
|--------------------------------|--------------------------------|-------------|-------------|----------------------|--------|
| | Amount in CWIP for a period of | | | | |
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| Projects in progress | 217.79 | 71.71 | 97.41 | 287.36 | 674.27 |
| Projects temporarily suspended | - | - | - | - | - |

Note 12: Other Intangible Assets

| Particulars | Computer Software |
|---------------------------------|-------------------|
| Gross block- at cost | |
| As at April 01, 2022 | 188.55 |
| Additions | 15.99 |
| Disposals | - |
| As at March 31, 2023 | 204.54 |
| Additions | 24.34 |
| Disposals | - |
| As at March 31, 2024 | 228.88 |
| Accumulated amortisation | |
| As at April 01, 2022 | 151.19 |
| Charge for the year | 17.76 |
| Disposals | - |
| As at March 31, 2023 | 168.95 |
| Charge for the year | 20.28 |
| Disposals | - |
| As at March 31, 2024 | 189.23 |
| Net book value | |
| As at March 31, 2023 | 35.59 |
| As at March 31, 2024 | 39.65 |

The Company has not revalued its Intangible assets during the year.

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 13: Other Non-financial assets

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Balances with government authorities | 104.96 | 104.96 |
| Prepaid expenses | 84.95 | 93.01 |
| Capital advances | 160.84 | 107.05 |
| Stock of gold | 4.25 | 4.25 |
| Balances receivable from government authorities | 98.66 | 173.68 |
| CSR Pre-spent account | 4.05 | 6.95 |
| Other Receivables | 89.04 | 133.14 |
| Total | 546.75 | 623.04 |

Note 14: Payables

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| (I) Trade Payables | | |
| (i) total outstanding dues of micro enterprises and small enterprises | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 1,001.73 | 794.92 |
| (II) Other payables | | |
| (i) total outstanding dues of micro enterprises and small enterprises | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 1,037.39 | 1,004.10 |
| Total | 2,039.12 | 1,799.02 |

14.1 Trade Payables Ageing Schedule

| Particulars | As at March 31, 2024 | | | | |
|-----------------------------|--|-------------|-------------|----------------------|----------|
| | Outstanding for following periods from due date of payment | | | | |
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 871.46 | 31.09 | 11.30 | 87.88 | 1,001.73 |
| (iii) Disputed dues – MSME | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - |

| Particulars | As at March 31, 2023 | | | | |
|-----------------------------|--|-------------|-------------|----------------------|--------|
| | Outstanding for following periods from due date of payment | | | | |
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 674.27 | 20.56 | 14.44 | 85.65 | 794.92 |
| (iii) Disputed dues – MSME | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 15: Debt Securities

| Particulars | As at March 31, 2024 | | | | As at March 31, 2023 | | | |
|---|----------------------|--------------------------------------|---|-------------|----------------------|--------------------------------------|---|-------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total |
| Secured Non-Convertible Debentures* | - | | | - | 844.50 | | | 844.50 |
| (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables) (Refer note 15.1) | | | | | | | | |
| Secured Non-Convertible Debentures - Listed** | 1,47,938.70 | | | 1,47,938.70 | 1,20,763.13 | | | 1,20,763.13 |
| (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables/Secured by pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables) (Refer note 15.2 & 15.3) | | | | | | | | |
| Principal Protected Market Linked Secured Non-Convertible Debentures - Listed** | 8,201.00 | | | 8,201.00 | 8,201.00 | | | 8,201.00 |
| (Secured by pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables) (Refer note 15.4) | | | | | | | | |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 15: Debt Securities (Contd..)

| Particulars | As at March 31, 2024 | | | | As at March 31, 2023 | | | |
|---|----------------------|--------------------------------------|---|--------------------|----------------------|--------------------------------------|---|--------------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total |
| Secured Redeemable Non-Convertible Debentures - Listed & Separately Transferable Redeemable Principal Parts ** | 7,575.00 | | | 7,575.00 | 7,575.00 | | | 7,575.00 |
| (Secured by pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables) (Refer note 15.5) | | | | | | | | |
| Total (A) | 1,63,714.70 | - | - | 1,63,714.70 | 1,37,383.63 | - | - | 1,37,383.63 |
| Debt securities in India | 1,63,714.70 | - | - | 1,63,714.70 | 1,37,383.63 | - | - | 1,37,383.63 |
| Debt securities outside India | - | - | - | - | - | - | - | - |
| Total (B) | 1,63,714.70 | - | - | 1,63,714.70 | 1,37,383.63 | - | - | 1,37,383.63 |

*Excludes unpaid (unclaimed) matured debentures of H 90.29 millions as at March 31, 2024 (March 31,2023: H199.90 millions) shown as a part of Other financial liabilities in Note 18 under 'unclaimed/unpaid matured Non Convertible Debentures and interest accrued thereon'.

**Includes EIR impact of transaction cost, premium/discount on issue of non-convertible debentures; excludes unpaid (unclaimed) matured listed debentures of H 55.76 as at March 31, 2024 millions (March 31,2023: H 69.84 millions) shown as a part of Other financial liabilities in Note 18 under 'unclaimed/unpaid matured listed Non Convertible Debentures and interest accrued thereon'.

The amortised cost of Debt Securities in Note 15 above does not include interest accrued but not due aggregating to ₹ 7,709.38 millions as at March 31, 2024 (March 31,2023: ₹ 7,312.46 millions) disclosed separately under Other financial liabilities in Note 18.

15.1 Secured Redeemable Non-Convertible Debentures

The Company had privately placed Secured Redeemable Non-Convertible Debentures for a maturity period of 60-120 months with a principal amount outstanding of ₹90.29 millions as at March 31, 2024 (March 31,2023: ₹1,044.40 millions)

| Series | Date of allotment | Amount | | Redemption Period from the date of allotment | Interest Rate % |
|--------|-------------------------|----------------------|----------------------|--|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| CT | 14.03.2014-31.03.2014 | - | 2.50 | 120 months | 10.50-12.50 |
| CS | 27.02.2014-14.03.2014 | 2.50 | 5.00 | 120 months | 10.50-12.50 |
| CR | 07.02.2014-27.02.2014 | - | 2.50 | 120 months | 10.50-12.50 |
| CQ | 04.02.2014-07.02.2014 | - | 3.00 | 120 months | 10.50-12.50 |
| CP | 20.01.2014-04.02.2014 | - | 43.00 | 120 months | 10.50-12.50 |
| CO | 10.01.2014-20.01.2014 | - | 96.50 | 120 months | 10.50-12.50 |
| CN | 03.01.2014-10.01.2014 | - | 56.00 | 120 months | 10.50-12.50 |
| CM | 24.12.2013-03.01.2014 | - | 27.50 | 120 months | 10.50-12.50 |
| CJ | 29.10.2013-18.11.2013 | 2.50 | 5.00 | 120 months | 10.50-12.50 |
| CI | 09.10.2013-29.10.2013 | - | 7.50 | 120 months | 10.50-12.50 |
| CH | 27.09.2013 - 09.10.2013 | - | 2.50 | 120 months | 10.50-12.50 |
| CG | 06.09.2013 - 27.09.2013 | - | 2.50 | 120 months | 10.50-12.50 |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 15: Debt Securities (Contd..)

| Series | Date of allotment | Amount | | Redemption Period from the date of allotment | Interest Rate % |
|--|-------------------------|-------------------------|-------------------------|--|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| CF | 31.08.2013 - 06.09.2013 | - | 2.50 | 120 months | 10.50-12.50 |
| CE | 12.08.2013 - 31.08.2013 | - | 5.00 | 120 months | 10.50-12.50 |
| CC | 08.07.2013 - 31.07.2013 | - | 2.50 | 120 months | 10.50-12.50 |
| CB | 24.06.2013 - 07.07.2013 | 12.91 | 173.10 | 120 months | 10.50-12.50 |
| CA | 18.04.2013 - 23.06.2013 | 20.39 | 327.70 | 120 months | 10.50-12.50 |
| BZ | 01.03.2013 - 17.04.2013 | 17.03 | 179.48 | 120 months | 10.50-12.50 |
| BY | 18.01.2013 - 28.02.2013 | 13.90 | 65.51 | 120 months | 10.50-12.50 |
| BX | 26.11.2012 - 17.01.2013 | 3.50 | 4.25 | 60 months | 10.50-12.50 |
| BW | 01.10.2012 - 25.11.2012 | 6.08 | 6.52 | 60 months | 11.50-12.50 |
| BV | 17.08.2012 - 30.09.2012 | 2.86 | 3.80 | 60 months | 11.50-12.50 |
| BU | 01.07.2012 - 16.08.2012 | 1.61 | 1.67 | 60 months | 11.50-12.50 |
| BT | 21.05.2012 - 30.06.2012 | 0.82 | 1.03 | 60 months | 11.50-12.50 |
| BS | 01.05.2012 - 20.05.2012 | 1.31 | 1.47 | 60 months | 11.50-12.50 |
| BR | 01.03.2012 - 30.04.2012 | 3.50 | 5.65 | 60 months | 11.50-12.50 |
| BQ | 23.01.2012 - 29.02.2012 | 0.27 | 2.00 | 60 months | 11.50-12.50 |
| BP | 01.12.2011 - 22.01.2012 | 0.45 | 2.13 | 60 months | 11.50-12.50 |
| BO | 19.09.2011 - 30.11.2011 | - | 2.80 | 60 months | 11.00-12.00 |
| BN | 01.07.2011 - 18.09.2011 | 0.66 | 2.49 | 60 months | 11.00-12.00 |
| BM | 01.04.2011 - 30.06.2011 | - | 1.30 | 60 months | 11.00-12.00 |
| Sub Total | | 90.29 | 1,044.40 | | |
| Less: Unpaid (Unclaimed) matured debentures shown as a part of Other financial liabilities | | 90.29 | 199.90 | | |
| Total | | - | 844.50 | | |

15.2 Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at ₹ 50,158.95 millions as at March 31, 2024 (March 31,2023: ₹ 72,818.34 millions).

| Series | Date of allotment | Amount | | Redemption Period from the date of allotment | Interest Rate % |
|--------|-------------------|-------------------------|-------------------------|--|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| PL 26 | 05.05.2022 | 237.24 | 237.24 | 120 Months | 7.50-8.00 |
| PL 25 | 20.04.2021 | 2,290.47 | 2,290.47 | 120 Months | 8.00-8.25 |
| PL 22 | 27.12.2019 | 445.96 | 445.96 | 90 Months | 9.67 |
| PL 21 | 01.11.2019 | 432.00 | 432.00 | 90 Months | 9.67 |
| PL 20 | 14.06.2019 | 322.43 | 322.43 | 90 Months | 9.67 |
| PL 27 | 23.06.2022 | 356.03 | 356.03 | 84 Months | 7.50-8.00 |
| PL 26 | 05.05.2022 | 86.18 | 86.18 | 84 Months | 7.25-7.75 |
| PL 30 | 10.03.2023 | 740.73 | 740.73 | 61 Months | 7.85-8.60 |
| PL 31 | 03.05.2023 | 720.65 | - | 61 Months | 7.85-8.60 |
| PL 29 | 23.12.2022 | 643.74 | 643.74 | 60 Months | 7.50-8.25 |
| PL 28 | 03.11.2022 | 997.52 | 997.52 | 60 Months | 7.25-8.00 |
| PL 27 | 23.06.2022 | 666.67 | 666.67 | 60 Months | 7.00-7.75 |
| PL 26 | 05.05.2022 | 1,184.15 | 1,184.15 | 60 Months | 6.75-7.50 |
| PL 25 | 20.04.2021 | 4,637.49 | 4,637.49 | 60 Months | 7.35-7.85 |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 15: Debt Securities (Contd..)

| Series | Date of allotment | Amount | | Redemption Period from the date of allotment | Interest Rate % |
|--------|-------------------|-------------------------|-------------------------|--|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| PL 24 | 11.01.2021 | 1,433.72 | 1,433.72 | 60 Months | 7.10-7.75 |
| PL 23 | 05.11.2020 | 1,425.54 | 1,425.54 | 60 Months | 7.50-8.00 |
| PL 22 | 27.12.2019 | 1,488.68 | 1,488.68 | 60 Months | 9.75-10.00 |
| PL 21 | 01.11.2019 | 1,574.40 | 1,574.40 | 60 Months | 9.75-10.00 |
| PL 20 | 14.06.2019 | 3,061.02 | 3,061.02 | 60 Months | 9.75-10.00 |
| PL 19 | 20.03.2019 | - | 2,491.39 | 60 Months | 9.75-10.00 |
| PL 18 | 19.04.2018 | - | 9,839.02 | 60 Months | 8.75-9.00 |
| PL 32 | 04.10.2023 | 2,105.60 | - | 60 Months | 7.75-9.00 |
| PL 33 | 25.01.2024 | 1,510.42 | - | 60 Months | 8.25-9.00 |
| PL 25 | 20.04.2021 | 6,223.12 | 6,223.12 | 38 Months | 6.85-7.35 |
| PL 24 | 11.01.2021 | - | 1,496.14 | 38 Months | 6.75-7.40 |
| PL 23 | 05.11.2020 | - | 18,574.46 | 38 Months | 7.15-7.65 |
| PL 30 | 10.03.2023 | 1,495.71 | 1,495.71 | 37 Months | 7.75-8.50 |
| PL 31 | 03.05.2023 | 854.98 | - | 37 Months | 7.75-8.50 |
| PL 29 | 23.12.2022 | 725.42 | 725.42 | 36 Months | 7.35-8.10 |
| PL 28 | 03.11.2022 | 1,270.23 | 1,270.23 | 36 Months | 7.00-7.75 |
| PL 27 | 23.06.2022 | 1,629.13 | 1,629.13 | 36 Months | 6.75-7.50 |
| PL 26 | 05.05.2022 | 2,269.51 | 2,269.51 | 36 Months | 6.50-7.25 |
| PL 32 | 04.10.2023 | 4,366.36 | - | 36 Months | 7.75-9.00 |
| PL 33 | 25.01.2024 | 2,810.63 | - | 36 Months | 8.25-9.00 |
| PL 25 | 20.04.2021 | - | 3,848.91 | 26 Months | 6.60-6.85 |
| PL 30 | 10.03.2023 | 340.06 | 340.06 | 25 Months | 7.75-8.25 |
| PL 31 | 03.05.2023 | 210.41 | - | 25 Months | 7.75-8.25 |
| PL 29 | 23.12.2022 | 181.85 | 181.85 | 24 Months | 7.25-7.75 |
| PL 28 | 03.11.2022 | 409.42 | 409.42 | 24 Months | 7.00-7.50 |
| PL 32 | 04.10.2023 | 528.04 | - | 24 Months | 7.75-8.75 |
| PL 33 | 25.01.2024 | 483.44 | - | 24 Months | 8.25-8.75 |
| | Sub Total | 50,158.95 | 72,818.34 | | |
| | Less: EIR impact | 210.78 | 159.94 | | |
| | Total | 49,948.17 | 72,658.40 | | |

15.3 Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures privately placed stood at ₹97,955.00 millions as at March 31, 2024 (March 31,2023: ₹48,100.00 millions)

| Series | Date of allotment | Amount | | Redemption Period from the date of allotment | Interest Rate % |
|--------|-------------------|-------------------------|-------------------------|--|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| 18 | 31.05.2021 | 2,150.00 | 2,150.00 | 9 year & 364 days | 7.90 |
| 28 | 27.07.2023 | 1,100.00 | - | 5 years & 32 days | 8.40 |
| 26 | 24.04.2023 | 7,000.00 | - | 5 years | 8.50 |
| 28 | 27.07.2023 | 7,680.00 | - | 5 years | 8.40 |
| 30 | 20.12.2023 | 10,000.00 | - | 5 years | 8.85 |
| 31 | 30.01.2024 | 7,900.00 | - | 5 years | 8.85 |
| 9 | 18.06.2020 | 1,250.00 | 1,250.00 | 5 years | 9.50 |
| 30 | 20.12.2023 | 10,000.00 | - | 3 years & 151 days | 8.78 |
| 25 | 24.02.2023 | 1,600.00 | 1,600.00 | 3year & 90 days | 8.65 |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 15: Debt Securities (Contd..)

| Series | Date of allotment | Amount | | Redemption Period from the date of allotment | Interest Rate % |
|--------|------------------------|-------------------------|-------------------------|--|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| 27 | 03.05.2023 | 3,025.00 | - | 3 year & 89 days | 8.43 |
| 32 | 26.03.2024 | 6,600.00 | - | 3 year & 83 days | 8.90 |
| 23 | 22.12.2022 | 1,950.00 | 1,950.00 | 3year & 15 days | 8.30 |
| 22 | 16.09.2022 | 2,400.00 | 2,400.00 | 3year & 14 days | 7.75 |
| 24 | 19.01.2023 | 10,000.00 | 10,000.00 | 3 year & 10 days | 8.50 |
| 20 | 17.02.2022 | 5,000.00 | 5,000.00 | 3 year & 10 days | 6.87 |
| 29 | 07.12.2023 | 10,000.00 | - | 3 year | 8.85 |
| 19 | 26.08.2021 | 4,000.00 | 4,000.00 | 3 year | 5.35 |
| 16 | 16.10.2020 | - | 4,600.00 | 3 year | 7.50 |
| 12 | 15.07.2020 | - | 1,000.00 | 3 year | 8.40 |
| 8 | 02.06.2020 | - | 5,000.00 | 3 year | 9.05 |
| 17 | 09.03.2021 | - | 1,750.00 | 2 year & 49 days | 6.65 |
| 7 | 14.05.2020 | - | 1,000.00 | 2 year & 363 days | 8.90 |
| 32 | 26.03.2024 | 1,900.00 | - | 2 year & 362 days | 8.75 |
| 25 | 24.02.2023 | 4,400.00 | 4,400.00 | 2 year & 182days | 8.60 |
| 21 | 24.02.2022 | - | 2,000.00 | 1 year & 364 days | 6.17 |
| | Sub Total | 97,955.00 | 48,100.00 | | |
| | (Add)/Less: EIR impact | (35.53) | (4.73) | | |
| | Total | 97,990.53 | 48,104.73 | | |

15.4 Principal Protected Market Linked Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount of outstanding Principal Protected Market Linked Secured Redeemable Non-Convertible Listed Debentures privately placed stood at ₹ 8,201.00 millions as at March 31, 2024(March 31,2023: 8,201.00 millions)

| Series | Date of allotment | Amount | | Redemption Period from the date of allotment | Interest Rate % |
|--------|-------------------|-------------------------|-------------------------|--|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| 7 | 11.01.2023 | 1,033.00 | 1,033.00 | 1155 Days | 8.14 |
| 6 | 20.09.2022 | 5,000.00 | 5,000.00 | 1157 Days | 7.60 |
| 5 | 24.03.2022 | 2,168.00 | 2,168.00 | 3 Year & 60 Days | 7.00 |
| | Sub Total | 8,201.00 | 8,201.00 | | |
| | Less: EIR impact | - | - | | |
| | Total | 8,201.00 | 8,201.00 | | |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 15: Debt Securities (Contd..)

15.5 Secured Redeemable Non-Convertible Debentures - Private Placement & Listed & Separately Transferable Redeemable Principal Parts (STRPP)

The principal amount of outstanding STRPP Secured Redeemable Non-Convertible Listed Debentures privately placed stood at ₹ 7,575.00 millions as at March 31, 2024 (March 31, 2023: ₹ 7,575.00 millions)

| Series | Face value per STRPP | Paid-up value per STRPP | First & Final Call Amount per STRPP & Date | Date of allotment | Amount | | Redemption Period from the date of allotment | Interest Rate % |
|------------------|----------------------|-------------------------|---|-------------------|----------------------|----------------------|--|-----------------|
| | | | | | As at March 31, 2024 | As at March 31, 2023 | | |
| STRPP - 1A | 1,00,000.00 | 1,00,000.00 | NA | 15.03.2023 | 5,000.00 | 5,000 | 2year+9months | 8.65 |
| STRPP - 1B | 1,00,000.00 | 1,000.00 | 99,000 on December 15, 2025 at the option of NCD Holder | 15.03.2023 | 50.00 | 50 | 4years, Put option on December 15, 2025 | 8.65 |
| STRPP - 2A | 1,00,000.00 | 1,00,000.00 | NA | 23.03.2023 | 2,500.00 | 2,500 | 3years | 8.65 |
| STRPP - 2B | 1,00,000.00 | 1,000.00 | 99,000 on March 23, 2026 at the option of NCD Holder | 23.03.2023 | 25.00 | 25 | 4year+184days, Put option on March 23, 2026 | 8.65 |
| Sub Total | | | | | 7,575.00 | 7,575.00 | | |
| Less: EIR impact | | | | | - | - | | |
| Total | | | | | 7,575.00 | 7,575 | | |

Note 16: Borrowings (other than debt securities)

| Particulars | As at March 31, 2024 | | | |
|--|----------------------|--------------------------------------|---|-------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total |
| (a) Term loan | | | | |
| (i) from banks* | | | | |
| Term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables) (Terms of Repayment: ₹ 857.14 millions in 2 half yearly installments, ₹ 90,997.71 millions in 1-2-3-4 quarterly installments and ₹ 2,000.00 millions in bullet payment during FY 2024-25, ₹ 63,614.74 millions in 1-2-3-4 quarterly installments during FY 2025-26, ₹ 33,496.46 millions in 1-2-3-4 quarterly installments during FY 2026-27, ₹ 18,426.12 millions in 1-2-3-4 quarterly installments during FY 2027-28, ₹ 7,059.79 millions in 1-2-3 quarterly installments during FY 2028-29. Rate of Interest: 8.25-9.35% p.a.) | 2,16,336.17 | - | - | 2,16,336.17 |
| Term Loan (Secured by specific charge on vehicles) | - | - | - | - |
| (ii) from financial institutions* | | | | |
| Term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables) | 1,530.99 | - | - | 1,530.99 |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 16: Borrowings (other than debt securities) (Contd..)

| Particulars | As at March 31, 2024 | | | Total |
|--|----------------------|--------------------------------------|---|--------------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | |
| (Terms of Repayment: ₹ 875 millions in 1-2-3-4 quarterly installments during FY 2024-25 and ₹ 656.25 millions in 1-2-3 quarterly installments during FY 2025-26. Rate of Interest: 9.10% p.a.) | | | | |
| Term Loan (Secured by specific charge on vehicles) | 1.48 | - | - | 1.48 |
| (Terms of Repayment: ₹ 1.48 millions during FY 2024-25 in 7 monthly installments Rate of Interest: 8.90% p.a.) | | | | |
| (b) Loans from related party | | | | |
| Loan from Directors and Relatives (Unsecured) | 6,995.08 | - | - | 6,995.08 |
| (Terms of Repayment: Repayable on demand- Rate of Interest: 8.5% p.a.) | | | | |
| (c) Loans repayable on demand | | | | |
| (i) from banks* | | | | |
| Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks) | - | - | - | - |
| Cash Credit/Short Term Loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables) | 1,50,577.04 | - | - | 1,50,577.04 |
| (ii) from financial institutions* | | | | |
| Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables) | 1,999.58 | - | - | 1,999.58 |
| (d) External Commercial Borrowings | | | | |
| (i) Senior Secured Notes - US Dollar denominated* | | | | |
| (Secured by pari passu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables) | - | - | - | - |
| (e) Commercial paper - Listed | | | | |
| (Unsecured and repayable within 1 year) | 46,172.80 | - | - | 46,172.80 |
| Total (A) | 4,23,613.13 | - | - | 4,23,613.13 |
| Borrowings in India | 4,23,613.13 | - | - | 4,23,613.13 |
| Borrowings outside India | - | - | - | - |
| Total (B) | 4,23,613.13 | - | - | 4,23,613.13 |

*Includes EIR impact of transaction cost

The amortised cost of Borrowing (other than debt securities) as at March 31, 2024 in Note 16 above does not include interest accrued but not due amounting to ₹ 3,664.65 millions disclosed separately under Other financial liabilities in Note 18.

Where the company has borrowed funds from banks and financial institutions on the basis of security of current assets, it has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns or statements are in agreement with books of accounts.

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 16: Borrowings (other than debt securities) (Contd..)

| Particulars | As at March 31, 2023 | | | Total |
|---|----------------------|--------------------------------------|---|-------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | |
| (a) Term loan | | | | |
| (i) from banks* | | | | |
| Term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables) | 1,59,381.46 | - | - | 1,59,381.46 |
| (Terms of Repayment: ₹ 857.14 millions in 2 half yearly installments and ₹ 70,763.33 millions in 1-2-3-4 quarterly installments during FY 2023-24, ₹ 857.14 millions in 2 half yearly installments, ₹ 52,849.53 millions in 1-2-3-4 quarterly installments and ₹ 2,000.00 millions in bullet payment during FY 2024-25, ₹ 21,742.57 millions in 1-2-3-4 quarterly installments during FY 2025-26, ₹ 7,169.96 millions in 1-3-4 quarterly installments during FY 2026-27, ₹ 3,216.01 millions in 1-3-4 quarterly installments during FY 2027-28. Rate of Interest: 7.50-9.55 % p.a.) | | | | |
| Term Loan (Secured by specific charge on vehicles) | - | - | - | - |
| (ii) from financial institutions* | | | | |
| Term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables) | 1,749.57 | - | - | 1,749.57 |
| (Terms of Repayment: ₹ 218.75 millions in 1 quarterly installment during FY 2023-24, ₹ 875 millions in 4 quarterly installments during FY 2024-25, ₹ 656.25 millions in 3 quarterly installments during FY 2025-26. Rate of Interest: 8.25% p.a.) | | | | |
| Term Loan (Secured by specific charge on vehicles) | 5.37 | - | - | 5.37 |
| (Terms of Repayment: ₹ 3.90 millions during FY 2023-24 in 6-8-12 monthly installments, ₹ 1.48 millions during FY 2024-25 in 7 monthly installments Rate of Interest: 8.90-9.90% p.a.) | | | | |
| (b) Loans from related party | | | | |
| Loan from Directors and Relatives (Unsecured) | 6,150.14 | - | - | 6,150.14 |
| (Terms of Repayment: Repayable on demand- Rate of Interest: 8% p.a.) | | | | |
| (c) Loans repayable on demand | | | | |
| (i) from banks* | | | | |
| Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks) | - | - | - | - |
| Cash Credit/Short Term Loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables) | 1,32,999.92 | - | - | 1,32,999.92 |
| (ii) from financial institutions* | | | | |
| Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables) | 1,999.51 | - | - | 1,999.51 |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 16: Borrowings (other than debt securities) (Contd..)

| Particulars | As at March 31, 2023 | | | Total |
|---|----------------------|--------------------------------------|---|--------------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | |
| (d) External Commercial Borrowings | | | | |
| (i) Senior Secured Notes - US Dollar denominated* | | | | |
| (Secured by pari passu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables) | 45,170.78 | - | - | 45,170.78 |
| (Terms of Repayment: ₹ 45,193.50 millions (USD 550 million repayable on 02 September 2023-Rate of Interest: 4.40% p.a) | | | | |
| (e) Commercial paper - Listed | | | | |
| (Unsecured and repayable within 1 year) | 11,535.66 | - | - | 11,535.66 |
| Total (A) | 3,58,992.41 | - | - | 3,58,992.41 |
| Borrowings in India | 3,13,821.63 | - | - | 3,13,821.63 |
| Borrowings outside India | 45,170.78 | - | - | 45,170.78 |
| Total (B) | 3,58,992.41 | - | - | 3,58,992.41 |

*Includes EIR impact of transaction cost

The amortised cost of Borrowing (other than debt securities) as at March 31, 2023 in Note 16 above does not include interest accrued but not due amounting to ₹953.13 millions disclosed separately under Other financial liabilities in Note 18.

Where the company has borrowed funds from banks and financial institutions on the basis of security of current assets, it has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns or statements are in agreement with books of accounts.

Note 17: Subordinated Liabilities

| Particulars | As at March 31, 2024 | | | | As at March 31, 2023 | | | |
|---|----------------------|--------------------------------------|---|---------------|----------------------|--------------------------------------|---|---------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total |
| Subordinated Debt* (Refer note 17.1) | - | - | - | - | - | - | - | - |
| Subordinated Debt-Listed** (Refer note 17.2) | 502.95 | - | - | 502.95 | 967.03 | - | - | 967.03 |
| Total (A) | 502.95 | - | - | 502.95 | 967.03 | - | - | 967.03 |
| Subordinated Liabilities in India | 502.95 | - | - | 502.95 | 967.03 | - | - | 967.03 |
| Subordinated Liabilities outside India | - | - | - | - | - | - | - | - |
| Total (B) | 502.95 | - | - | 502.95 | 967.03 | - | - | 967.03 |

*Excludes unpaid (unclaimed) matured debentures of ₹ 7.49 millions as at March 31, 2024 (March 31, 2023: ₹11.98 millions) shown as a part of Other financial liabilities in Note 18.

**Includes EIR impact of transaction cost; excludes unpaid (unclaimed) matured listed debentures of ₹ 4.62 millions as at March 31, 2024 (March 31, 2023: ₹ 4.96 millions) shown as a part of Other financial liabilities in Note 18.

The amortised cost of Subordinated Liabilities in Note 17 above does not include interest accrued but not due aggregating to ₹ 428.82 millions as at March 31, 2024 (March 31, 2023: ₹ 788.91 millions) disclosed separately under Other financial liabilities in Note 18.

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(Rupees in millions, except for share data and unless otherwise stated)

Note 17: Subordinated Liabilities (Contd..)

17.1 Subordinated Debt

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital under the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. The principal amount of outstanding privately placed subordinated debt stood at ₹7.49 millions as at March 31, 2024 (March 31, 2023: ₹11.98 millions)

| Series | Date of allotment | Amount | | Redemption Period from the date of allotment | Interest Rate % |
|--------|--|-------------------------|-------------------------|--|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| XII | 01.04.2013 - 07.07.2013 | 1.87 | 2.82 | 66 months | 12.67 |
| XI | 01.10.2012 - 31.03.2013 | 3.23 | 4.14 | 66 months | 12.67-13.39 |
| X | 01.04.2012 - 30.09.2012 | 1.41 | 1.58 | 66 months | 12.67-13.39 |
| IX | 01.11.2011 - 31.03.2012 | 0.79 | 0.92 | 66 months | 12.67-13.39 |
| VIII | 01.07.2011 - 31.10.2011 | 0.19 | 1.00 | 66 months | 12.67 |
| VII | 01.04.2011 - 30.06.2011 | - | 0.48 | 66 months | 12.67 |
| VII | 08.02.2011 - 31.03.2011 | - | 0.08 | 66 months | 12.67 |
| VII | 01.01.2011 - 07.02.2011 | - | 0.43 | 72 months | 11.61 |
| VI | 01.07.2010 - 31.12.2010 | - | 0.37 | 72 months | 11.61 |
| V | 01.01.2010 - 30.06.2010 | - | 0.16 | 72 months | 11.61 |
| | Sub Total | 7.49 | 11.98 | | |
| | Less: Unpaid (Unclaimed) matured debentures shown as a part of Other financial liabilities | 7.49 | 11.98 | | |
| | Total | - | - | | |

17.2 Subordinated Debt -Public & Listed

The principal amount of outstanding Unsecured Redeemable Non- Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued through Public Issue stood at ₹ 504.92 millions as at March 31, 2024 (March 31, 2023: ₹ 971.32 millions).

| Series | Date of allotment | Amount | | Redemption Period from the date of allotment | Interest Rate % |
|--------|---|-------------------------|-------------------------|--|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| PL 17 | 24.04.2017 | 187.16 | 187.17 | 96 Months | 9.06 |
| PL 16 | 30.01.2017 | 317.76 | 317.76 | 96 Months | 9.06 |
| PL 15 | 12.05.2016 | - | 236.00 | 90 Months | 9.67 |
| PL 14 | 20.01.2016 | - | 230.39 | 87 Months | 10.02 |
| | Sub Total | 504.92 | 971.32 | | |
| | Less: EIR impact of transaction cost | 1.97 | 4.29 | | |
| | Total | 502.95 | 967.03 | | |

Notes

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(Rupees in millions, except for share data and unless otherwise stated)

Note 18: Other Financial liabilities

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Interest accrued but not due on borrowings | 11,802.85 | 9,054.51 |
| Unpaid (Unclaimed) dividend | 9.54 | 9.16 |
| Unpaid (Unclaimed) matured Non Convertible Debentures and interest accrued thereon | 125.96 | 264.02 |
| Unpaid (Unclaimed) matured Listed Non convertible Debentures and interest accrued thereon | 60.38 | 74.81 |
| Security deposits received | 15.67 | 15.63 |
| Auction surplus refundable | 38.91 | 39.91 |
| ARC payable | 150.70 | - |
| Margin Money on Business Transactions | 77.57 | 58.69 |
| Other financial liabilities | 281.79 | 109.76 |
| Total | 12,563.37 | 9,626.49 |

Note 19: Provisions

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Provision in excess of ECL (Refer Note 19.1) | 2,953.76 | 2,953.76 |
| Provision for undrawn commitments | 14.74 | 6.88 |
| Provision for employee benefits | | |
| - Gratuity | 50.90 | 67.18 |
| - Compensated absences | 359.36 | 380.50 |
| Provision for unspent expenditure on Corporate Social Responsibility (Refer Note 19.2 and Note 48) | - | 22.83 |
| Provisions for other losses (Refer Note 19.2) | 96.81 | 84.41 |
| Total | 3,475.57 | 3,515.56 |

19.1 Provision in excess of ECL represents the provision created on loan assets (including in prior years), which is in excess of the amounts determined and adjusted against such assets as impairment loss on application of expected credit loss method as per Ind AS 109 ('Financial Instruments'), and retained in the books of account as a matter of prudence.

19.2 The movement in Provisions for unspent expenditure on Corporate Social Responsibility and for other losses during 2023-24 and 2022-23 are as follows:

| Particulars | Provision for unspent expenditure on Corporate Social Responsibility | Provisions for other losses |
|-----------------------------|--|--------------------------------|
| As at March 31, 2022 | 66.83 | 78.85 |
| Additions | - | 10.11 |
| Reversed | - | 4.55 |
| Utilised | 44.00 | - |
| As at March 31, 2023 | 22.83 | 84.41 |
| Additions | - | 12.40 |
| Reversed | - | - |
| Utilised | 22.83 | - |
| As at March 31, 2024 | - | 96.81 |

Notes

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(Rupees in millions, except for share data and unless otherwise stated)

Note 20: Other Non-financial liabilities

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|------------------------------------|-------------------------|-------------------------|
| Statutory dues payable | 687.35 | 506.90 |
| Advance interest received on loans | 6.73 | 8.04 |
| Other non financial liabilities | 100.98 | 97.99 |
| Total | 795.06 | 612.93 |

Note 21: Equity share capital

21.1 The reconciliation of equity shares outstanding at the beginning and at the end of the period

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Authorised | | |
| 450,000,000 (March 31, 2023: 450,000,000) Equity shares of ₹10/- each | 4,500.00 | 4,500.00 |
| 5,000,000 (March 31, 2023: 5,000,000) Preference shares of ₹1000/- each | 5,000.00 | 5,000.00 |
| Issued, subscribed and fully paid up | | |
| 401,461,676 (March 31, 2023: 401,448,231) Equity shares of ₹10/- each fully paid up | 4,014.62 | 4,014.48 |
| Total Equity | 4,014.62 | 4,014.48 |

21.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting. The Company declares and pays dividends in Indian rupees. The interim dividend is declared and approved by Board of Directors.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

21.3 Reconciliation of the number of Equity shares and of Equity share capital amount outstanding at the beginning and at the end of the year

| Particulars | In Numbers | Amount |
|---|---------------------|-----------------|
| As at April 01, 2022 | 40,13,45,266 | 4,013.45 |
| Shares issued in exercise of Employee Stock Options during the year | 1,02,965 | 1.03 |
| As at March 31, 2023 | 40,14,48,231 | 4,014.48 |
| Shares issued in exercise of Employee Stock Options during the year | 13,445 | 0.14 |
| As at March 31, 2024 | 40,14,61,676 | 4,014.62 |

21.4 Shareholding of Promoters

| Name of Promoter | As at March 31, 2024 | | | As at March 31, 2023 | | |
|--------------------------|----------------------|------------------------|--|----------------------|------------------------|--|
| | No. of shares held | % holding in the class | % change in shareholding during the year | No. of shares held | % holding in the class | % change in shareholding during the year |
| George Alexander Muthoot | 2,36,30,900 | 5.89% | Nil | 2,36,30,900 | 5.89% | Nil |
| George Jacob Muthoot | 4,36,30,900 | 10.87% | Nil | 4,36,30,900 | 10.87% | Nil |
| George Thomas Muthoot | 4,36,30,900 | 10.87% | Nil | 4,36,30,900 | 10.87% | Nil |

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Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 21: Equity share capital (Contd..)

21.5 Details of Equity shareholders holding more than 5% shares in the company

| Name of Equity Shareholder | As at March 31, 2024 | | As at March 31, 2023 | |
|----------------------------|----------------------|------------------------|----------------------|------------------------|
| | No. of shares held | % holding in the class | No. of shares held | % holding in the class |
| Sara George | 2,90,36,548 | 7.23% | 2,90,36,548 | 7.23% |
| George Alexander Muthoot | 2,36,30,900 | 5.89% | 2,36,30,900 | 5.89% |
| George Jacob Muthoot | 4,36,30,900 | 10.87% | 4,36,30,900 | 10.87% |
| George Thomas Muthoot | 4,36,30,900 | 10.87% | 4,36,30,900 | 10.87% |
| Susan Thomas | 2,99,85,068 | 7.47% | 2,99,85,068 | 7.47% |
| Alexander George | 2,22,89,710 | 5.55% | 2,22,89,710 | 5.55% |
| George M George | 2,22,89,710 | 5.55% | 2,22,89,710 | 5.55% |
| SBI Mutual Fund | 3,52,84,168 | 8.79% | 2,66,83,492 | 6.65% |

21.6 Disclosure as to aggregate number and class of shares allotted as pursuant to contract(s) without payment being received in cash, fully paid up by way of bonus shares and shares bought back.

| Particulars | Fully paid up pursuant to contract(s) without payment being received in cash | Fully paid up by way of bonus shares | Shares bought back |
|------------------------|--|--------------------------------------|--------------------|
| Equity Shares : | | | |
| 2023-2024 | Nil | Nil | Nil |
| 2022-2023 | Nil | Nil | Nil |
| 2021-2022 | Nil | Nil | Nil |
| 2020-2021 | Nil | Nil | Nil |
| 2019-2020 | Nil | Nil | Nil |

21.7 Shares reserved for issue under Employee Stock Option Scheme

The Company has reserved 38,990 equity shares as at March 31, 2024 (March 31, 2023: 63,485) for issue under the Employee Stock Option Scheme 2013.

Note 22: Other equity

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Statutory Reserve | | |
| Balance at the beginning of the year | 48,375.96 | 41,428.90 |
| Add: Transfer from Retained earnings | 8,099.33 | 6,947.06 |
| Balance at the end of the year | 56,475.29 | 48,375.96 |
| Securities Premium | | |
| Balance at the beginning of the year | 15,100.29 | 15,063.70 |
| Add: Securities premium on share options exercised during the year | 5.67 | 36.59 |
| Balance at the end of the year | 15,105.96 | 15,100.29 |
| Debenture Redemption Reserve | | |
| Balance at the beginning of the year | 35,123.97 | 35,123.97 |
| Add: Amount transferred from Retained earnings | - | - |
| Balance at the end of the year | 35,123.97 | 35,123.97 |

Notes

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(Rupees in millions, except for share data and unless otherwise stated)

Note 22: Other equity (Contd..)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| General Reserve | | |
| Balance at the beginning of the year | 2,676.33 | 2,676.33 |
| Add: Amount transferred from Retained earnings | - | - |
| Balance at the end of the year | 2,676.33 | 2,676.33 |
| Share option outstanding account | | |
| Balance at the beginning of the year | 20.12 | 61.74 |
| Add : Share based payment expenses | - | - |
| Less: Transfer to Securities premium on account of options exercised | 5.13 | 32.46 |
| Less: Transfer to Retained Earnings on account of expiry/lapse of options | 3.83 | 9.16 |
| Balance at the end of the year | 11.16 | 20.12 |
| Retained Earnings | | |
| Balance at the beginning of the year | 1,05,130.05 | 85,359.55 |
| Add: Profit for the year | 40,496.65 | 34,735.31 |
| Add : Transfers from share option outstanding account | 3.83 | 9.16 |
| Less: Appropriation :- | | |
| Interim Dividend on equity shares | 8,831.86 | 8,026.91 |
| Tax on dividend on equity shares | - | - |
| Transfer to Statutory Reserve | 8,099.33 | 6,947.06 |
| Total appropriations | 16,931.19 | 14,973.97 |
| Balance at the end of the year | 1,28,699.34 | 1,05,130.05 |
| Other Comprehensive Income | | |
| Balance at the beginning of the year | 178.06 | (281.95) |
| Add: Addition during the year | 618.14 | 460.00 |
| Balance at the end of the year | 796.20 | 178.06 |
| Total | 2,38,888.27 | 2,06,604.80 |

22.1 Nature and purpose of reserve

(a) Statutory reserve

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly an amount representing 20% of Profit for the period is transferred to the fund for the year.

(b) Securities Premium

This Reserve represents the premium on issue of equity shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

(c) Debenture Redemption Reserve

Pursuant to Rule 18(7)(b)(iii) of the Companies (Share Capital and Debentures) Rules, 2014, as amended vide the Companies (Share Capital and Debentures) Amendment Rules dated August 16, 2019, the Company, being an NBFC registered with the Reserve Bank of India under Section 45 IA of the RBI Act, 1934, is not required to create a Debenture Redemption Reserve, in respect of public issue of debentures and debentures issued by it on a private placement basis.

(d) General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. 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.

(e) Share Options outstanding account

The fair value of equity settled share based payments transactions is recognised in the Statement of Profit and Loss with corresponding credit to Share option outstanding account.

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 22: Other equity (Contd..)

(f) Retained earnings

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

(g) Other Comprehensive Income

Equity instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Effective portion of Cash Flow Hedges and Cost of Hedging Reserve

Effective portion of cash flow hedges represents the cumulative gains/(losses) arising on changes in fair value of the derivative instruments designated as cash flow hedges through OCI. The amount recognized as effective portion of Cash flow hedge is reclassified to profit or loss when the hedged item affects profit or loss. The company designates the spot element of foreign currency forward contracts as hedging instruments. The changes in the fair value of forward element of the forward contract on reporting date is deferred and retained in the cost of hedging reserve.

Remeasurement of defined benefit plans

It represents the gain/(loss) on remeasurement of Defined Benefit Obligation and of Plan assets

22.2 Dividend proposed to be distributed to equity shareholders for the period

Dividend proposed to be distributed to equity shareholders for the period (not recognised as liability)

| | |
|--|--------------|
| Interim dividend for 2023-24 @ ₹ 24/- per equity share | 9,635.08 |
| Date of declaration of interim dividend for the period | May 23, 2024 |

Note 23: Interest income

| Particulars | Year ended March 31, 2024 | | | Year ended March 31, 2023 | | |
|----------------------------------|---|---|---|---|---|---|
| | On Financial asset measured at fair value through OCI | On Financial asset measured at amortised cost | Interest income on financial assets classified at fair value through profit or loss | On Financial asset measured at fair value through OCI | On Financial asset measured at amortised cost | Interest income on financial assets classified at fair value through profit or loss |
| Interest on Loans : | | | | | | |
| Gold Loan | - | 1,18,739.10 | - | - | 1,00,274.25 | - |
| Personal Loan | - | 1,405.79 | - | - | 760.13 | - |
| Corporate Loan | - | 137.22 | - | - | 80.66 | - |
| Business Loan | - | 437.81 | - | - | 221.10 | - |
| Staff Loan | - | 9.05 | - | - | 3.84 | - |
| Loans to subsidiaries | - | 254.43 | - | - | 66.55 | - |
| Insta Personal Loans | - | 722.87 | - | - | 49.21 | - |
| Business Loans - SME | - | 132.16 | - | - | 0.03 | - |
| Loan Against Property | - | 0.01 | - | - | - | - |
| Other Loans | - | 16.76 | - | - | 32.14 | - |
| Interest income from investments | - | 2,197.52 | - | - | 1,740.95 | - |
| Interest on deposits with bank | - | 356.02 | - | - | 398.36 | - |
| Other interest income | - | 66.92 | - | - | 58.89 | - |
| Total | - | 1,24,475.66 | - | - | 1,03,686.11 | - |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 24: Net gain on fair value changes

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| (A) Net gain on financial instruments at fair value through profit or loss | | |
| (i) On trading portfolio | | |
| - Investments | 926.87 | 672.69 |
| - Derivatives | - | - |
| - Others | - | - |
| (B) Gain on fair valuation of equity shares | (106.00) | 0.01 |
| Total Net gain on fair value changes (C) | 820.87 | 672.70 |
| Fair Value changes: | | |
| - Realised | 926.87 | 672.69 |
| - Unrealised | (106.00) | 0.01 |
| Total Net gain on fair value changes | 820.87 | 672.70 |

Note 25: Sale of services

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Income from Money Transfer business | 82.60 | 87.45 |
| Income from Power Generation - Windmill | 6.27 | 3.25 |
| Total | 88.87 | 90.70 |

Note 26: Other Income

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Bad debt recovered | 378.40 | 127.18 |
| Rental income | 6.27 | 6.76 |
| Profit on sale of property, plant and equipment (Net) | 7.72 | 9.74 |
| Others | 197.97 | 145.31 |
| Total | 590.36 | 288.99 |

Note 27: Finance Costs

| Particulars | Year ended March 31, 2024 | | Year ended March 31, 2023 | |
|---|--|---|--|---|
| | On financial liabilities measured at fair value through profit or loss | On financial liabilities measured at amortised cost | On financial liabilities measured at fair value through profit or loss | On financial liabilities measured at amortised cost |
| Interest on borrowings (other than debt securities) | - | 34,616.12 | - | 26,941.77 |
| Interest on debt securities | - | 11,816.19 | - | 9,839.59 |
| Interest on subordinated liabilities | - | 115.31 | - | 210.04 |
| Total | - | 46,547.62 | - | 36,991.40 |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 28: Impairment on financial instruments

| Particulars | Year ended March 31, 2024 | | Year ended March 31, 2023 | |
|-----------------------|---|---|---|---|
| | On financial instruments measured at fair value through OCI | On financial instruments measured at amortised cost | On financial instruments measured at fair value through OCI | On financial instruments measured at amortised cost |
| Loan Assets | - | 1,692.65 | - | 438.71 |
| Bad Debts Written Off | - | 264.80 | - | 169.16 |
| Others | - | - | - | - |
| - Undrawn commitments | - | 7.86 | - | (12.71) |
| - Other Assets | - | 12.40 | - | 10.11 |
| Total | - | 1,977.71 | - | 605.27 |

Note 29: Employee Benefits Expenses

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|---------------------------|---------------------------|
| Salaries and Wages | 12,945.73 | 11,189.08 |
| Contributions to Provident and Other Funds | 691.84 | 663.04 |
| Share based payments to employees | - | - |
| Staff Welfare Expenses | 231.59 | 142.29 |
| Total | 13,869.16 | 11,994.41 |

Note 30: Depreciation, amortization and impairment

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-----------------------------------|---------------------------|---------------------------|
| Depreciation of tangible assets | 635.97 | 565.38 |
| Amortization of intangible assets | 20.28 | 17.76 |
| Total | 656.25 | 583.14 |

Note 31: Other Expenses

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Rent | 2,696.26 | 2486.92 |
| Rates & Taxes | 527.46 | 638.28 |
| Energy Costs | 474.48 | 408.76 |
| Repairs and Maintenance | 615.81 | 504.50 |
| Printing and Stationery | 167.04 | 191.73 |
| Communication Costs | 442.90 | 421.87 |
| Advertisement & Publicity | 1,411.99 | 1581.18 |
| Directors' Sitting Fee | 5.33 | 4.48 |
| Commission to Non-Executive Directors | 10.50 | 10.15 |
| Auditor's fees and expenses (Refer Note 31.1) | 9.86 | 9.32 |
| Legal & Professional Charges | 783.87 | 401.90 |
| Insurance | 106.94 | 83.13 |
| Internal Audit and Inspection Expenses | 138.77 | 144.44 |
| Vehicle Hire & Maintenance | 12.23 | 11.27 |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 31: Other Expenses (Contd..)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Travelling and Conveyance | 437.30 | 365.00 |
| Business Promotion Expenses | 364.74 | 206.16 |
| Bank Charges | 118.51 | 101.65 |
| Contribution to Political parties | 1.10 | 5.58 |
| Business Support Charges | 69.33 | 57.54 |
| Miscellaneous expenses | 8.96 | 7.69 |
| Expenditure on Corporate Social Responsibility (Refer note 48) | 998.49 | 957.45 |
| Total | 9,401.87 | 8599.00 |

Note 31.1 Auditors' fees and expenses:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| As Auditor's (including limited review) | 8.25 | 7.50 |
| For Other Services | 1.47 | 1.82 |
| For Reimbursement of Expenses | 0.14 | - |
| Total | 9.86 | 9.32 |

Note 32: Income Tax

The components of income tax expense for the year ended March 31, 2024 and year ended March 31, 2023 are:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Current tax | 14,109.62 | 12,069.87 |
| Adjustment in respect of current income tax of prior years | - | (82.45) |
| Deferred tax relating to origination and reversal of temporary differences | (118.44) | (58.47) |
| Income tax expense reported in statement of profit and loss | 13,991.18 | 11,928.95 |
| Income tax recognised in other comprehensive income (OCI) | | |
| Current tax related to items recognised in OCI during the period: | | |
| - Remeasurement of defined benefit plans | 16.58 | 12.32 |
| Deferred tax related to items recognised in OCI during the period: | | |
| - Fair value changes on equity instruments through other comprehensive income" | 94.62 | (21.35) |
| - Changes in value of forward element of forward contract | 118.75 | 102.02 |
| - Effective portion of gain on hedging instruments in cash flow hedges | (22.04) | 61.72 |
| Income tax charged to OCI | 207.91 | 154.71 |

In accordance with the provisions of Section 115BAA of the Income Tax Act, 1961, the Company has opted to pay income tax at a reduced rate of 22% (plus surcharge @ 10% and cess @ 4%).

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 32: Income Tax (Contd..)

Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differ from the tax charge that would apply if all the profits had been charged at India's statutory income tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2024 and year ended March 31, 2023 is, as follows:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Accounting profit before tax | 54,487.82 | 46,664.26 |
| At India's statutory income tax rate of 25.168% (2023: 25.168%) | 13,713.50 | 11,744.46 |
| Adjustments in respect of current income tax of previous year | - | (82.45) |
| Expenses disallowed in Income Tax Act | 251.58 | 242.38 |
| Effect of derecognition of previously recognised deferred tax assets due to change in tax rate | - | - |
| Income not subject to tax: | | |
| Dividend from Indian Company | - | - |
| Interest on income tax grouped under Current tax charge | 15.49 | 28.34 |
| Others | 10.61 | (3.78) |
| Income tax expense reported in the Statement of Profit and Loss | 13,991.18 | 11,928.95 |

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

| Deferred Tax Assets/(Liabilities) | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Fixed asset: Timing difference on account of Depreciation and Amortisation | 299.14 | 279.75 |
| On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961 | 203.32 | 102.77 |
| On Fair Value Changes of derivative asset not adjusted under Income Tax Act, 1961 | 29.63 | 135.20 |
| On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961 | (78.00) | (74.63) |
| Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961 | (215.87) | (147.93) |
| On Other Provisions/Disallowances | 90.43 | 106.38 |
| Deferred Tax Assets/(Liabilities) (Net) | 328.65 | 401.54 |

Reconciliation of deferred tax assets/(liabilities)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Opening balance | 401.54 | 485.45 |
| Tax income/(expense) during the period recognised in Statement of Profit and Loss | 118.44 | 58.47 |
| Tax income/(expense) during the period recognised in OCI | (191.32) | (142.38) |
| Closing balance | 328.65 | 401.54 |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 32: Income Tax (Contd..)

| Movement of Deferred Tax Asset/Liability | Balance as at 31.03.2023 | Recognised in P&L | Recognised in OCI | Balance as at 31.03.2024 |
|--|-----------------------------|----------------------|----------------------|-----------------------------|
| Fixed asset: Timing difference on account of Depreciation and Amortisation | 279.75 | 19.39 | - | 299.14 |
| On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961 | 102.77 | 100.55 | - | 203.32 |
| On Fair Value Changes of derivative asset not adjusted under Income Tax Act, 1961 | 135.20 | (8.87) | (96.70) | 29.63 |
| On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961 | (74.63) | (3.38) | - | (78.01) |
| Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961 | (147.93) | 26.68 | (94.62) | (215.87) |
| On Other Provisions/Disallowances | 106.38 | (15.93) | - | 90.45 |
| | 401.54 | 118.44 | (191.32) | 328.65 |

Note 33: Earnings per Equity share

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Net profit attributable to ordinary equity holders | 40,496.65 | 34,735.30 |
| Weighted average number of equity shares for basic earnings per share | 40,14,53,679 | 40,13,97,883 |
| Effect of dilution | 37,469 | 60,216 |
| Weighted average number of equity shares for diluted earnings per share | 40,14,91,148 | 40,14,58,099 |
| Earnings per equity share: | | |
| Basic earnings per share (₹) | 100.88 | 86.54 |
| Diluted earnings per share (₹) | 100.87 | 86.52 |

Note 34: Assets pledged as security

The carrying amounts of assets pledged as security for secured debt securities as well as for secured borrowings other than debt securities are as below:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Financial assets | | |
| Cash and cash equivalents | 50,365.46 | 64,288.01 |
| Bank Balance other than Cash and cash equivalent | - | 140.00 |
| Trade Receivables | 10.34 | 16.06 |
| Loans(excluding the impact of EIR/ECL) | 7,80,075.78 | 6,50,630.34 |
| Investments(maturing within one year) | 31.53 | 51.89 |
| Other Financial assets | 548.18 | 350.48 |
| Non-financial Assets | | |
| Other non financial assets | 163.31 | 237.35 |
| Total | 8,31,194.60 | 7,15,714.13 |

Above assets have been provided as security on first pari-passu floating charge basis for secured debt securities as well as for secured borrowings other than debt securities excluding term loans taken by specific charge on vehicles.

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 34: Assets pledged as security (Contd..)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|------------------------------|------------------------------|
| Property, Plant and Equipment | | |
| Building | 5.02 | 5.54 |
| Vehicle | 2.33 | 5.39 |
| Total | 7.35 | 10.93 |

Building as above have been provided as security on first pari-passu floating charge basis for specific secured debt securities.

Vehicles as above have been provided as security for Vehicle loans

Note 35: Retirement Benefit Plan

Defined Contribution Plan

The Company makes contributions to Provident Fund which are defined contribution plan for qualifying employees. The Company recognized ₹ 474.63 millions as at March 31, 2024 (March 31, 2023: ₹ 434.13 millions) for Provident Fund contributions in the Statement of Profit and Loss.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the company at 15 days salary (last drawn salary) for each completed year of service.

Gratuity liability is funded through a Gratuity Fund managed by Kotak Mahindra Old Mutual Life Insurance Limited and ICICI Prudential Life Insurance Company Limited.

The following tables summarise 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 liability/(assets) recognised in the Balance Sheet

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Present value of funded obligations | 1,410.78 | 1,311.44 |
| Fair value of plan assets | (1,359.88) | (1,244.25) |
| Defined Benefit obligation/(asset) | 50.90 | 67.19 |

Net benefit expense recognised in Statement of Profit and Loss

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Current service cost | 164.30 | 162.53 |
| Net interest on net defined benefit liability/ (asset) | 4.93 | 9.12 |
| Net benefit expense | 169.23 | 171.65 |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 35: Retirement Benefit Plan (Contd..)

Details of changes in present value of defined benefit obligations as follows:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Present value of defined benefit obligation at the beginning of the year | 1,311.44 | 1,327.68 |
| Current service cost | 164.30 | 162.53 |
| Interest cost on benefit obligations | 93.11 | 82.32 |
| Re-measurements: | - | - |
| a. Actuarial loss/ (gain) arising from changes in financial assumptions | 7.43 | (65.65) |
| b. Actuarial loss/ (gain) arising from experience over the past years | (3.36) | (8.77) |
| Benefits paid | (162.12) | (186.67) |
| Net actuarial (gain)/loss recognized in the year | - | - |
| Present value of defined benefit obligation at the end of the year | 1,410.80 | 1,311.44 |

Details of changes in fair value of plan assets are as follows: -

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Fair value of plan assets at the beginning of the year | 1,244.25 | 1,199.48 |
| Interest income on plan assets | 88.18 | 73.20 |
| Employer contributions | 119.62 | 183.71 |
| Benefits paid | (162.12) | (186.67) |
| Re-measurements: | - | - |
| a. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset) | 69.95 | (25.47) |
| Fair value of plan assets as at the end of the year | 1,359.88 | 1,244.25 |
| Actual return on plan assets | 158.13 | 47.73 |
| Expected employer contributions for the coming year | 150.00 | 150.00 |

Remeasurement gain/ (loss) in Other Comprehensive Income (OCI)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Re-measurements on defined benefit obligation | | |
| Actuarial gain/(loss) arising from changes in financial assumptions | (7.43) | 65.65 |
| Actuarial gain/(loss) arising from experience over the past years | 3.36 | 8.77 |
| Re-measurements on plan assets | | |
| Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset) | 69.95 | (25.47) |
| Actuarial gain /(loss) (through OCI) | 65.88 | 48.95 |

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Salary Growth Rate | 7.00% p.a. | 7.00% p.a. |
| Discount Rate | 7.00% p.a. | 7.10% p.a. |
| Withdrawal Rate | 15.00% p.a. | 15.00% p.a. |
| Mortality | IALM 2012-14 (Ult.) | IALM 2012-14 Ult. |
| Interest rate on net DBO/ (Assets) | 7.10% p.a. | 6.20% p.a. |
| Expected weighted average remaining working life | 5 years | 5 years |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 35: Retirement Benefit Plan (Contd..)

Investments quoted in active markets:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Equity instruments | 0.00% | 0.00% |
| Debt instruments | 0.00% | 0.00% |
| Real estate | 0.00% | 0.00% |
| Derivatives | 0.00% | 0.00% |
| Investment Funds with Insurance Company | 100.00% | 100.00% |
| Of which, Unit Linked | 100.00% | 100.00% |
| Of which, Traditional/ Non-Unit Linked | 0.00% | 0.00% |
| Asset-backed securities | 0.00% | 0.00% |
| Structured debt | 0.00% | 0.00% |
| Cash and cash equivalents | 0.00% | 0.00% |
| Total | 100.00% | 100.00% |

None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

A quantitative sensitivity analysis for significant assumptions as at March 31, 2024 and March 31, 2023 are as shown below:

| Assumptions | Sensitivity Level | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------|--|-------------------------|-------------------------|
| Discount Rate | Increase by 1% | (71.12) | (66.30) |
| Discount Rate | Decrease by 1% | 78.61 | 73.32 |
| Further Salary Increase | Increase by 1% | 77.85 | 72.68 |
| Further Salary Increase | Decrease by 1% | (71.76) | (66.96) |
| Employee turnover | Increase by 1% | (3.69) | (2.65) |
| Employee turnover | Decrease by 1% | 3.77 | 2.68 |
| Mortality Rate | Increase in expected lifetime by 1 year | Negligible change | (0.01) |
| Mortality Rate | Increase in expected lifetime by 3 years | Negligible change | (0.02) |

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses. The weighted average duration of the defined benefit obligation as at March 31, 2024 is 5 years (2023: 5 years). 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.

Description of Asset Liability Matching (ALM) Policy

The Company primarily deploys its gratuity investment assets in insurer-offered debt market-linked plans. As investment returns of the plan are highly sensitive to changes in interest rates, the liability movement is broadly hedged by asset movement if the duration is matched.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

The principal assumptions used in determining leave encashment obligations for the Company's plans are shown below:

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, mortality, withdrawals and other relevant factors.

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 36: 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 and considering contractual terms. For Loans and advances to customers, maturity analysis is based on expected repayment behaviour.

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|------------------------------------|----------------------|------------------|--------------------|----------------------|------------------|--------------------|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| Assets | | | | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | 50,365.46 | - | 50,365.46 | 64,288.01 | - | 64,288.01 |
| Bank Balance other than above | 88.95 | 4.19 | 93.14 | 266.75 | 57.20 | 323.95 |
| Derivative Financial Instruments | - | - | - | - | - | - |
| Trade receivables | 10.34 | - | 10.34 | 16.06 | - | 16.06 |
| Loans | 7,32,333.99 | 38,391.52 | 7,70,725.51 | 6,05,961.35 | 37,011.36 | 6,42,972.71 |
| - Adjustment on account of EIR/ECL | - | - | (711.02) | - | - | (323.91) |
| Investments | 31.54 | 22,651.73 | 22,683.27 | 51.90 | 13,116.69 | 13,168.59 |
| Other financial assets | 548.02 | 1,310.12 | 1,858.14 | 348.52 | 987.67 | 1,336.19 |
| Non-financial Assets | | | | | | |
| Deferred tax assets (net) | - | 328.65 | 328.65 | - | 401.54 | 401.54 |
| Property, plant and equipment | - | 3,461.16 | 3,461.16 | - | 2,682.10 | 2,682.10 |
| Capital work-in-progress | - | 883.16 | 883.16 | - | 674.27 | 674.27 |
| Other intangible assets | - | 39.65 | 39.65 | - | 35.59 | 35.59 |
| Other non financial assets | 381.86 | 164.89 | 546.75 | 509.04 | 114.00 | 623.04 |
| Total assets | 7,83,760.16 | 67,235.07 | 8,50,284.21 | 6,71,441.63 | 55,080.42 | 7,26,198.14 |

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|----------------------|----------------------|--------------------|----------------------|----------------------|--------------------|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| Liabilities | | | | | | |
| Financial Liabilities | | | | | | |
| Derivative financial instruments | 138.86 | - | 138.86 | 1,892.41 | - | 1,892.41 |
| Trade payables | 1,001.73 | - | 1,001.73 | 794.92 | - | 794.92 |
| Other payables | 1,037.39 | - | 1,037.39 | 1,004.10 | - | 1,004.10 |
| Debt Securities | 21,938.49 | 1,41,951.46 | 1,63,889.95 | 52,444.43 | 85,094.41 | 1,37,538.84 |
| - Adjustment on account of EIR | - | - | (175.25) | - | - | (155.21) |
| Borrowings (other than debt securities) | 3,00,492.48 | 1,23,253.36 | 4,23,745.84 | 2,69,754.39 | 89,367.94 | 3,59,122.33 |
| - Adjustment on account of EIR | - | - | (132.71) | - | - | (129.92) |
| Subordinated Liabilities | 317.76 | 187.16 | 504.92 | 466.39 | 504.93 | 971.32 |
| - Adjustment on account of EIR | - | - | (1.97) | - | - | (4.29) |
| Other Financial liabilities | 9,881.93 | 2,681.44 | 12,563.37 | 7,847.50 | 1,778.99 | 9,626.49 |
| Non-financial Liabilities | | | | | | |
| Current tax liabilities (net) | 538.56 | - | 538.56 | 789.38 | - | 789.38 |
| Provisions | 3,139.05 | 336.52 | 3,475.57 | 3,149.17 | 366.39 | 3,515.56 |
| Deferred tax liabilities (net) | - | - | - | - | - | - |
| Other non-financial liabilities | 795.06 | - | 795.06 | 612.93 | - | 612.93 |
| Total Liabilities | 3,39,281.31 | 2,68,409.94 | 6,07,381.32 | 3,38,755.62 | 1,77,112.66 | 5,15,578.86 |
| Net | 4,44,478.85 | (2,01,174.87) | 2,42,902.89 | 3,32,686.01 | (1,22,032.24) | 2,10,619.28 |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 37: Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statements

| Particulars | As at April 01, 2023 | Cash Flows | Changes in fair value | Others | Balance as at 31.03.2024 |
|--|-------------------------|------------------|--------------------------|----------------|-----------------------------|
| Debt Securities | 1,37,383.63 | 26,351.11 | - | (20.04) | 1,63,714.70 |
| Borrowings other than debt securities | 3,58,992.41 | 69,433.69 | (4,810.17) | (2.80) | 4,23,613.13 |
| Subordinated Liabilities | 967.03 | (466.40) | - | 2.32 | 502.95 |
| Total liabilities from financing activities | 4,97,343.07 | 95,318.40 | (4,810.17) | (20.52) | 5,87,830.78 |

| Particulars | As at April 01, 2022 | Cash Flows | Changes in fair value | Others | As at March 31, 2023 |
|--|-------------------------|-------------------|--------------------------|---------------|-------------------------|
| Debt Securities | 1,24,978.88 | 12,309.88 | - | 94.87 | 1,37,383.63 |
| Borrowings other than debt securities | 3,71,709.88 | (14,184.65) | 1,265.88 | 201.30 | 3,58,992.41 |
| Subordinated Liabilities | 1,423.74 | (459.47) | - | 2.76 | 967.03 |
| Total liabilities from financing activities | 4,98,112.50 | (2,334.24) | 1,265.88 | 298.93 | 4,97,343.07 |

Note 38: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| (a) Claims against the company not acknowledged as debt | | |
| (i) Income Tax Demands | 198.73 | 53.66 |
| (ii) Service Tax Demands | 4,995.05 | 4,995.05 |
| (iii) Others | 26.97 | 426.97 |
| (iv) Disputed claims against the company under litigation not acknowledged as debts | - 138.25 | 89.77 |
| (b) Guarantees - Counter Guarantees Provided to Banks | 38.31 | 88.01 |
| (c) Corporate Guarantee issued in favour of National Housing Bank for loan availed by wholly owned subsidiary M/s Muthoot Homefin (India) Limited [Amount of Guarantee Rs.2,750 million (Rs.2,750 million as at March 31,2023)] | 1,772.81 | 1,940.91 |
| (d) Others | - | - |

(B) Commitments

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for | 106.75 | 223.46 |
| Commitments related to loans sanctioned but undrawn | 12,267.83 | 9,549.28 |

(C) Lease Disclosures

Finance Lease :

The Company has not taken or let out any assets on financial lease.

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 38: Contingent liabilities, commitments and leasing arrangements (Contd..)

Operating Lease :

Lease disclosures under Ind AS 116

All operating lease agreements entered into by the Company are cancellable in nature. Consequently, the Company has not recognised any right-of-use asset and lease liability during the year.

Lease rentals received for assets let out on operating lease ₹ 6.27 millions (₹ 6.76 millions for the year ended March 31, 2023) are recognized as income in the Statement of Profit and Loss under the head 'Other Income' and lease rental payments for assets taken on an operating lease ₹ 2,696.26 millions (₹ 2,486.92 millions for the year ended March 31, 2023) are recognized as 'Rent' in the Statement of Profit and Loss.

Note 39: Related Party Disclosures

Names of Related parties

(A) Subsidiaries

1. Asia Asset Finance PLC, Sri Lanka
2. Muthoot Homefin (India) Limited
3. Belstar Microfinance Limited (formerly Belstar Microfinance Private Limited)
4. Muthoot Insurance Brokers Private Limited
5. Muthoot Money Limited
6. Muthoot Asset Management Private Limited
7. Muthoot Trustee Private Limited

(B) Key Management Personnel (Directors)

Designation

- | | |
|---|--|
| 1. George Jacob Muthoot | Chairman & Whole-time Director |
| 2. George Thomas Muthoot | Whole-time Director |
| 3. George Alexander Muthoot | Managing Director |
| 4. Alexander George | Whole-time Director |
| 5. George Muthoot George | Whole-time Director |
| 6. George Muthoot Jacob | Whole-time Director |
| 7. George Alexander | Whole-time Director |
| 8. Jose Mathew | Independent Director |
| 9. Justice (Retd.) Jacob Benjamin Koshy | Independent Director (Retired on September 29, 2023) |
| 10. Vadakkakara Antony George | Independent Director |
| 11. Ravindra Pisharody | Independent Director |
| 12. Usha Sunny | Independent Director |
| 13. Abraham Chacko | Independent Director |
| 14. Chamacheril Mohan Abraham | Independent Director |
| 15. Joseph Korah | Independent Director (w.e.f September 29, 2023) |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 39: Related Party Disclosures (Contd..)

(C) Enterprises owned or significantly influenced by key management personnel or their relatives (Directors)

- | | |
|---|--|
| 1. Muthoot Vehicle & Asset Finance Limited | 11. Muthoot Forex Limited |
| 2. Xandari Resorts Private Limited (Formerly known as Muthoot Leisure And Hospitality Services Private Limited) | 12. Xandari Pearl Beach Resorts Private Limited (Formerly known as Marari Beach Resorts Private Limited) |
| 3. MGM Muthoot Medical Centre Private Limited | 13. Muthoot Health Care Private Limited |
| 4. Muthoot Securities Limited | 14. Muthoot Properties & Investments |
| 5. Muthoot Housing & Infrastructure | 15. Muthoot Precious Metals Corporation |
| 6. Muthoot Gold Bullion Corporation | 16. Xandari Hospitality Services Private Limited |
| 7. Muthoot M George Institute of Technology | 17. St. Georges Educational Society |
| 8. Emsyne Technologies Private Limited (Formerly known as Muthoot Systems & Technologies Private Limited) | 18. M.G. George Muthoot Charitable Trust (Formerly known as Muthoot M George Charitable Trust) |
| 9. Muthoot Educational Trust | 19. Muthoot Finance Education Trust (Tamilnadu) |
| 10. Geem Marketing Services Private Limited (Formerly known as Muthoot Marketing Service Private Limited) | |

(D) Relatives of Key Management Personnel (Directors)

| Name of Relative | Relationship | Key Management Personnel |
|---------------------------------------|--------------|---|
| Elizabeth Jacob | Spouse | George Jacob Muthoot |
| Reshma Susan Jacob | Daughter | George Jacob Muthoot |
| Susan Thomas | Spouse | George Thomas Muthoot |
| Anna Thomas, Tania Thomas | Daughter | George Thomas Muthoot |
| Anna Alexander | Spouse | George Alexander Muthoot |
| Eapen Alexander | Son | George Alexander Muthoot |
| Radhika George Verghese, Swathy Eapen | Son's wife | George Alexander Muthoot |
| Sara George | Mother | Alexander George, George Muthoot George |
| Radhika George Verghese | Spouse | George Alexander |
| Leela Zachariah | Sister | George Alexander Muthoot, George Jacob Muthoot, George Thomas Muthoot |
| Sindhu Mohan | Spouse | Chamacheril Mohan Abraham |

(E) Key Management Personnel (other than Directors)

- | | Designation |
|----------------------------|-------------------------|
| 1. Oommen Mammen Kaithayil | Chief Financial Officer |
| 2. Rajesh Achutha Warriar | Company Secretary |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 39: Related Party Disclosures (Contd..)

Related Party transactions during the year:

| Particulars | Key Management Personnel (Directors) | | Relatives of Key Management Personnel (Directors) | |
|--|--------------------------------------|---------------------------|---|---------------------------|
| | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
| Accommodation facilities for Company Executives/ Clients/ Customers | - | - | - | - |
| Staff Welfare expense | - | - | - | - |
| Complementary Medical Health Check Up for Customers/ Employees | - | - | - | - |
| Brokerage paid for NCD Public Issue | - | - | - | - |
| Professional Charges Paid | - | - | - | - |
| Business Promotion Expenses | - | - | - | - |
| Expenditure on Corporate Social Responsibility (includes payments made on behalf of beneficiaries) | - | - | - | - |
| Foreign Currency purchased for travel | - | - | - | - |
| Interest paid on Borrowings | 455.52 | 444.22 | 379.76 | 411.91 |
| Interest paid on NCD | - | - | - | 5.61 |
| Interest paid on NCD - Listed | 18.46 | 15.30 | 8.35 | 5.45 |
| Directors Remuneration | 1,053.11 | 950.18 | - | - |
| Commission and sitting fee to Non-executive Directors | 15.83 | 14.63 | - | - |
| Salaries and Allowances | - | - | 23.81 | 20.70 |
| Loans accepted | 6,677.59 | 8,279.94 | 4,080.30 | 4,927.32 |
| Loans repaid | 6,624.64 | 10,573.45 | 3,288.31 | 6,209.51 |
| Purchase of Listed NCD of the Company | 455.00 | 3,827.00 | 46.60 | 3,694.64 |
| Redemption of NCD of the Company | - | - | - | 5.00 |
| Redemption of Listed NCD of the Company | 499.98 | 2,669.52 | 278.12 | 1,502.42 |
| Interest Received on Loan | - | - | - | - |
| Loan Given | - | - | - | - |
| Loan Recovered | - | - | - | - |
| Rent paid | - | - | 1.82 | 2.09 |
| Rent received | - | - | - | - |
| Rent deposit given | - | - | - | - |
| Rent deposit repaid | - | - | - | - |
| Dividend paid | 4,137.04 | 3,760.94 | 2,348.19 | 2,134.72 |
| Dividend Received | - | - | - | - |
| Commission Received on Money Transfer business | - | - | - | - |
| Service Charges Collected | - | - | - | - |
| Other Income | - | - | - | - |
| Purchase of Fixed asset by company | - | - | - | - |
| Sale of Fixed asset by company | - | - | - | - |
| Investment in Equity shares of Subsidiary companies | - | - | - | - |
| Investment in Preference shares of Subsidiary companies | - | - | - | - |
| Security deposit accepted | - | - | - | - |
| Security deposit received, adjusted against dues | - | - | - | - |
| Corporate Guarantee given | - | - | - | - |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 39: Related Party Disclosures (Contd..)

Related Party transactions during the year:

| Particulars | Entities over which Key Management Personnel and their relatives are able to exercise significant influence (Directors) | | Subsidiaries | |
|--|---|---------------------------|---------------------------|---------------------------|
| | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
| Accommodation facilities for Company Executives/ Clients/ Customers | 6.60 | 12.90 | - | - |
| Staff Welfare expense | 0.40 | 0.11 | - | - |
| Complementary Medical Health Check Up for Customers/ Employees | - | 0.88 | - | - |
| Brokerage paid for NCD Public Issue | 5.20 | 5.49 | - | - |
| Professional Charges Paid | - | 4.50 | - | - |
| Business Promotion Expenses | - | - | 4.11 | - |
| Expenditure on Corporate Social Responsibility (includes payments made on behalf of beneficiaries) | 771.91 | 732.79 | - | - |
| Foreign Currency purchased for travel | 2.13 | 0.92 | - | - |
| Interest paid on Borrowings | 0.04 | 0.24 | - | - |
| Interest paid on NCD - Listed | 44.93 | 28.84 | - | - |
| Directors Remuneration | - | - | - | - |
| Commission and sitting fee to Non-executive Directors | - | - | - | - |
| Salaries and Allowances | - | - | - | - |
| Loans accepted | - | - | - | - |
| Loans repaid | 1.54 | 2.24 | - | - |
| Purchase of Listed NCD of the Company | 522.60 | 373.81 | - | - |
| Redemption of Listed NCD of the Company | 119.14 | 87.09 | - | - |
| Interest Received on Loan | - | - | 254.43 | 66.55 |
| Loan Given | - | - | 6,200.00 | 2,600.00 |
| Loan Recovered | - | - | 3,800.00 | 480.00 |
| Rent paid | 26.29 | 26.13 | - | - |
| Rent received | 2.29 | 2.26 | 2.70 | 3.66 |
| Rent deposit given | 0.50 | - | - | - |
| Rent deposit repaid | - | 0.20 | - | - |
| Dividend paid | - | - | - | - |
| Dividend Received | - | - | 22.69 | 14.41 |
| Commission Received on Money Transfer business | 2.28 | 3.49 | - | - |
| Service Charges Collected | 1.53 | 1.74 | 0.06 | 0.05 |
| Other Income | - | - | 0.20 | - |
| Purchase of Fixed asset by company | - | - | - | - |
| Sale of Fixed asset by company | 1.12 | - | 0.80 | - |
| Investment in Equity shares of Subsidiary companies | - | - | 7,530.00 | 50.00 |
| Investment in Preference shares of Subsidiary companies | - | - | - | - |
| Security deposit accepted | - | - | - | - |
| Security deposit received, adjusted against dues | - | - | - | - |
| Corporate Guarantee given | - | - | - | 500.00 |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 39: Related Party Disclosures (Contd..)

Related Party transactions during the year:

| Particulars | Key Management Personnel (other than Directors) | | Others* | |
|--|---|---------------------------|---------------------------|---------------------------|
| | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
| Accommodation facilities for Company Executives/ Clients/ Customers | - | - | - | - |
| Staff Welfare expense | - | - | - | - |
| Complementary Medical Health Check Up for Customers/ Employees | - | - | - | - |
| Brokerage paid for NCD Public Issue | - | - | - | - |
| Professional Charges Paid | - | - | - | - |
| Business Promotion Expenses | - | - | - | - |
| Expenditure on Corporate Social Responsibility (includes payments made on behalf of beneficiaries) | - | - | - | - |
| Foreign Currency purchased for travel | - | - | - | - |
| Interest paid on Borrowings | - | - | - | - |
| Interest paid on NCD - Listed | 0.11 | 0.09 | 0.74 | 0.27 |
| Directors Remuneration | - | - | - | - |
| Commission and sitting fee to Non-executive Directors | - | - | - | - |
| Salaries and Allowances | 25.62 | 24.17 | - | - |
| Loans accepted | - | - | - | - |
| Loans repaid | - | - | - | - |
| Purchase of Listed NCD of the Company | - | - | 5.00 | 5.00 |
| Redemption of Listed NCD of the Company | - | - | - | - |
| Interest Received on Loan | - | - | - | - |
| Loan Given | - | - | - | - |
| Loan Recovered | - | - | - | - |
| Rent paid | - | - | - | - |
| Rent received | - | - | - | - |
| Rent deposit given | - | - | - | - |
| Rent deposit repaid | - | - | - | - |
| Dividend paid | 1.22 | 1.10 | - | - |
| Dividend Received | - | - | - | - |
| Commission Received on Money Transfer business | - | - | - | - |
| Service Charges Collected | - | - | - | - |
| Other Income | - | - | - | - |
| Purchase of Fixed asset by company | - | - | - | - |
| Sale of Fixed asset by company | - | - | - | - |
| Investment in Equity shares of Subsidiary companies | - | - | - | - |
| Investment in Preference shares of Subsidiary companies | - | - | - | - |
| Security deposit accepted | - | - | - | - |
| Security deposit received, adjusted against dues | - | - | - | - |
| Corporate Guarantee given | - | - | - | - |

*Others refers to relatives of Key Management Personnel (Other than Directors)

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 39: Related Party Disclosures (Contd..)

Balance outstanding as at the year end: Asset/ (Liability)

| Particulars | Key Management Personnel (Directors) | | Relatives of Key Management Personnel (Directors) | |
|--|---|-------------------|--|-------------------|
| | As at | As at | As at | As at |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Investments in Equity Shares | - | - | - | - |
| Investments in Preference Shares | - | - | - | - |
| NCD | - | - | - | - |
| NCD - Listed | (4,301.50) | (4,346.48) | (3,793.93) | (4,025.45) |
| Security Deposit | - | - | - | - |
| Rent Deposit | - | - | - | - |
| Borrowings | (3,029.17) | (2,976.22) | (3,965.91) | (3,173.92) |
| Directors Remuneration Payable | (321.60) | (288.62) | - | - |
| Commission payable to Non-executive Directors | (9.45) | (9.14) | - | - |
| Interest payable on NCD | - | - | - | - |
| Interest payable on Borrowings | - | - | - | - |
| Corporate guarantee | - | - | - | - |
| Trade Payables | - | - | - | - |
| Loans | - | - | - | - |
| Trade Receivables | - | - | - | - |
| Other financial assets | - | - | - | - |
| Amounts payable (net) to related parties | (7,661.72) | (7,620.46) | (7,759.84) | (7,199.37) |
| Maximum outstanding during the year end: Asset/ (Liability) | | | | |
| Borrowings | (7,528.49) | (8,654.29) | (5,446.50) | (7,569.37) |
| Deposits | - | - | - | - |
| Placement of Deposits | - | - | - | - |
| Advances: Loans | - | - | - | - |
| Investment: | - | - | - | - |
| In Equity Shares | - | - | - | - |
| In Preference Shares | - | - | - | - |

Balance outstanding as at the year end: Asset/ (Liability)

| Particulars | Entities over which Key Management Personnel and their relatives are able to exercise significant influence (Directors) | | Subsidiaries | |
|---|--|----------------|----------------|----------------|
| | As at | As at | As at | As at |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Investments in Equity Shares | 488.65 | 392.55 | 16,802.32 | 9,272.33 |
| Investments in Preference Shares | - | - | 145.96 | 145.96 |
| NCD | - | - | - | - |
| NCD - Listed | (957.41) | (553.94) | - | - |
| Security Deposit | (10.00) | (10.00) | - | - |
| Rent Deposit | 14.43 | 13.94 | - | - |
| Borrowings | - | (1.54) | - | - |
| Directors Remuneration Payable | - | - | - | - |
| Commission payable to Non-executive Directors | - | - | - | - |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 39: Related Party Disclosures (Contd..)

| Particulars | Entities over which Key Management Personnel and their relatives are able to exercise significant influence (Directors) | | Subsidiaries | |
|--|---|----------------------|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| | Interest payable on NCD | - | - | - |
| Interest payable on Borrowings | - | (0.01) | - | - |
| Corporate guarantee | - | - | (2,750.00) | (2,750.00) |
| Trade Payables | (0.12) | (0.11) | (2.13) | - |
| Loans | - | - | 5,000.00 | 2,600.00 |
| Trade Receivables | 0.55 | 0.28 | - | - |
| Other financial assets | 0.57 | 0.17 | 0.20 | - |
| Amounts payable (net) to related parties | (463.33) | (158.66) | 19,196.35 | 9,268.29 |
| Maximum outstanding during the year end: Asset/ (Liability) | | | | |
| Borrowings | (1.54) | (3.78) | - | - |
| Deposits | - | - | - | - |
| Placement of Deposits | - | - | - | - |
| Advances: Loans | - | - | 5,100.00 | 2,600.00 |
| Investment: | - | - | - | - |
| In Equity Shares | 488.65 | 392.55 | 16,802.32 | 9,272.33 |
| In Preference Shares | - | - | 145.96 | 145.96 |

Balance outstanding as at the year end: Asset/ (Liability)

| Particulars | Key Management Personnel (other than Directors) | | Others* | |
|---|---|----------------------|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Investments in Equity Shares | - | - | - | - |
| Investments in Preference Shares | - | - | - | - |
| NCD | - | - | - | - |
| NCD - Listed | (1.20) | (1.20) | (13.00) | (8.00) |
| Security Deposit | - | - | - | - |
| Rent Deposit | - | - | - | - |
| Borrowings | - | - | - | - |
| Directors Remuneration Payable | - | - | - | - |
| Commission payable to Non-executive Directors | - | - | - | - |
| Interest payable on NCD | - | - | - | - |
| Interest payable on Borrowings | - | - | - | - |
| Corporate Guarantee | - | - | - | - |
| Trade Payables | - | - | - | - |
| Loans | - | - | - | - |
| Trade Receivables | - | - | - | - |
| Other financial assets | - | - | - | - |
| Amounts payable (net) to related parties | (1.20) | (1.20) | (13.00) | (8.00) |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 39: Related Party Disclosures (Contd..)

| Particulars | Key Management Personnel (other than Directors) | | Others* | |
|-----------------------|--|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| | Maximum outstanding during the year end: Asset/ (Liability) | | | |
| Borrowings | - | - | - | - |
| Deposits | - | - | - | - |
| Placement of Deposits | - | - | - | - |
| Advances: Loans | - | - | - | - |
| Investment: | - | - | - | - |
| In Equity Shares | - | - | - | - |
| In Preference Shares | - | - | - | - |

*Others refers to relatives of Key Management Personnel (Other than Directors)

Note

- a) Related parties and the transactions have been identified on the basis of the declaration received by the management and other records available.

Compensation of key management personnel of the Company:

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) to be key management personnel for the purposes of IND AS 24 Related Party Disclosures.

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|------------------------------|------------------------------|------------------------------|
| Short-term employee benefits | 1,068.94 | 964.81 |
| Total | 1,068.94 | 964.81 |

The Company has included Key Managerial Personnel defined under Section 2(51) of the Companies Act, 2013 other than Directors as Key Management Personnel (other than Directors) as per the disclosure requirements under RBI's Scale Based Regulation for NBFCs.

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 40: Capital

Capital Management

The primary objective of the Company's capital management policy is 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 in light of changes in economic conditions and requirements of the financial covenants. 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.

| Regulatory capital | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Common Equity Tier1 capital (CET1) | 2,41,570.84 | 2,08,943.81 |
| Other Tier 2 capital instruments (CET2) | 6,236.61 | 5,130.36 |
| Total capital | 2,47,807.45 | 2,14,074.17 |
| Risk weighted assets | 8,15,900.47 | 6,73,758.71 |
| CET1 capital ratio | 29.61% | 31.01% |
| CET2 capital ratio | 0.76% | 0.76% |
| Total capital ratio | 30.37% | 31.77% |

Regulatory capital consists of CET1 capital, which comprises share capital, share premium, statutory reserve, share option outstanding account, retained earnings including current year profit less accrued dividends. Certain adjustments are made to Ind AS-based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments.

Note 41: Fair Value Measurement

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 (i.e., an exit price), 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.

Fair Value Hierarchy of financial instruments measured at fair value

The fair value measurement hierarchy for financial instruments measured at fair value as at March 31, 2024 is as follows:

| Particulars | At Fair Value Through Profit or Loss | | | |
|-------------|--------------------------------------|---------|----------|----------|
| | Level-1 | Level-2 | Level-3 | Total |
| Investments | 232.38 | - | 1,395.20 | 1,627.58 |

| Particulars | At Fair Value Through Other Comprehensive Income | | | |
|--|--|---------|---------|----------|
| | Level-1 | Level-2 | Level-3 | Total |
| Investments | 1,343.92 | 419.03 | 488.64 | 2,251.59 |
| Derivative Financial Instruments (assets) | - | - | - | - |
| Derivative Financial Instruments (liabilities) | - | 138.86 | - | 138.86 |

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Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 41: Fair Value Measurement (Contd..)

The fair value measurement hierarchy for financial instruments measured at fair value as at March 31, 2023 is as follows:

| Particulars | At Fair Value Through Profit or Loss | | | Total |
|-------------|--------------------------------------|---------|---------|-------|
| | Level-1 | Level-2 | Level-3 | |
| Investments | 0.03 | - | - | 0.03 |

| Particulars | At Fair Value Through Other Comprehensive Income | | | Total |
|--|--|----------|---------|----------|
| | Level-1 | Level-2 | Level-3 | |
| Investments | 452.03 | 1,031.08 | 392.55 | 1,875.66 |
| Derivative Financial Instruments (assets) | - | - | - | - |
| Derivative Financial Instruments (liabilities) | - | 1,892.41 | - | 1,892.41 |

Valuation methodologies of financial instruments measured at fair value

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Investments at fair value through profit or loss

For investments where quoted price exist in active markets, the same is used for fair valuation as on measurement date and is classified as Level 1. The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1. For investments where no quoted price exist in active markets, valuation is derived from directly or indirectly observable market data available for substantially the entire period of the investment and is classified as Level 2.

Derivative Financial Instruments (assets/liabilities) at fair value through other comprehensive income

The financial assets/liabilities on derivative contracts have been valued at fair value through other comprehensive income using closing rate and is classified as Level 2.

Investments at fair value through other comprehensive income

Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report on a case-by-case basis and classified as Level 2. The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1.

Transfer between fair value heirarchy levels

On account of listing of equity shares of ESAF Small Finance Bank Limited during the financial year 2023-24, investments at fair value as on March 31, 2024 (Rs.1014.47 million) has been classified under Level 1 Financial Instrument while the same as on March 31, 2023 (Rs.772.65 million) was classified under Level 2 Financial Instrument.

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

| As at March 31, 2024 | As at April 01, 2023 | Purchase | Sales | Issuances | Settlements | Transfers into Level 3 | Transfers from Level 3 | FairValue Gain/Losses | As at March 31, 2024 |
|--------------------------------------|----------------------|----------|-------|-----------|-------------|------------------------|------------------------|-----------------------|----------------------|
| Financial assets at FVOCI Investment | 392.55 | - | - | - | - | - | - | 96.09 | 488.64 |
| Financial assets at FVTPL Investment | - | 1,395.20 | - | - | - | - | - | - | 1,395.20 |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 41: Fair Value Measurement (Contd..)

| As at March 31, 2023 | As at April 01, 2022 | Purchase | Sales | Issuances | Settlements | Transfers into Level 3 | Transfers from Level 3 | Fair Value Gain/Losses | As at March 31, 2023 |
|---------------------------|----------------------|----------|-------|-----------|-------------|------------------------|------------------------|------------------------|----------------------|
| Financial assets at FVOCI | | | | | | | | | |
| Investment | 331.92 | - | - | - | - | - | - | 60.63 | 392.55 |
| Financial assets at FVTPL | | | | | | | | | |
| Investment | - | - | - | - | - | - | - | - | - |

Financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are initially measured at fair value and subsequently carried at amortised cost in the financial statements. This table does not include the fair values of investments in subsidiaries measured at cost.

| Particulars | Level | Carrying Value | | Fair Value | |
|---|-------|----------------------|----------------------|----------------------|----------------------|
| | | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Financial assets | | | | | |
| Cash and cash equivalents | 1 | 50,365.46 | 64,288.01 | 50,365.46 | 64,288.01 |
| Bank Balance other than above | 1 | 93.14 | 323.95 | 93.14 | 323.95 |
| Trade receivables | 3 | 10.34 | 16.06 | 10.34 | 16.06 |
| Loans | 3 | 7,70,014.49 | 6,42,648.80 | 7,70,014.49 | 6,42,648.80 |
| Investments- at amortised cost | 1 | 1,855.82 | 1,874.62 | 1,830.69 | 1,808.12 |
| Other Financial assets | 3 | 1,858.14 | 1,336.19 | 1,858.14 | 1,336.19 |
| Financial assets | | 8,24,197.39 | 7,10,487.63 | 8,24,172.26 | 7,10,421.13 |
| Financial Liabilities | | | | | |
| Trade Payables | 3 | 2,039.12 | 1,799.02 | 2,039.12 | 1,799.02 |
| Debt securities | 2 | 1,63,714.70 | 1,37,383.63 | 1,64,821.36 | 1,38,247.17 |
| Borrowings (other than debt securities) | 2 | 4,23,613.13 | 3,58,992.41 | 4,23,613.13 | 3,58,992.41 |
| Subordinated liabilities | 2 | 502.95 | 967.03 | 467.50 | 882.52 |
| Other financial liabilities | 3 | 12,563.37 | 9,626.49 | 12,563.37 | 9,626.49 |
| Financial Liabilities | | 6,02,433.27 | 5,08,768.58 | 6,03,504.48 | 5,09,547.61 |

Valuation methodologies of financial instruments not measured at fair value

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 cash equivalents, trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Since comparable data is not available, Credit risk is derived using historical experience, management view and other information used in its collective impairment models.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults. Hence, the carrying amount of such financial assets at amortised cost net of impairment loss allowance is of reasonable approximation of their fair value.

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Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 41: Fair Value Measurement (Contd.)

Investments- at amortised cost

For Government Securities, the market value of the respective Government stock as on the date of reporting has been considered for fair value computations.

Debt Securities

The fair value of debt securities is estimated by a discounted cashflow model incorporating interest rate estimates from market observable data such as secondary prices for its traded debt itself.

Financial liabilities at amortised cost

The fair values of financial liabilities held-to-maturity (financial liabilities other than trade payables, debt securities and subordinated liabilities) are estimated using effective interest rate model based on contractual cash flows using actual yields. Since the cost of borrowing on the reporting date is not expected to be significantly different from the actual yield considered under effective interest rate model, the carrying value of such financial liabilities at amortised cost is considered a reasonable approximation of their fair value.

Note 42: Risk Management

The Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include loans, investments, cash and cash equivalents and other receivables that are derived directly from its operations. As a financial lending institution, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

The Company's Risk Management Committee of the Board of Directors constituted in accordance with the Reserve Bank of India regulations has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets at least twice in a year to review the Risk Management practices. Risk Management department periodically places its report to the committee for review. The committee's suggestions for improving the Risk Management Practices are implemented by the Risk Management department.

Risk Management department shall be responsible for the following:

- a) Identifying the various risks associated with the activities of the Company and assessing their impact on the business.
- b) Measuring the risks and suggesting measures to effectively mitigate the risks.

However, the primary responsibility for managing the various risks on a day to day basis will be with the heads of the respective business units of the Company.

The Company is generally exposed to credit risk, liquidity risk, market risk and operational risk.

I) Credit Risk

Credit Risk arises from the risk of loss that may occur from the default of Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to loan losses.

The Company addresses credit risk through following processes:

- a) Credit risk on Gold loan is considerably reduced as collateral is in the form of Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the Credit risk is normally low.
- b) Sanctioning powers for Gold Loans is delegated to various authorities at branches/controlling offices. Sanctioning powers are used only for granting loans for legally permitted purposes. The maximum Loan to Value does not exceed the limit stipulated by the Reserve Bank of India under any circumstances.
- c) Gold ornaments brought for pledge is the primary responsibility of Branch Manager. Branch executives should enquire with the customers about the ownership of the ornaments being pledged for loan and the loan should be granted only after they are

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 42: Risk Management (Contd..)

convinced about the genuineness of the customer and his capacity to own that much quantity of gold. In addition to the above, customers are also required to sign a declaration of ownership of ornaments offered as security for the loan. Extra care is taken if the gold jewellery brought for pledge by any customer at any one time or cumulatively is more than 20 gm. The declaration should also contain an explanation specifically as to how the ownership was vested with the customer.

- d) Auctions are conducted as per the Auction Policy of the Company and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds realizable value of gold. After reasonable time is given to the customers for release after loan becomes overdue and on exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Company has the right to recover dues remaining even after set off of amount received on auctions from the customer. Any excess amount received on auctions over and above the dues are refunded to the customer.
- e) In case of loans other than Gold Loan, loans are given whether with primary/collateral security, like secured loans or without any primary/collateral security like unsecured loans, more than ordinary care is taken such that loans are granted only to persons/firms/companies of repute with credit worthiness, future cash flows to repay the loan and track record.

Impairment Assessment

The Company is mainly engaged in the business of providing gold loans. The tenure of the loans generally is for 12 months.

The Company also provides unsecured personal loans to salaried individuals and unsecured loans to traders and self employed. The tenure of the loans ranges from 12 months to 60 months.

The Company also provides loans to corporate entities which are secured/ unsecured for periods upto 3 years.

The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of significant accounting policies.

Definition of default and cure

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes 91 days past due including the due date 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.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 only when none of the default criteria have been present. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Company's internal credit rating grades and staging criteria for loans are as follows:

| Rating | Loans Days past due (DPD) including the due date |
|---------------------------|--|
| High grade | Not yet due |
| Standard grade | 1-30 DPD |
| Sub-standard grade | 31-60 DPD |
| Past due but not impaired | 61- 90 DPD |
| Individually impaired | 91 DPD or More |

Exposure at Default (EAD)

The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest.

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Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 42: Risk Management (Contd..)

Probability of Default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. For Stage 1 financial assets, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information wherever available to determine PD. PD is calculated using Incremental 91 DPD approach considering fresh slippage using historical information. Where historical information is not available, the PD/default rates as stated by external reporting agencies is considered.

| Portfolio | As at March 31, 2024 | | | As at March 31, 2023 | | |
|-----------------------|----------------------|---------|---------|----------------------|---------|---------|
| | Stage 1 | Stage 2 | Stage 3 | Stage 1 | Stage 2 | Stage 3 |
| Gold Loan | 8.59% | 8.59% | 100% | 8.47% | 8.47% | 100% |
| Personal Loan | 0.34% | 18.93% | 100% | 0.27% | 15.13% | 100% |
| Insta Personal Loan | 0.45% | 28.07% | 100% | 0.27% | 15.13% | 100% |
| Corporate Loan | 5.71% | 5.71% | 100% | 6.43% | 6.43% | 100% |
| Business Loan | 0.21% | 12.79% | 100% | 0.26% | 16.15% | 100% |
| Business Loan SME | 0.10% | 27.49% | 100% | 0.26% | 16.15% | 100% |
| Staff Loan | 0.00% | 0.00% | 100% | 0.00% | 0.00% | 100% |
| Loan Against Property | 0.10% | 27.49% | 100% | - | - | - |
| Loan to Subsidiaries | 0.00% | 0.00% | 100% | 0.00% | 0.00% | 100% |
| Other Loans | 3.26% | 3.26% | 100% | 3.86% | 3.86% | 100% |

Based on its review of macro-economic developments and economic outlook, the Company has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at March 31, 2024 and March 31, 2023.

Analysis of risk concentration

Industry analysis

Loss Given Default (LGD)

LGD is the estimated loss that the Company might suffer if the borrower defaults. The Company determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset/collateral.

| Portfolio | As at March 31, 2024 | | | As at March 31, 2023 | | |
|-----------------------|----------------------|---------|---------|----------------------|---------|---------|
| | Stage 1 | Stage 2 | Stage 3 | Stage 1 | Stage 2 | Stage 3 |
| Gold Loan | 9.96% | 9.96% | 9.96% | 9.81% | 9.81% | 9.81% |
| Personal Loan | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Insta Personal Loan | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Corporate Loan | 65.00% | 65.00% | 65.00% | 65.00% | 65.00% | 65.00% |
| Business Loan | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Business Loan SME | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Staff Loan | 0.00% | 0.00% | 100.00% | 0.00% | 0.00% | 100.00% |
| Loan Against Property | 65.00% | 65.00% | 65.00% | - | - | - |
| Loan to Subsidiaries | 0.00% | 0.00% | 100.00% | 0.00% | 0.00% | 100.00% |
| Other Loans | 65.00% | 65.00% | 65.00% | 65.00% | 65.00% | 65.00% |

LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

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(Rupees in millions, except for share data and unless otherwise stated)

Note 42: Risk Management (Contd..)

Company has adopted 65% as the LGD which is the rate drawn reference from Internal Rating Based (IRB) approach guidelines issued by Reserve Bank of India for Banks to calculate LGD where sufficient past information is not available.

Credit risk exposure analysis

| As at March 31,2024 | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total |
|--|-----------------------|-----------------------|-----------|--------------------|
| Per region | | | | |
| North | 1,71,486.06 | 2,686.64 | 5,188.13 | 1,79,360.83 |
| South | 3,52,643.20 | 8,444.44 | 12,116.75 | 3,73,204.39 |
| East | 72,740.34 | 1,525.06 | 2,490.47 | 76,755.87 |
| West | 1,42,799.76 | 2,905.00 | 5,049.93 | 1,50,754.69 |
| EIR impact on service charges received | | | | (711.02) |
| Gross amount net of EIR impact of service charge received | | | | 7,79,364.76 |

| As at March 31,2023 | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total |
|--|-----------------------|-----------------------|-----------|--------------------|
| Per region | | | | |
| North | 1,40,486.20 | 1,610.66 | 4,370.06 | 1,46,466.92 |
| South | 2,96,168.38 | 5,985.81 | 14,390.29 | 3,16,544.48 |
| East | 59,299.67 | 722.96 | 1,500.45 | 61,523.08 |
| West | 1,20,748.90 | 1,621.81 | 3,725.15 | 1,26,095.86 |
| EIR impact on service charges received | | | | (323.91) |
| Gross amount net of EIR impact of service charge received | | | | 6,50,306.43 |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 42: Risk Management (Contd..)

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also show the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

The main types of collateral are as follows: -

Company provides loans against security of gold ornaments. The gold ornaments are pledged with the company and based on the company policy of loan to value ratio, the loan is provided.

| As at March 31, 2024 | Maximum exposure to credit risk | Fair value of collateral and credit enhancements held | | | | | | | | | | Net exposure | Associated ECL | | |
|---|---------------------------------|---|------------|--------------------------------|-------------------------------|---|--------------|--------------------|---------------------|------------------|-----------------|--------------|----------------|----------|----------|
| | | Cash | Securities | Bank and government guarantees | Household used Gold Ornaments | Book debts, Inventory and other working capital items | Building | Surplus collateral | Total collateral | | | | | | |
| Financial assets | | | | | | | | | | | | | | | |
| Cash and cash equivalents | 50,365.46 | 50,365.46 | - | - | - | - | - | - | - | - | - | - | 50,365.46 | - | - |
| Bank Balance other than Cash and cash equivalents | 93.14 | 93.14 | - | - | - | - | - | - | - | - | - | - | 93.14 | - | - |
| Loans (Gross): | | | | | | | | | | | | | | | |
| i) Gold Loan | 7,50,088.74 | - | - | 7,50,088.74 | - | - | - | - | - | - | - | 4,08,852.98 | 11,58,941.72 | - | 8,682.43 |
| ii) Personal Loan | 8,755.81 | - | - | - | - | - | - | - | - | - | - | - | - | 8,755.81 | 353.20 |
| iii) Corporate Loan | 953.94 | - | - | - | - | 953.94 | - | - | - | - | - | 100.47 | 1,054.41 | - | 35.58 |
| iv) Business Loan | 3,760.91 | - | - | - | - | - | - | - | - | 17.61 | - | 97.08 | 114.69 | 3,743.30 | 28.55 |
| v) Staff Loan | 110.02 | - | - | - | - | - | - | - | - | - | - | - | 1.81 | 110.02 | 1.81 |
| vi) Loans to subsidiaries | 5,000.00 | - | - | - | - | - | - | - | - | - | - | - | - | 5,000.00 | - |
| vii) Other Loans | 209.85 | - | - | - | - | - | - | - | - | - | - | - | - | 209.85 | 9.40 |
| viii) Insta Personal Loan | 9,095.13 | - | - | - | - | - | - | - | - | - | - | - | - | 9,095.13 | 231.12 |
| ix) Business Loan -SME | 1,389.93 | - | - | - | - | - | - | - | - | - | - | - | - | 1,389.93 | 8.18 |
| x) Loan against Property | 0.43 | - | - | - | - | - | - | - | - | 0.43 | - | 0.47 | 0.90 | - | - |
| Government securities at amortised cost | 1,855.82 | - | - | - | - | - | - | - | - | - | - | - | - | 1,855.82 | - |
| Trade receivables | 10.34 | - | - | - | - | - | - | - | - | - | - | - | - | 10.34 | - |
| Other financial assets | 1,858.14 | - | - | - | - | - | - | - | - | - | - | - | - | 1,858.14 | - |
| Total financial assets at amortised cost | 8,33,547.66 | 50,458.60 | - | - | 7,50,088.74 | 953.94 | 18.04 | 4,09,051.00 | 12,10,570.32 | 32,028.34 | 9,350.27 | - | - | - | - |

(Rupees in millions, except for share data and unless otherwise stated)

Note 42: Risk Management (Contd..)

| As at March 31, 2024 | Maximum exposure to credit risk | Fair value of collateral and credit enhancements held | | | | | | | | | | |
|---|---------------------------------|---|------------|--------------------------------|-------------------------------|---|--------------|--------------------|---------------------|------------------|-----------------|-------|
| | | Cash | Securities | Bank and government guarantees | Household used Gold Ornaments | Book debts, Inventory and other working capital items | Building | Surplus collateral | Total collateral | Net exposure | Associated ECL | |
| Financial assets at FVTPL ¹ | 1,627.58 | - | - | - | - | - | - | - | - | - | 1,627.58 | - |
| Total financial instruments at fair value through profit or loss¹ | 1,627.58 | - | - | - | - | - | - | - | - | - | 1,627.58 | - |
| Financial assets at fair value through OCI ¹ | 2,251.59 | - | - | - | - | - | - | - | - | - | 2,251.59 | - |
| Total financial instruments at fair value through OCI¹ | 2,251.59 | - | - | - | - | - | - | - | - | - | 2,251.59 | - |
| Other commitments | 8,37,426.83 | 50,458.60 | - | - | 7,50,088.74 | 953.94 | 18.04 | 4,09,051.00 | 12,10,570.32 | 35,907.51 | 9,350.27 | 14.74 |
| | 12,267.83 | - | - | - | 37.66 | - | - | 25.71 | 63.37 | 12,230.17 | - | - |
| | 8,49,694.66 | 50,458.60 | - | - | 7,50,126.40 | 953.94 | 18.04 | 4,09,076.71 | 12,10,633.69 | 48,137.68 | 9,365.01 | - |

¹ Including equity instruments

| As at March 31, 2023 | Maximum exposure to credit risk | Fair value of collateral and credit enhancements held | | | | | | | | | | |
|---|---------------------------------|---|------------|--------------------------------|-------------------------------|---|----------|--------------------|------------------|--------------|----------------|--------|
| | | Cash | Securities | Bank and government guarantees | Household used Gold Ornaments | Book debts, Inventory and other working capital items | Building | Surplus collateral | Total collateral | Net exposure | Associated ECL | |
| Financial assets | | | | | | | | | | | | |
| Cash and cash equivalents | 64,288.01 | 64,288.01 | - | - | - | - | - | - | 64,288.01 | - | - | - |
| Bank Balance other than Cash and cash equivalents | 323.95 | 323.95 | - | - | - | - | - | - | 323.95 | - | - | - |
| Loans (Gross): | | | | | | | | | | | | |
| i) Gold Loan | 6,37,038.17 | - | - | - | 6,37,038.17 | - | - | 3,47,675.80 | 9,84,713.97 | - | 7,454.15 | - |
| ii) Personal Loan | 5,373.68 | - | - | - | - | - | - | - | - | - | 5,373.68 | 115.56 |
| iii) Corporate Loan | 1,185.11 | - | - | - | - | 1,185.11 | - | 124.45 | 1,309.56 | - | - | 49.76 |
| iv) Business Loan | 2,255.74 | - | - | - | - | - | 21.54 | 93.15 | 114.69 | 2,234.20 | 24.77 | - |
| v) Staff Loan | 30.35 | - | - | - | - | - | - | - | - | - | 30.35 | 1.38 |
| vi) Loans to subsidiaries | 2,600.00 | - | - | - | - | - | - | - | - | - | 2,600.00 | - |
| vii) Other Loans | 209.06 | - | 0.15 | - | - | - | - | 0.44 | 0.59 | 208.91 | 7.63 | - |
| viii) Insta Personal Loan | 1,599.07 | - | - | - | - | - | - | - | - | 1,599.07 | 4.33 | - |
| ix) Business Loan -SME | 15.24 | - | - | - | - | - | - | - | - | 15.24 | 0.04 | - |
| x) Loan against Property | - | - | - | - | - | - | - | - | - | - | - | - |
| Government securities at amortised cost | 1,874.62 | - | - | - | - | - | - | - | - | - | 1,874.62 | - |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 42: Risk Management (Contd..)

| As at March 31, 2023 | Maximum exposure to credit risk | Fair value of collateral and credit enhancements held | | | | | | | Surplus collateral | Total collateral | Net exposure | Associated ECL |
|---|---------------------------------|---|-------------|--------------------------------|-------------------------------|---|--------------|--------------------|---------------------|------------------|-----------------|----------------|
| | | Cash | Securities | Bank and government guarantees | Household used Gold Ornaments | Book debts, Inventory and other working capital items | Building | Surplus collateral | | | | |
| Trade receivables | 16.06 | - | - | - | - | - | - | - | - | 16.06 | - | |
| Other financial assets | 1,336.19 | - | - | - | - | - | - | - | - | 1,336.19 | - | |
| Total financial assets at amortised cost | 7,18,145.25 | 64,611.96 | 0.15 | - | 6,37,038.17 | 1,185.11 | 21.54 | 3,47,893.84 | 10,50,750.77 | 15,288.32 | 7,657.62 | |
| Financial assets at FVTPL ¹ | 0.03 | - | - | - | - | - | - | - | - | 0.03 | - | |
| Total financial instruments at fair value through profit or loss¹ | 0.03 | - | - | - | - | - | - | - | - | 0.03 | - | |
| Financial assets at fair value through OCI ¹ | 1,875.66 | - | - | - | - | - | - | - | - | 1,875.66 | - | |
| Total financial instruments at fair value through OCI¹ | 1,875.66 | - | - | - | - | - | - | - | - | 1,875.66 | - | |
| Total | 7,20,020.94 | 64,611.96 | 0.15 | - | 6,37,038.17 | 1,185.11 | 21.54 | 3,47,893.84 | 10,50,750.77 | 17,164.01 | 7,657.62 | |
| Other commitments | 9,549.28 | - | - | - | 16.26 | - | - | 12.05 | 28.31 | 9,533.02 | 6.88 | |
| | 7,29,570.22 | 64,611.96 | 0.15 | - | 6,37,054.43 | 1,185.11 | 21.54 | 3,47,905.89 | 10,50,779.08 | 26,697.03 | 7,664.50 | |

¹ Including equity instruments

II) Liquidity risk

Liquidity risk is the risk of being unable to raise necessary funds from the market at optimal cost to meet operational and debt servicing requirements. The purpose of liquidity management is to ensure sufficient cash flow to meet all financial commitments and to capitalise on opportunities for business expansion. Board of Directors will have overall responsibility of monitoring, supervision and control of the Asset Liability Management (ALM) mechanism. Board will have a sub-committee of Directors (ALM Committee) to review the ALM position of the Company on at least half yearly intervals. An Asset Liability Committee (ALCO) consisting of senior executives of the Company including the Managing Director shall be responsible for the day to day as well as periodic monitoring and control of Asset Liability management.

Asset Liability Management (ALM)

The table below shows the maturity pattern of the assets and liabilities. In the case of loans, contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the below maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

(Rupees in millions, except for share data and unless otherwise stated)

Note 42: Risk Management (Contd..)

Maturity pattern of assets and liabilities as on March 31, 2024:

| Particulars | Upto 1 month | 1 to 2 months | 2 to 3 months | 3 to 6 months | 6 months to 1 year | 1 to 3 years | 3 to 5 years | Over 5 years | Not sensitive to ALM * | Total |
|---|--------------------|--------------------|------------------|--------------------|--------------------|--------------------|------------------|------------------|------------------------|--------------------|
| Financial Assets | | | | | | | | | | |
| Cash and cash equivalents | 50,184.72 | - | 125.00 | - | 55.74 | - | - | - | - | 50,365.46 |
| Bank Balance other than Cash and cash equivalents | 69.93 | 6.00 | 0.11 | 8.65 | 4.27 | 3.77 | 0.41 | - | - | 93.14 |
| Derivative Financial Instruments | - | - | - | - | - | - | - | - | - | - |
| Trade Receivables | 10.34 | - | - | - | - | - | - | - | - | 10.34 |
| Loans | 1,64,596.69 | 1,23,545.01 | 97,513.23 | 1,82,965.95 | 1,63,713.12 | 14,591.64 | 23,763.85 | 36.02 | (711.02) | 7,70,014.49 |
| Investments | - | 2.37 | 22.44 | 6.72 | - | - | 22,651.74 | - | - | 22,683.27 |
| Other Financial assets | 536.03 | 0.37 | 9.81 | 0.35 | 1.46 | 1,310.08 | 0.04 | - | - | 1,858.14 |
| Total | 2,15,397.71 | 1,23,553.75 | 97,670.59 | 1,82,981.67 | 1,63,774.59 | 15,905.49 | 23,764.30 | 22,687.76 | (711.02) | 8,45,024.84 |
| Financial Liabilities | | | | | | | | | | |
| Derivative Financial Instruments | 23.72 | - | 3.58 | - | 111.56 | - | - | - | - | 138.86 |
| Payables | 1,632.15 | - | - | - | 406.97 | - | - | - | - | 2,039.12 |
| Debt Securities | - | - | 9,284.14 | 4,000.00 | 8,654.35 | 77,104.10 | 59,727.44 | 5,119.92 | (175.25) | 1,63,714.70 |
| Borrowings (other than Debt Securities) | 26,593.47 | 31,567.91 | 38,681.41 | 72,578.76 | 1,31,070.93 | 97,767.45 | 25,485.91 | - | (132.71) | 4,23,613.13 |
| Subordinated Liabilities | - | - | - | - | 317.75 | 187.17 | - | - | (1.97) | 502.95 |
| Other Financial liabilities | 4,110.15 | 1,848.76 | 783.97 | 1,440.29 | 1,698.76 | 2,054.29 | 627.15 | - | - | 12,563.37 |
| Total | 32,359.49 | 33,416.67 | 48,753.10 | 78,019.05 | 1,42,260.32 | 1,77,113.01 | 85,840.50 | 5,119.92 | (309.93) | 6,02,572.13 |

* represents adjustments on account of EIR/ECL

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(Rupees in millions, except for share data and unless otherwise stated)

Note 42: Risk Management (Contd..)

Maturity pattern of assets and liabilities as on March 31, 2023:

| Particulars | Upto 1 month | 1 to 2 months | 2 to 3 months | 3 to 6 months | 6 months to 1 year | 1 to 3 years | 3 to 5 years | Over 5 years | Not sensitive to ALM * | Total |
|---|--------------------|------------------|------------------|--------------------|--------------------|--------------------|------------------|------------------|------------------------|--------------------|
| Financial Assets | | | | | | | | | | |
| Cash and cash equivalents | 64,206.58 | 30.00 | - | - | 51.43 | - | - | - | - | 64,288.01 |
| Bank Balance other than Cash and cash equivalents | 106.87 | 6.73 | 0.17 | 8.94 | 144.05 | 56.78 | 0.41 | - | - | 323.95 |
| Derivative Financial Instruments | - | - | - | - | - | - | - | - | - | - |
| Trade Receivables | 15.16 | - | - | 0.90 | - | - | - | - | - | 16.06 |
| Loans | 1,30,791.37 | 96,983.64 | 78,229.61 | 1,52,121.63 | 1,47,835.10 | 14,148.62 | 22,843.39 | 19.35 | (323.91) | 6,42,648.80 |
| Investments | - | 2.37 | 22.71 | 16.81 | 10.00 | - | - | 13,116.70 | - | 13,168.59 |
| Other Financial assets | 335.24 | 1.99 | - | 0.30 | 10.99 | 987.65 | 0.02 | - | - | 1,336.19 |
| Total | 1,95,455.22 | 97,024.73 | 78,252.49 | 1,52,148.58 | 1,48,051.57 | 15,193.05 | 22,843.82 | 13,136.05 | (323.91) | 7,21,781.60 |
| Financial Liabilities | | | | | | | | | | |
| Derivative Financial Instruments | - | - | 53.22 | 1,815.98 | 23.21 | - | - | - | - | 1,892.41 |
| Payables | 1,438.26 | - | - | - | 360.76 | - | - | - | - | 1,799.02 |
| Debt Securities | 11,799.74 | 1,140.10 | 9,004.75 | 1,130.34 | 29,369.50 | 66,808.08 | 12,425.68 | 5,860.65 | (155.21) | 1,37,383.63 |
| Borrowings (other than Debt Securities) | 5,094.14 | 3,792.05 | 48,938.96 | 1,01,010.98 | 1,10,918.26 | 78,981.98 | 10,385.96 | - | (129.92) | 3,58,992.41 |
| Subordinated Liabilities | 230.39 | - | - | - | 236.00 | 504.93 | - | - | (4.29) | 967.03 |
| Other Financial liabilities | 4,385.79 | 381.04 | 729.17 | 549.77 | 1,801.72 | 1,176.19 | 601.51 | 1.30 | - | 9,626.49 |
| Total | 22,948.32 | 5,313.19 | 58,726.10 | 1,04,507.07 | 1,42,709.45 | 1,47,471.18 | 23,413.15 | 5,861.95 | (289.42) | 5,10,660.99 |

* represents adjustments on account of ERVECL

(Rupees in millions, except for share data and unless otherwise stated)

Note 42: Risk Management (Contd..)

The table below shows the maturity of the Company's contingent liabilities and commitments based on estimates of the management and contractual expiry. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

| Particulars | On Demand | Upto 3 months | Over 3 months & upto 6 months | Over 6 months & upto 1 year | Over 1 year & upto 3 years | Over 3 year & upto 5 years | Over 5 years | Total |
|---|-----------|---------------|-------------------------------|-----------------------------|----------------------------|----------------------------|--------------|-----------|
| | | | | | | | | |
| As at March 31, 2024 | | | | | | | | |
| Income Tax Demands | - | - | - | - | 198.73 | - | - | 198.73 |
| Service Tax Demands | - | - | - | - | 4,995.05 | - | - | 4,995.05 |
| Other Claims | - | - | - | - | 26.97 | - | - | 26.97 |
| Guarantees and counter guarantees | 38.31 | - | - | - | - | - | - | 38.31 |
| Corporate Guarantee issued in favour of National Housing Bank for loan availed by wholly owned subsidiary M/s Muthoot Homefin (India) Limited | - | - | - | - | 1,772.81 | - | - | 1,772.81 |
| Disputed claims against the Company under litigation not acknowledged as debts | - | - | - | - | 138.25 | - | - | 138.25 |
| Other contingent liabilities | - | - | - | - | - | - | - | - |
| Commitments related to loans sanctioned but undrawn | 12,267.83 | - | - | - | - | - | - | 12,267.83 |
| Estimated amount of contracts remaining to be executed on capital account, net of advances | - | 64.28 | 20.00 | 22.47 | - | - | - | 106.75 |
| As at March 31, 2023 | | | | | | | | |
| Income Tax Demands | - | - | - | - | 53.66 | - | - | 53.66 |
| Service Tax Demands | - | - | - | - | 4,995.05 | - | - | 4,995.05 |
| Other Claims | - | - | - | - | 426.97 | - | - | 426.97 |
| Guarantees and counter guarantees | 88.01 | - | - | - | - | - | - | 88.01 |
| Corporate Guarantee issued in favour of National Housing Bank for loan availed by wholly owned subsidiary M/s Muthoot Homefin (India) Limited | - | - | - | - | 1,940.91 | - | - | 1,940.91 |
| Disputed claims against the Company under litigation not acknowledged as debts | - | - | - | - | 89.77 | - | - | 89.77 |
| Other contingent liabilities | - | - | - | - | - | - | - | - |
| Commitments related to loans sanctioned but undrawn | 9,549.28 | - | - | - | - | - | - | 9,549.28 |
| Estimated amount of contracts remaining to be executed on capital account, net of advances | - | 111.66 | 71.62 | 20.00 | 20.18 | - | - | 223.46 |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 42: Risk Management (Contd..)

III) 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 objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The Company is exposed to four types of market risk as follows:

a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources. Majority of our borrowings are at fixed rates. However, borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seek to optimize borrowing profile between short-term and long-term loans. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

During the year , Company has undertaken derivative transactions for hedging interest rate risk on certain domestic currency exposures linked to external benchmark through Interest Rate Swaps as below:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------|-------------------------|-------------------------|
| Domestic Currency Exposure | 13,000.00 | 6,000.00 |

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 are as follows:

| Impact on Profit before taxes | As at March 31, 2024 | As at March 31, 2023 |
|------------------------------------|-------------------------|-------------------------|
| On Floating Rate Borrowings | | |
| 1% increase in interest rates | 3490.33 | 2,582.41 |
| 1% decrease in interest rates | (3,490.33) | (2,582.41) |

b) Price risk

Sudden fall in the gold price and fall in the value of the pledged gold ornaments can result in some of the customers to default if the loan amount and interest exceeds the market value of gold. This risk is in part mitigated by a minimum 25% margin retained on the value of gold jewellery for the purpose of calculation of the loan amount. Further, we appraise the gold jewellery collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery. In addition, the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the collateral even if the value of gold ornaments falls below the value of the repayment amount. An occasional decrease in gold prices will not increase price risk significantly on account of our adequate collateral security margins. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

Equity price risk is the risk that the fair value of equities decrease as the result of changes in level of equity indices and individual stocks. The trading equity price risk exposure arises from equity securities classified at FVTPL and the non-trading equity price risk exposure arises from equity securities classified at FVOCI.

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(Rupees in millions, except for share data and unless otherwise stated)

Note 42: Risk Management (Contd..)

A 10% increase/(decrease) in the equity price (traded and non-traded) would have the impact as follows:

| Particulars | Increase/(Decrease) in percentage | Sensitivity of profit or loss | Sensitivity of Other Comprehensive Income |
|----------------------|--------------------------------------|----------------------------------|---|
| As at March 31, 2024 | 10/(10) | 23.24/(23.24) | 225.16/(225.16) |
| As at March 31, 2023 | 10/(10) | 0.00/(0.00) | 187.57/(187.57) |

c) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company has hedged its foreign currency risk on its foreign currency borrowings as on March 31, 2024 by entering into forward contracts with the intention of covering the entire term of foreign currency exposure. The counterparties for such hedge transactions are banks.

The Company's exposure on account of Foreign Currency Borrowings at the end of the reporting period expressed in Indian Rupees are as follows:

| Particulars | Foreign currency | As at March 31, 2024 | As at March 31, 2023 |
|--|------------------|-------------------------|-------------------------|
| FCNB Demand Loan (principal amount on reporting date) | USD | 3902.57 | 3,878.76 |
| External Commercial Borrowings - Senior Secured Notes (principal amount and interest accrued but not due on reporting date) | USD | - | 45,359.21 |

Since the foreign currency exposure is completely hedged by equivalent derivative instrument, there will not be any significant impact on sensitivity analysis due to the possible change in the exchange rates where all other variables are held constant. On the date of maturity of the derivative instrument, considering the hedging for the entire term of the foreign currency exposure, the sensitivity of profit and loss to changes in the exchange rates will be Nil.

d) Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier than expected, such as fixed rate loans when interest rates fall.

IV) 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 including the use of internal audit.

Note 43: Disclosure with regard to dues to Micro Enterprises and Small Enterprises

Based on the information available with the Company and which has been relied upon by the auditors, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2024 together with interest paid /payable are required to be furnished.

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(Rupees in millions, except for share data and unless otherwise stated)

Note 44: Dividend remitted in foreign currency

There was no dividend remitted in foreign currency during the year ended March 31, 2024 and March 31, 2023.

Note 45: Segment reporting

The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".

Note 46: Share based payments

Pursuant to approval by the shareholders at their meeting held on September 27, 2013, the Company has established "Muthoot ESOP 2013" scheme administered by the ESOP Committee of Board of Directors. The following options were granted as on March 31, 2024. The fair value of the share options is estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

I The Company has formulated various share-based payment schemes for its employees. Details of all grants in operation during the year ended March 31, 2024 are as given below:

| Particulars | Tranche 1 | |
|---|--|--|
| | Grant A | Grant B |
| Scheme Name | | |
| Date of grant | November 09, 2013 | November 09, 2013 |
| Date of Board approval | November 09, 2013 | November 09, 2013 |
| Method of settlement | Equity settled | Equity settled |
| No. of equity shares for an option | One option - One share | One option - One share |
| No. of options granted | 37,11,200 | 17,06,700 |
| Exercise price per option (in ₹) | ₹ 50 | ₹ 50 |
| Vesting period | 1-5 years | 2-6 years |
| Manner of vesting | In a graded manner over a 5 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant | In a graded manner over a 6 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant |
| A) Fixed Vesting period is as follows on following dates :- | | |
| 1 st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)" | November 09, 2014 | November 09, 2015 |
| 2 nd vesting "On expiry of one year from the 1 st vesting date" | November 09, 2015 | November 09, 2016 |
| 3 rd vesting "On expiry of one year from the 2 nd vesting date" | November 09, 2016 | November 09, 2017 |
| 4 th vesting "On expiry of one year from the 3 rd vesting date" | November 09, 2017 | November 09, 2018 |
| 5 th vesting "On expiry of one year from the 4 th vesting date" | November 09, 2018 | November 09, 2019 |
| B) Conditional Vesting | Service only - graded vesting | Service only - graded vesting |
| Exercise period | 8 Years | |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 46: Share based payments (Contd..)

| Particulars | Tranche 2 | | Tranche 3 |
|---|---|--|--|
| | Grant A | Grant B | Grant A |
| Date of grant | July 08, 2014 | July 08, 2014 | March 06, 2015 |
| Date of Board approval | July 08, 2014 | July 08, 2014 | March 06, 2015 |
| Method of settlement | Equity settled | Equity settled | Equity settled |
| No. of equity shares for an option | One option - One share | One option - One share | One option - One share |
| No. of options granted | 4,56,000 | 3,80,900 | 3,25,000 |
| Exercise price per option (in ₹) | ₹ 50 | ₹ 50 | ₹ 50 |
| Vesting period | 1-5 years | 2-6 years | 1-5 years |
| Manner of vesting | In a graded manner over a 5 year period with 10%, 15% , 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant | In a graded manner over a 6 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant | In a graded manner over a 5 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant |
| A) Fixed Vesting period is as follows on following dates :- | | | |
| 1 st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)" | July 08, 2015 | July 08, 2016 | March 06, 2016 |
| 2 nd vesting "On expiry of one year from the 1 st vesting date" | July 08, 2016 | July 08, 2017 | March 06, 2017 |
| 3 rd vesting "On expiry of one year from the 2 nd vesting date" | July 08, 2017 | July 08, 2018 | March 06, 2018 |
| 4 th vesting "On expiry of one year from the 3 rd vesting date" | July 08, 2018 | July 08, 2019 | March 06, 2019 |
| 5 th vesting "On expiry of one year from the 4 th vesting date" | July 08, 2019 | July 08, 2020 | March 06, 2020 |
| B) Conditional Vesting | Service only - graded vesting | Service only - graded vesting | Service only - graded vesting |
| Exercise period | 8 Years | | 8 Years |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 46: Share based payments (Contd..)

| Particulars | Tranche 4 | | |
|---|--|--|--|
| | Grant A | Grant B | Loyalty |
| Date of grant | June 27, 2016 | June 27, 2016 | June 27, 2016 |
| Date of Board approval | June 27, 2016 | June 27, 2016 | June 27, 2016 |
| Method of settlement | Equity settled | Equity settled | Equity settled |
| No. of equity shares for an option | One option - One share | One option - One share | One option - One share |
| No. of options granted | 3,90,400 | 7,28,300 | 8,150 |
| Exercise price per option (in ₹) | ₹ 50 | ₹ 50 | ₹ 10 |
| Vesting period | 1-5 years | 2-6 years | 1-2 years |
| Manner of vesting | In a graded manner over a 5 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant | In a graded manner over a 6 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant | In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant |
| A) Fixed Vesting period is as follows on following dates :- | | | |
| 1 st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)" | June 27, 2017 | June 27, 2018 | June 27, 2017 |
| 2 nd vesting "On expiry of one year from the 1 st vesting date" | June 27, 2018 | June 27, 2019 | June 27, 2018 |
| 3 rd vesting "On expiry of one year from the 2 nd vesting date" | June 27, 2019 | June 27, 2020 | - |
| 4 th vesting "On expiry of one year from the 3 rd vesting date" | June 27, 2020 | June 27, 2021 | - |
| 5 th vesting "On expiry of one year from the 4 th vesting date" | June 27, 2021 | June 27, 2022 | - |
| B) Conditional Vesting | Service only - graded vesting | Service only - graded vesting | Service only - graded vesting |
| Exercise period | | 8 Years | 5 Years |

| Particulars | Tranche 5 | | |
|------------------------------------|--|--|--|
| | Grant A | Grant B | Loyalty |
| Date of grant | August 07, 2017 | August 07, 2017 | August 07, 2017 |
| Date of Board approval | August 07, 2017 | August 07, 2017 | August 07, 2017 |
| Method of settlement | Equity settled | Equity settled | Equity settled |
| No. of equity shares for an option | One option - One share | One option - One share | One option - One share |
| No. of options granted | 2,48,200 | 3,42,900 | 1,150 |
| Exercise price per option (in ₹) | ₹ 50 | ₹ 50 | ₹ 10 |
| Vesting period | 1-5 years | 2-6 years | 1-2 years |
| Manner of vesting | In a graded manner over a 5 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant | In a graded manner over a 6 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant | In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 46: Share based payments (Contd..)

| Particulars | Tranche 5 | | |
|---|-------------------------------|-------------------------------|-------------------------------|
| | Grant A | Grant B | Loyalty |
| A) Fixed Vesting period is as follows on following dates :- | | | |
| 1 st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)" | August 07, 2018 | August 07, 2019 | August 07, 2018 |
| 2 nd vesting "On expiry of one year from the 1 st vesting date" | August 07, 2019 | August 07, 2020 | August 07, 2019 |
| 3 rd vesting "On expiry of one year from the 2 nd vesting date" | August 07, 2020 | August 07, 2021 | - |
| 4 th vesting "On expiry of one year from the 3 rd vesting date" | August 07, 2021 | August 07, 2022 | - |
| 5 th vesting "On expiry of one year from the 4 th vesting date" | August 07, 2022 | August 07, 2023 | - |
| B) Conditional Vesting | Service only - graded vesting | Service only - graded vesting | Service only - graded vesting |
| Exercise period | 8 Years | 5 Years | 5 Years |

II Computation of fair value of options granted during the year

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

| Particulars | Tranche 1 | |
|--|-----------------------|-----------------------|
| | Grant A | Grant B |
| Share price on the date of grant (₹) | 117.30 | 117.30 |
| Exercise price (₹) | ₹ 50 | ₹ 50 |
| Expected volatility (%) | 57.68% | 57.68% |
| Life of the options granted (years) | | |
| Expected life of options | 1.5-5.5 years | 2.5-6.5 years |
| Weighted average contractual life | 4 years | 5 years |
| Risk-free interest rate (%) | 8.4% - 8.8% p.a. | 8.4% - 8.95% p.a. |
| Expected dividend yield (%) | 3.84 % p.a. | 3.84 % p.a. |
| Model used | Black-Scholes Model | Black-Scholes Model |
| Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets) | ₹ 68.75 (Nov 9, 2014) | ₹ 70.21 (Nov 9, 2015) |
| | ₹ 70.21 (Nov 9, 2015) | ₹ 71.13 (Nov 9, 2016) |
| | ₹ 71.13 (Nov 9, 2016) | ₹ 71.52 (Nov 9, 2017) |
| | ₹ 71.52 (Nov 9, 2017) | ₹ 71.47 (Nov 9, 2018) |
| | ₹ 71.47 (Nov 9, 2018) | ₹ 71.11 (Nov 9, 2019) |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 46: Share based payments (Contd..)

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

| Particulars | Tranche 2 | | Tranche 3 |
|---|-------------------------|-------------------------|------------------------|
| | Grant A | Grant B | Grant A |
| Share price on the date of grant (₹) | ₹ 184.30 | ₹ 184.30 | ₹ 219.05 |
| Exercise price (₹) | ₹ 50 | ₹ 50 | ₹ 50 |
| Expected volatility (%) | 53.96% | 53.96% | 34.50% |
| Life of the options granted (years) | | | |
| Expected life of options | 1.5-5.5 years | 2.5-6.5 years | 1.5-5.5 years |
| Weighted average contractual life | 4 years | 5 years | 4 years |
| Risk-free interest rate (%) | 8.26% - 8.35% p.a. | 8.24% - 8.32% p.a. | 7.45% - 7.60% p.a. |
| Expected dividend yield (%) | 3.26% p.a. | 3.26% p.a. | 2.74% p.a. |
| Model used | Black-Scholes Model | Black-Scholes Model | Black-Scholes Model |
| Fair value per option tranche on grant date (₹) | ₹ 131.77 (July 8, 2015) | ₹ 130.56 (July 8, 2016) | ₹ 165.61 (Mar 6, 2016) |
| (corresponding vesting date shown in brackets) | ₹ 130.56 (July 8, 2016) | ₹ 129.33 (July 8, 2017) | ₹ 163.16 (Mar 6, 2017) |
| | ₹ 129.33 (July 8, 2017) | ₹ 127.91 (July 8, 2018) | ₹ 160.66 (Mar 6, 2018) |
| | ₹ 127.91 (July 8, 2018) | ₹ 126.26 (July 8, 2019) | ₹ 158.13 (Mar 6, 2019) |
| | ₹ 126.26 (July 8, 2019) | ₹ 124.39 (July 8, 2020) | ₹ 155.57 (Mar 6, 2020) |

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

| Particulars | Tranche 4 | | |
|---|--------------------------|--------------------------|--------------------------|
| | Grant A | Grant B | Loyalty |
| Share price on the date of grant (₹) | ₹ 280.35 | ₹ 280.35 | ₹ 280.35 |
| Exercise price (₹) | ₹ 50 | ₹ 50 | ₹ 10 |
| Expected volatility (%) | 36.98% | 36.98% | 36.98% |
| Life of the options granted (years) | | | |
| Expected life of options | 1.5-5.5 years | 2.5-6.5 years | 1.5-2.5 years |
| Weighted average contractual life | 4 years | 5 years | 2 years |
| Risk-free interest rate (%) | 6.91% - 7.41% p.a. | 7.08% - 7.47% p.a. | 6.91% - 7.08% p.a. |
| Expected dividend yield (%) | 2.14% p.a. | 2.14% p.a. | 2.14% p.a. |
| Model used | Black-Scholes Model | Black-Scholes Model | Black-Scholes Model |
| Fair value per option tranche on grant date (₹) | ₹ 226.42 (June 27, 2017) | ₹ 223.87 (June 27, 2018) | ₹ 262.48 (June 27, 2017) |
| (corresponding vesting date shown in brackets) | ₹ 223.87 (June 27, 2018) | ₹ 221.34 (June 27, 2019) | ₹ 257.37 (June 27, 2018) |
| | ₹ 221.34 (June 27, 2019) | ₹ 218.80 (June 27, 2020) | - |
| | ₹ 218.80 (June 27, 2020) | ₹ 216.20 (June 27, 2021) | - |
| | ₹ 216.20 (June 27, 2021) | ₹ 213.54 (June 27, 2022) | - |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 46: Share based payments (Contd..)

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

| Particulars | Tranche 5 | | |
|--|---------------------------|---------------------------|---------------------------|
| | Grant A | Grant B | Loyalty |
| Share price on the date of grant (₹) | ₹ 473.00 | ₹ 473.00 | ₹ 473.00 |
| Exercise price (₹) | ₹ 50 | ₹ 50 | ₹ 10 |
| Expected volatility (%) | 40.24% | 40.24% | 40.24% |
| Life of the options granted (years) | | | |
| Expected life of options | 1.5-5.5 years | 2.5-6.5 years | 1.5-2.5 years |
| Weighted average contractual life | 5 years | 6 years | 2 years |
| Risk-free interest rate (%) | 6.16% - 6.59% p.a. | 6.27% - 6.67% p.a. | 6.16% - 6.27% p.a. |
| Expected dividend yield (%) | 1.27% p.a. | 1.27% p.a. | 1.27% p.a. |
| Model used | Black-Scholes Model | Black-Scholes Model | Black-Scholes Model |
| Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets) | ₹ 416.95 (August 7, 2018) | ₹ 413.92 (August 7, 2019) | ₹ 452.31 (August 7, 2018) |
| | ₹ 413.92 (August 7, 2019) | ₹ 410.90 (August 7, 2020) | ₹ 447.05 (August 7, 2019) |
| | ₹ 410.90(August 7, 2020) | ₹ 407.88 (August 7, 2021) | - |
| | ₹ 407.88(August 7, 2021) | ₹ 404.82 (August 7, 2022) | - |
| | ₹ 404.82(August 7, 2022) | ₹ 401.71 (August 7, 2023) | - |

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

III Reconciliation of options

| Particulars | Tranche 1 | | Tranche 2 | | Tranche 3 |
|--|-----------|---------|-----------|---------|-----------|
| | Grant A | Grant B | Grant A | Grant B | Grant A |
| Options outstanding at April 1, 2023 | - | - | - | - | - |
| Granted during the year | - | - | - | - | - |
| Forfeited during the year | - | - | - | - | - |
| Exercised during the year | - | - | - | - | - |
| Expired / lapsed during the year | - | - | - | - | - |
| Options outstanding at March 31, 2024 | - | - | - | - | - |
| Options exercisable at March 31, 2024 | - | - | - | - | - |
| Weighted average remaining contractual life (in years) | - | - | - | - | - |
| Weighted average share price at the time of exercise* | - | - | - | - | - |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 46: Share based payments (Contd..)

| Particulars | Tranche 4 | | | Tranche 5 | | |
|--|-----------|----------|---------|-----------|----------|---------|
| | Grant A | Grant B | Loyalty | Grant A | Grant B | Loyalty |
| Financial Year 2023-24 | | | | | | |
| Options outstanding at April 1, 2023 | 17,000 | 11,295 | - | 11,800 | 23,390 | - |
| Granted during the year | - | - | - | - | - | - |
| Forfeited during the year | - | - | - | - | - | - |
| Exercised during the year | 570 | 1,010 | - | 2,500 | 9,365 | - |
| Expired / lapsed during the year | - | 1,700 | - | - | 9,350 | - |
| Options outstanding at March 31, 2024 | 16,430 | 8,585 | - | 9,300 | 4,675 | - |
| Options exercisable at March 31, 2024 | - | - | - | - | - | - |
| Weighted average remaining contractual life (in years) | - | - | - | - | - | - |
| Weighted average share price at the time of exercise* | 1,247.14 | 1,327.08 | - | 1,402.96 | 1,276.19 | - |

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

| Particulars | Tranche 1 | | Tranche 2 | | Tranche 3 |
|--|-----------|---------|-----------|---------|-----------|
| | Grant A | Grant B | Grant A | Grant B | Grant A |
| Financial Year 2022-23 | | | | | |
| Options outstanding at April 1, 2022 | - | - | 1,860 | 3,000 | 15,000 |
| Granted during the year | - | - | - | - | - |
| Forfeited during the year | - | - | - | - | - |
| Exercised during the year | - | - | - | 3,000 | 15,000 |
| Expired / lapsed during the year | - | - | 1,860 | - | - |
| Options outstanding at March 31, 2023 | - | - | - | - | - |
| Options exercisable at March 31, 2023 | - | - | - | - | - |
| Weighted average remaining contractual life (in years) | - | - | - | - | - |
| Weighted average share price at the time of exercise* | - | - | - | 992.20 | 1,028.08 |

| Particulars | Tranche 4 | | | Tranche 5 | | |
|--|-----------|----------|---------|-----------|----------|---------|
| | Grant A | Grant B | Loyalty | Grant A | Grant B | Loyalty |
| Financial Year 2022-23 | | | | | | |
| Options outstanding at April 1, 2022 | 22,520 | 43,645 | - | 64,925 | 55,915 | - |
| Granted during the year | - | - | - | - | - | - |
| Forfeited during the year | - | - | - | - | - | - |
| Exercised during the year | 2,120 | 22,235 | - | 49,335 | 11,275 | - |
| Expired / lapsed during the year | 3,400 | 10,115 | - | 3,790 | 21,250 | - |
| Options outstanding at March 31, 2023 | 17,000 | 11,295 | - | 11,800 | 23,390 | - |
| Options exercisable at March 31, 2023 | 17,000 | 11,295 | - | 11,800 | 9,350 | - |
| Weighted average remaining contractual life (in years) | - | - | - | - | 0.35 | - |
| Weighted average share price at the time of exercise* | 992.2 | 1,048.18 | - | 1,045.97 | 1,044.13 | - |

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 47: Utilization of proceeds of Public Issue of Non - Convertible Debentures

The Company has during the year raised through public issue ₹13,590.54 millions of Secured Redeemable Non-Convertible Debentures. As at March 31, 2024, the company has utilised the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

Note 48: Corporate Social Responsibility (CSR)

The Company has constituted CSR Committee and has undertaken CSR activities in accordance with Schedule VII to the Companies Act, 2013. The gross amount required to be spent by the company as per Section 135 of the Companies Act, 2013 for the year ended March 31, 2024 was ₹ 998.49 millions (March 31, 2023: ₹ 957.45 millions) and the company has spent ₹ 1,002.53 millions during the year (March 31, 2023: ₹ 964.40 millions). The Board of Directors has passed a resolution to carry forward the excess amount spent of Rs.4.04 million for utilisation in future years upto a period of three years. Details are as below

- a) Gross amount required to be spent by the Company during the year ₹ 998.49 millions
b) Amount approved by the Board (CSR Committee) to be spent during the year ₹ 999.70 millions
c) Amount spent during the year on:

| SI no. | Particulars | 2023-24 | | | 2022-23 | | |
|--------|---|-----------------|----------------|-----------------|---------------|----------------|---------------|
| | | Amount spent | Amount unspent | Total | Amount spent | Amount unspent | Total |
| i) | Construction / acquisition of any asset | - | - | - | - | - | - |
| ii) | On purposes other than (i) above | 998.49 | - | 998.49 | 957.45 | - | 957.45 |
| iii) | Amount spent carried forward for set off in future years on purposes other than (i) above | 4.04 | - | 4.04 | 6.95 | - | 6.95 |
| | Total | 1,002.53 | - | 1,002.53 | 964.40 | - | 964.40 |

- d) Details of related party transactions in relation to CSR expenditure is given in Note 39
e) Details of CSR Unspent Amount:

| SI no. | Particulars | 2023-24 | | 2022-23 | |
|-----------|--|---------------|--------------|---------------|--------------|
| i) | Opening Balance | | 22.83 | | 66.83 |
| ii) | Amount deposited in Specified Fund of Schedule VII | | - | | - |
| iii) | Amount required to be spent during the year | | 998.49 | | 957.45 |
| iv) | Amount spent during the year | 1,002.53 | - | 964.40 | - |
| | Less: Amount spent carried forward for set off in future years | 4.04 | - | 6.95 | - |
| | | 998.49 | - | 957.45 | - |
| | Add: Amount spent out of opening balance of Unspent Amount | 22.83 | 1,021.32 | 44.00 | 1,001.45 |
| v) | Closing Balance (CSR Unspent Amount) | | - | | 22.83 |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 48: Corporate Social Responsibility (CSR) (Contd..)

f) Amounts Earmarked for Ongoing Projects

| Particulars | 2023-24 | | | 2022-23 | | |
|---|--------------|-----------------------------|--------------|--------------|-----------------------------|--------------|
| | With Company | In Separate CSR Unspent A/c | Total | With Company | In Separate CSR Unspent A/c | Total |
| Opening Balance | - | 22.83 | 22.83 | - | 66.83 | 66.83 |
| Amount required to be spent during the year | - | - | - | - | - | - |
| Transfer to Separate CSR unspent A/c | - | - | - | - | - | - |
| Amount spent during the year | - | 22.83 | 22.83 | - | 44.00 | 44.00 |
| Closing Balance | - | - | - | - | 22.83 | 22.83 |

g) Details of excess amounts spent carried forward for utilisation in future years:

| SI no. | Particulars | 2023-24 | | 2022-23 | |
|------------|--|----------|-------------|---------|-------------|
| i) | Opening Balance | | 6.95 | | - |
| ii) | Amount required to be spent during the year | | 998.49 | | 957.45 |
| iii) | Amount spent during the year | 1,002.53 | | 964.40 | |
| | Less: Amount spent through set-off out of opening balance of excess amount | 6.95 | 995.58 | - | 964.40 |
| iv) | Closing Balance | | 4.04 | | 6.95 |

There is no shortfall in the CSR amount required to be spent by the Company as per section 135(5) of the Act for the financial year ended March 31, 2024 and March 31, 2023.

CSR activities include activities for employment enhancing vocational skills, promotion of education, promoting and supporting technology and innovations, promoting sports activities, medical assistance to poor patients, environmental protection activities, activities aimed at alleviation of poverty, promotion of arts & culture, activities for promotion of gender equality, Swatch Bharat initiatives, projects for improving the quality of life of poor & underprivileged class, and activities for sustainable development, and various other activities including assistance and support in disaster management activities which are specified under Schedule VII of Companies Act, 2013.

Note 49: Investments in Subsidiaries

During the financial year 2023-24, the Company has acquired 72,00,000 equity shares of the face value of Rs. 10 each in Belstar Microfinance Limited for a total consideration of Rs. 3,530 millions and 2,64,655 equity shares of the face value of Rs. 1,000 each in Muthoot Money Limited for a total consideration of Rs. 4,000 millions.

Note 50: Frauds during the year

During the year, frauds committed by employees and customers of the company amounted to ₹ 50.65 millions (March 31, 2023: ₹ 52.16 millions) which has been recovered /written off / provided for. Of the above, fraud by employees of the company amounted to ₹ 32.18 millions (March 31, 2023: ₹ 39.47 millions).

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(Rupees in millions, except for share data and unless otherwise stated)

Note 51: Disclosure required as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 on Liquidity Risk

(i) Funding Concentration based on significant counterparty (both deposits and borrowings):

| Date | Number of Significant Counterparties | Amount | % of Total Deposits | % of Total Liabilities |
|-----------------------|--------------------------------------|-------------|---------------------|------------------------|
| March 31, 2024 | 24 | 4,33,673.60 | Not Applicable | 71.40% |
| March 31, 2023 | 21 | 3,19,038.28 | Not Applicable | 61.88% |

(ii) Top 20 large deposits: Not Applicable

(iii) Top 10 borrowings :

| Date | Amount | % of Total Borrowings |
|-----------------------|-------------|-----------------------|
| March 31, 2024 | 2,84,854.97 | 48.46% |
| March 31, 2023 | 2,29,638.00 | 46.17% |

(iv) Funding Concentration based on significant instrument/product

| Name of the instrument/product | As at March 31, 2024 | | As at March 31, 2023 | |
|---|----------------------|------------------------|----------------------|------------------------|
| | Amount | % of Total Liabilities | Amount | % of Total Liabilities |
| Secured Non-Convertible Debentures | 1,63,714.70 | 26.95% | 1,37,383.64 | 26.65% |
| Borrowings from Banks/FIs | 3,70,445.25 | 60.99% | 2,96,135.83 | 57.44% |
| Subordinated Debt | 502.95 | 0.08% | 967.03 | 0.19% |
| Commercial Paper | 46,172.80 | 7.60% | 11,535.66 | 2.24% |
| External Commercial borrowings-Senior Secured Notes | - | 0.00% | 45,170.77 | 8.76% |
| Other Loans-Loans from Directors and relatives | 6,995.08 | 1.15% | 6,150.14 | 1.19% |
| Total | 5,87,830.78 | 96.77% | 4,97,343.07 | 96.47% |

Note:

- The disclosures in (i) and (iii) above excludes details of the beneficiary holders of the External Commercial Borrowings-Senior Secured Notes.
- Total Liabilities represent Total Liabilities and Equity as per Balance Sheet less Equity.

(v) Stock Ratios:

| Stock Ratios | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Commercial Paper as a % of Total Public Funds | 7.95% | 2.35% |
| Commercial Paper as a % of Total Liabilities | 7.60% | 2.24% |
| Commercial Paper as a % of Total Assets | 5.43% | 1.59% |
| Non-convertible debentures (NCDs)(original maturity of less than one year) as a % of Total Public Funds | Nil | Nil |
| Non-convertible debentures (NCDs)(original maturity of less than one year) as a % of Total Liabilities | Nil | Nil |
| Non-convertible debentures (NCDs)(original maturity of less than one year) as a % of Total Assets | Nil | Nil |
| Other Short-term Liabilities to Total Public Funds | 50.46% | 66.62% |
| Other Short-term Liabilities to Total Liabilities | 48.26% | 63.47% |
| Other Short-term Liabilities to Total Assets | 34.47% | 45.06% |

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Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 51: Disclosure required as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 on Liquidity Risk (Contd..)

Note:

- a) Public Fund represents Debt Securities, Borrowings (other than debt securities) and Subordinated Liabilities and excludes Loan from Directors and Relatives.
 - b) Total Liabilities represent Total Liabilities and Equity as per Balance Sheet less Equity.
 - c) Other Short Term Liabilities represent all liabilities (excluding Commercial Paper) maturing within a year.
- (vi) Institutional set-up for Liquidity Risk Management

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.

The Asset-Liability Management Committee (ALCO) consisting of the NBFC's top management shall be responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the NBFC. The Managing Director heads the Committee. The role of the ALCO with respect to liquidity risk include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company.

The ALM Support Group headed by Chief Financial Officer and consisting of operating staff who will be responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO.

Note 52: Other disclosures required as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021

| Sl. No. | Particulars | As at March 31,2024 | | As at March 31,2023 | |
|----------|---|---------------------|----------------|---------------------|----------------|
| | | Amount outstanding | Amount overdue | Amount outstanding | Amount overdue |
| 1 | Loans and advances* availed by the non-banking financial company inclusive of interest accrued thereon but not paid :- | | | | |
| | (a) Debentures : Secured | 1,71,599.33 | Nil | 1,44,851.31 | Nil |
| | : Unsecured | Nil | Nil | Nil | Nil |
| | (other than falling within the meaning of public deposits) | | | | |
| | : Perpetual Debt Instrument | Nil | Nil | Nil | Nil |
| | (b) Deferred credits | Nil | Nil | Nil | Nil |
| | (c) Term Loans | 2,18,834.39 | Nil | 1,61,692.56 | Nil |
| | (d) Inter-corporate loans and borrowing | Nil | Nil | Nil | Nil |
| | (e) Commercial Paper | 48,683.89 | Nil | 11,583.51 | Nil |
| | (f) Other Loans : | | | | |
| | Loan from Directors/ Relatives of Directors | 6,995.08 | Nil | 6,150.14 | Nil |
| | Subordinated Debt | 933.75 | Nil | 1,760.23 | Nil |
| | Borrowings from Banks/Fl | 1,52,897.13 | Nil | 1,35,290.03 | Nil |
| | Overdraft against Deposit with Banks | Nil | Nil | Nil | Nil |
| | External Commercial Borrowings | Nil | Nil | 45,359.21 | Nil |

*Principal amounts of loans and advances availed

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 52: Other disclosures required as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 (Contd..)

| Sl. No. | Assets : | As at March 31, 2024 | As at March 31, 2023 |
|----------|---|-------------------------|-------------------------|
| 2 | Break-up of Loans and Advances including bills receivables (other than those included in (3) below) :- | | |
| | (including interest accrued) | | |
| | (a) Secured | 7,51,265.80 | 6,38,401.03 |
| | (b) Unsecured | 31,225.22 | 14,204.59 |

| Sl. No. | Assets : | As at March 31, 2024 | As at March 31, 2023 |
|----------|---|-------------------------|-------------------------|
| 3 | Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities:- | | |
| | (i) Lease assets including lease rentals under sundry debtors:- | | |
| | (a) Financial lease | Nil | Nil |
| | (b) Operating lease | Nil | Nil |
| | (ii) Stock on hire including hire charges under sundry debtors | | |
| | (a) Assets on hire | Nil | Nil |
| | (b) Repossessed Assets | Nil | Nil |
| | (iii) Other loans counting towards AFC activities | | |
| | (a) Loans where assets have been repossessed | Nil | Nil |
| | (b) Loans other than (a) above | Nil | Nil |

| Sl. No. | Assets : | As at March 31, 2024 | As at March 31, 2023 |
|----------|--|-------------------------|-------------------------|
| 4 | Break-up of Investments (net of provision for diminution in value) :- | | |
| | Current Investments:- | | |
| | 1. Quoted: | | |
| | (i) Shares : (a) Equity | 232.31 | Nil |
| | (b) Preference | Nil | Nil |
| | (ii) Debentures and Bonds | Nil | Nil |
| | (iii) Units of mutual funds | Nil | Nil |
| | (iv) Government Securities(net of amortisation) | 31.53 | 51.89 |
| | (v) Others | Nil | Nil |
| | 2. Unquoted: | | |
| | (i) Shares : (a) Equity | Nil | Nil |
| | (b) Preference | Nil | Nil |
| | (ii) Debentures and Bonds | Nil | Nil |
| | (iii) Units of mutual funds | Nil | Nil |
| | (iv) Government Securities | Nil | Nil |
| | (v) Others | Nil | Nil |
| | Long Term investments:- | | |
| | 1. Quoted: | | |
| | (i) Shares : (a) Equity | 1,898.13 | 1,778.85 |
| | (b) Preference | 145.96 | 145.96 |
| | (ii) Debentures and Bonds | Nil | Nil |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 52: Other disclosures required as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 (Contd..)

| Sl. No. | Assets : | As at March 31, 2024 | As at March 31, 2023 |
|-----------|--|-------------------------|-------------------------|
| | (iii) Units of mutual funds | Nil | Nil |
| | (iv) Government Securities(net of amortisation) | 1,824.28 | 1,822.73 |
| | (v) Others | Nil | Nil |
| 2. | Unquoted: | | |
| | (i) Shares : (a) Equity | 17,155.85 | 9,369.16 |
| | (b) Preference | Nil | Nil |
| | (ii) Debentures and Bonds | Nil | Nil |
| | (iii) Units of mutual funds | Nil | Nil |
| | (iv) Government Securities | Nil | Nil |
| | (v) Others - Investment in Pass Through Certificates | 1,395.20 | Nil |

5 Borrower Group-wise Classification of Assets Financed* as in (2) and (3) above:-

| Category | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---------------------------------|---|------------------|--------------------|---|------------------|--------------------|
| | Amount (Principal, Net of provisioning) | | | Amount (Principal, Net of provisioning) | | |
| | Secured | Unsecured | Total | Secured | Unsecured | Total |
| 1. Related Parties | | | | | | |
| (a) Subsidiaries | Nil | 5,000.00 | 5,000.00 | Nil | 2,600.00 | 2,600.00 |
| (b) Companies in the same group | Nil | Nil | Nil | Nil | Nil | Nil |
| (c) Other related parties | Nil | Nil | Nil | Nil | Nil | Nil |
| 2. Other than related parties | 7,21,034.72 | 27,884.84 | 7,48,919.56 | 6,12,452.65 | 9,387.40 | 6,21,840.06 |
| Total | 7,21,034.72 | 32,884.84 | 7,53,919.56 | 6,12,452.65 | 11,987.40 | 6,24,440.06 |

*Principal amounts of assets financed

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :-

| Category | As at March 31,2024 | | As at March 31,2023 | |
|---------------------------------|---|--|---|--|
| | Market Value / Break up value or fair value or Net Asset Value | Book Value (Net of provisioning) | Market Value / Break up value or fair value or Net Asset Value | Book Value (Net of provisioning) |
| 1. Related Parties | | | | |
| (a) Subsidiaries | 16,770.96 | 16,948.28 | 9,049.57 | 9,418.29 |
| (b) Companies in the same group | 488.65 | 488.65 | 392.55 | 392.55 |
| (c) Other related parties | Nil | Nil | Nil | Nil |
| 2. Other than related parties | 5,221.21 | 5,246.34 | 3,291.25 | 3,357.75 |
| Total | 22,480.83 | 22,683.27 | 12,733.37 | 13,168.60 |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 52: Other disclosures required as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 (Contd..)

7 Other information

| Sl. No. | Particulars | Amount outstanding | |
|---------|---|--------------------|----------------|
| | | Amount outstanding | Amount overdue |
| (i) | Gross Non-Performing Assets* | | |
| | (a) With Related parties | Nil | Nil |
| | (b) With Others | 24,845.28 | 23,985.96 |
| (ii) | Net Non-Performing Assets* | | |
| | (a) With Related parties | Nil | Nil |
| | (b) With Others | 21,969.50 | 21,521.24 |
| (iii) | Assets acquired in satisfaction of debt | | |
| | (a) With Related parties | Nil | Nil |
| | (b) With Others | Nil | Nil |

* Stage 3 Loan assets under Ind AS

8. Details of the Auctions conducted with respect to Gold Loan

The Company auctioned 2,20,418 loan accounts (Previous Year: 4,60,267 accounts) during the financial year. The outstanding dues on these loan accounts were Rs.14,907.45 millions (March 31, 2023: Rs. 32,244.91 millions) till the respective date of auction. The Company realised Rs.14,392.44 millions (March 31, 2023: Rs. 29,419.12 millions) on auctioning of gold jewellery taken as collateral security on these loans. Company confirms that none of its sister concerns participated in the above auctions.

9 a) Capital

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| i) CRAR (%) | 30.37% | 31.77% |
| ii) CRAR-Tier I capital (%) | 29.61% | 31.01% |
| iii) CRAR-Tier II capital (%) | 0.76% | 0.76% |
| iv) Amount of subordinated debt raised as Tier-II capital | 504.93 | 984.54 |
| v) Amount raised by issue of Perpetual Debt Instruments | Nil | Nil |

9 b) Investments

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------------|-------------------------|-------------------------|
| 1) Value of Investments | | |
| (i) Gross Value of Investments | | |
| (a) In India | 21,653.72 | 12,016.46 |
| (b) Outside India | 1,029.55 | 1,152.13 |
| (ii) Provisions for Depreciation | | |
| (a) In India | Nil | Nil |
| (b) Outside India | Nil | Nil |
| (iii) Net Value of Investments | | |
| (a) In India | 21,653.72 | 12,016.46 |
| (b) Outside India | 1,029.55 | 1,152.13 |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 52: Other disclosures required as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 (Contd..)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| 2) Movement of provisions held towards | | |
| Depreciation on investments | | |
| (i) Opening balance | Nil | Nil |
| (ii) Add : Provisions made during the year | Nil | Nil |
| (iii) Less : Write-off / write-back of excess provisions during the year | Nil | Nil |
| (iv) Closing balance | Nil | Nil |

9 c) Derivatives

The Company has entered into Interest Rate Swaps to convert certain domestic borrowings linked to external benchmark into fixed rate liabilities. The notional value and fair value of such swaps agreements have been disclosed as under:

Forward Rate Agreement / Interest Rate Swap

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| (i) The notional principal of swap agreements | 13,000.00 | 6,000.00 |
| (ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements | Nil | Nil |
| (iii) Collateral required by the NBFC upon entering into swaps | Nil | Nil |
| (iv) Concentration of credit risk arising from swaps | Nil | Nil |
| (v) The fair value of the swap book | (115.15) | (23.21) |

The company has hedged its interest rate risk on certain domestic currency exposures linked to external benchmark through Interest Rate Swaps. For Accounting Policy and Risk Management Policy, refer notes 3 and 42 respectively.

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Exchange traded interest rate (IR) derivatives | Nil | Nil |

Disclosures on risk exposures of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. The Company undertakes derivative transactions for hedging its foreign currency exposures to mitigate the foreign currency risk and interest rate risk on certain domestic currency exposures linked to external benchmark. During the year, the company has hedged its foreign currency borrowings through foreign exchange forward contracts and interest rate risk on certain domestic currency exposures linked to external benchmark through Interest Rate Swaps. The Asset Liability Management Committee monitors such transactions and reviews the risks involved.

The derivative transactions are accounted in accordance with IND AS 109 and the accounting policy for recording hedge and non hedge transactions and valuation of outstanding contracts detailed in Note 3.7

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 52: Other disclosures required as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 (Contd..)

Quantitative disclosures

| Particulars | As at March 31,2024 | | As at March 31,2023 | |
|---|----------------------|---------------------------|----------------------|---------------------------|
| | Currency derivatives | Interest rate derivatives | Currency derivatives | Interest rate derivatives |
| (i) Derivatives (Notional principal amount) | | | | |
| For hedging | 3,917.87 | 13,000 | 50,109.57 | 6,000.00 |
| (ii) Marked to market positions | | | | |
| a) Asset | Nil | Nil | Nil | Nil |
| b) Liability | 23.72 | 115.15 | 1,869.20 | 23.21 |
| (iii) Credit exposure | Nil | Nil | Nil | Nil |
| (iv) Unhedged exposures | Nil | Nil | Nil | Nil |

The quantitative disclosures above relate to Currency Derivatives and Interest Rate Derivatives as detailed in Note 6

9 d) Details of stressed loans transferred during the year ended as on March 31, 2024:

| Particulars | To ARCs | To permitted transferees | To other transferees please specify |
|---|--|--------------------------|-------------------------------------|
| No: of accounts | 88,059.00 | - | - |
| Aggregate principal outstanding of loans transferred | 7,007.99 | - | - |
| Weighted average residual tenor of the loans transferred | Only overdue accounts transferred. Hence residual tenor is not applicable. | - | - |
| Net book value of loans transferred (at the time of transfer) | 6,320.51 | - | - |
| Aggregate consideration | 7,007.99 | - | - |
| Additional consideration realized in respect of accounts transferred in earlier years | Not Applicable | - | - |
| Excess provision reversed to the profit and loss account on account of sale of stressed loans | - | - | - |

Details of investment by the Company in Security Receipts of Arcil-Retail Loan Portfolio-091-ATrust for the stressed loans transferred as above: 59,56,797 nos. of Security Receipts@ 1,000 each totalling to Rs.5,956.79millions.

Outstanding amount as on March 31, 2024: 59,56,797 nos. of Security Receipts@ Rs.234.22 each totalling to Rs.1,395.20 millions (rated IND RRI + by India Ratings).

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 52: Other disclosures required as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 (Contd..)

9 e) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

| As at 31.03.2024 | 1 to 7 days | 8 to 14 days | 15 days to 30/31 days | Over 1 month to 2 months | Over 2 months to 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 year | over 3 to 5 years | Over 5 years | Non sensitive to ALM ** | Total |
|---|-------------|--------------|-----------------------|--------------------------|---------------------------|---------------------------|-------------------------|-----------------------|-------------------|--------------|-------------------------|-------------|
| Liabilities | | | | | | | | | | | | |
| Deposits | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |
| Borrowings(excluding External Commercial Borrowings-Senior Secured Notes) | 3,900.00 | 9,232.42 | 13,461.05 | 31,567.90 | 47,965.55 | 76,578.76 | 1,40,043.04 | 1,75,058.73 | 85,213.34 | 5,119.92 | (309.93) | 5,87,830.78 |
| Foreign Currency Liabilities(External Commercial Borrowing-Senior Secured Notes including interest accrued but not due) | - | - | - | - | - | - | - | - | - | - | - | - |
| Assets | | | | | | | | | | | | |
| Advances* | 38,921.17 | 38,211.88 | 87,463.64 | 1,23,545.01 | 97,513.23 | 1,82,965.95 | 1,63,713.12 | 14,591.64 | 23,763.85 | 36.02 | (711.02) | 7,70,014.49 |
| Investments | - | - | - | 2.37 | 22.44 | 6.72 | - | - | - | 21,622.19 | - | 21,653.72 |
| Foreign Currency assets | - | - | - | - | - | - | - | - | - | 1,029.55 | - | 1,029.55 |

*Contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

**represents adjustments on account of EIR/ECL

| As at 31.03.2023 | 1 to 7 days | 8 to 14 days | 15 days to 30/31 days | Over 1 month to 2 months | Over 2 months to 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 year | over 3 to 5 years | Over 5 years | Non sensitive to ALM ** | Total |
|---|-------------|--------------|-----------------------|--------------------------|---------------------------|---------------------------|-------------------------|-----------------------|-------------------|--------------|-------------------------|-------------|
| Liabilities | | | | | | | | | | | | |
| Deposits | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |
| Borrowings(excluding External Commercial Borrowings-Senior Secured Notes) | 2,841.71 | 47.04 | 14,235.52 | 4,932.15 | 57,943.71 | 56,947.82 | 1,40,523.76 | 1,46,294.98 | 22,811.64 | 5,860.65 | (266.70) | 4,52,172.30 |
| Foreign Currency Liabilities(External Commercial Borrowing-Senior Secured Notes including interest accrued but not due) | - | - | - | - | - | - | - | - | - | - | (22.72) | 45,336.49 |
| Assets | | | | | | | | | | | | |
| Advances* | 30,587.60 | 30,403.64 | 69,800.13 | 96,983.64 | 78,229.61 | 1,52,121.63 | 1,47,835.10 | 14,148.62 | 22,843.39 | 19.35 | (323.91) | 6,42,648.80 |
| Investments | - | - | - | 2.37 | 22.71 | 16.81 | 10.00 | - | - | 11,964.56 | - | 12,016.45 |
| Foreign Currency assets | - | - | - | - | - | - | - | - | - | 1,152.13 | - | 1,152.13 |

*Contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

**represents adjustments on account of EIR/ECL

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 52: Other disclosures required as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 (Contd..)

9 f) Exposures

i) Exposure to Real Estate Sector

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| i) Direct exposure (Net of Advances from Customers) | | |
| (a) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits. | 17.74 | 21.65 |
| (b) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits; | Nil | Nil |
| (c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures - a. Residential, b. Commercial Real Estate. | Nil | Nil |
| ii) Indirect Exposure Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies | 1,772.81 | 1,940.91 |
| Total Exposure to Real Estate Sector | 1,790.55 | 1,962.56 |

ii) Exposure to Capital Market

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt | 1,246.85 | 0.03 |
| 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 | Nil | Nil |
| 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 | Nil | Nil |
| 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 | Nil | Nil |
| v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers | Nil | Nil |
| 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 | Nil | Nil |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 52: Other disclosures required as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 (Contd..)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| vii) Bridge loans to companies against expected equity flows /issues | Nil | Nil |
| viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of share or convertible bonds or convertible debentures or units of equity oriented mutual funds | Nil | Nil |
| ix) Financing to stockbrokers for margin trading | Nil | Nil |
| x) All exposures to Alternative Investment Funds: | | |
| (i) Category I | Nil | Nil |
| (ii) Category II | Nil | Nil |
| (iii) Category III | Nil | Nil |
| Total Exposure to Capital Markets | 1,246.85 | 0.03 |

iii) **Details of financing of parent company products** Not Applicable

iv) **Details of Single Borrower Limit(SGL)/ Group Borrower Limit(GBL) exceeded by the Company**

| SL. No | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------|-------------|-------------------------|-------------------------|
| 1 | CRAR (%) | NIL | NIL |

v) **Total amount of advances for which intangible securities such as charge over the rights , licenses, authority etc has been taken and which is to be classified as Unsecured Advances**

| SL. No | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------|-------------|-------------------------|-------------------------|
| 1 | CRAR (%) | NIL | NIL |

9 g) Registration obtained from financial sector regulators

| SL. No | Regulator | Registration Number |
|--------|-----------------------|--|
| 1 | Reserve Bank of India | Certificate of Registration No. N 16.00167 |

9 h) Penalties levied by the above Regulators

| SL. No | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------|--------------------------------|-------------------------|-------------------------|
| 1 | Penalties levied by Regulators | NIL | NIL |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 52: Other disclosures required as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 (Contd..)

9 i) Ratings assigned by Credit rating Agencies

| SL. No | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------|---|--|--|
| 1 | Commercial paper | CRISIL A1+, ICRA A1+ | CRISIL A1+, ICRA A1+ |
| 2 | Bank Loans - Working Capital Demand Loans | ICRA A1+ | ICRA A1+ |
| 3 | Bank Loans - Cash Credit | ICRA AA+(Stable) | ICRA AA+(Stable) |
| 4 | Bank Term Loans | ICRA AA+(Stable) | ICRA AA+(Stable) |
| 5 | Non Convertible Debentures- Long term | CRISIL AA+/Stable, ICRA AA+(Stable) | CRISIL AA+/Stable, ICRA AA+(Stable) |
| 6 | Subordinated Debt | CRISIL AA+/Stable, ICRA AA+(Stable) | CRISIL AA+/Stable, ICRA AA+(Stable) |
| 7 | International Ratings | | |
| | (i) Fitch Ratings | BB(Stable) | BB(Stable) |
| | (ii) S&P Global | BB(Stable) | BB(Stable) |
| | (iii) Moody's Investors Service | Ba2(Stable) | Ba2(Stable) |

Details of migration of credit ratings during the year

| SL. No | Particulars | Rating Agency | Rating Assigned | Migration in rating during the year |
|--------|-------------|---------------|-----------------|--|
| 1 | Nil | NIL | NIL | NIL |

9 j) Provisions and Contingencies

| SL. No | Break up of Provisions and Contingencies shown under the head Expenses in the Statement of Profit and Loss | As at March 31, 2024 | As at March 31, 2023 |
|--------|--|-------------------------|-------------------------|
| 1 | Provisions for depreciation on Investment | Nil | Nil |
| 2 | Provision towards Expected Credit Loss | 1,700.51 | 426.00 |
| 3 | Provision for Income Tax | 13,991.18 | 11,928.95 |
| 4 | Other Provision and Contingencies (with details) | | |
| | Provision for Leave Encashment | (21.14) | 29.38 |
| | Provision for Gratuity | 116.81 | 116.14 |
| | Provision for Other Assets | 12.40 | 10.11 |

9 k) Concentration of Advances

| SL. No | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------|--|-------------------------|-------------------------|
| 1 | Total Advances to twenty largest borrowers | 6,208.98 | 4,115.38 |
| 2 | Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC | 0.82% | 0.65% |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 52: Other disclosures required as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 (Contd..)

9 l) Concentration of Exposures

| SL. No | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------|--|-------------------------|-------------------------|
| 1 | Total Exposures to twenty largest borrowers/customers | 7,954.74 | 6,036.93 |
| 2 | Percentage of Exposures to twenty largest borrowers/Customers to Total Exposures of the NBFC on borrowers/Customers. | 1.05% | 0.95% |

9 m) Concentration of NPAs*

| SL. No | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------|--|-------------------------|-------------------------|
| 1 | Total Exposures to top four NPA accounts | 40.06 | 35.20 |

*Stage 3 loans assets under IND AS

9 n) Sector-wise NPAs

| Sl. No. | Sector | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---------|---------------------------------|--|------------------|---|--|------------------|---|
| | | Total Exposure (Includes on balance sheet and off-balance sheet exposure) | Gross NPAs | Percentage of Gross NPAs to Total Exposure in that sector | Total Exposure (Includes on balance sheet and off-balance sheet exposure) | Gross NPAs | Percentage of Gross NPAs to Total Exposure in that sector |
| 1 | Agriculture & allied activities | - | - | 0.00% | - | - | 0.00% |
| 2 | Industry | | | | | | |
| | i. | | | | | | |
| | ii | | | | | | |
| | Others | | | | | | |
| | Total of Industry | - | - | 0.00% | - | - | 0.00% |
| 3 | Services | | | | | | |
| | Others | 11,193.24 | 15.49 | | 6,155.48 | 12.59 | |
| | Total of Services | 11,193.24 | 15.49 | 0.14% | 6,155.48 | 12.59 | 0.20% |
| 4 | Personal Loans | | | | | | |
| | Others | 18,082.79 | 389.73 | | 7,112.78 | 94.78 | |
| | Total of Personal Loans | 18,082.79 | 389.73 | 2.16% | 7,112.78 | 94.78 | 1.33% |
| | Others | | | | | | |
| 5 | Gold Loans | 7,50,088.74 | 24,440.07 | | 6,37,038.17 | 23,878.59 | |
| | Total of Others | 7,50,088.74 | 24,440.07 | 3.26% | 6,37,038.17 | 23,878.59 | 3.75% |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 52: Other disclosures required as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 (Contd..)

9 o) Movement of NPAs*

| SL. No | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------|--|-------------------------|-------------------------|
| (i) | Net NPAs* to Net Advances (%) | 2.93% | 3.45% |
| (ii) | Movement of NPAs* (Gross) | | |
| | (a) Opening balance | 23,985.96 | 17,372.24 |
| | (b) Additions during the year | 19,739.33 | 22,431.41 |
| | (c) Reductions during the year | 18,880.00 | 15,817.70 |
| | (d) Closing balance | 24,845.28 | 23,985.96 |
| (iii) | Movement of Net NPAs* | | |
| | (a) Opening balance | 21,521.24 | 15,532.83 |
| | (b) Additions during the year | 19,328.25 | 21,806.11 |
| | (c) Reductions during the year | 18,880.00 | 15,817.70 |
| | (d) Closing balance | 21,969.49 | 21,521.24 |
| (iv) | Movement of provisions for NPAs* (excluding Provisions on Standard Assets) | | |
| | (a) Opening balance | 2,464.71 | 1,839.41 |
| | (b) Provisions made during the year | 411.07 | 625.30 |
| | (c) Write-off / write -back of excess provisions | - | - |
| | (d) Closing balance | 2,875.78 | 2,464.71 |

Additions/ Reductions to NPA (Gross and Net) stated above during the year are based on year end figures.

* Stage 3 loan assets under IND AS.

9 p) Overseas Assets As at March 31, 2024

| SL. No | Name of the Entity | Country | Total assets As at March 31, 2024 | Total assets As at March 31, 2023 |
|--------|------------------------|-----------|--------------------------------------|--------------------------------------|
| 1 | Asia Asset Finance PLC | Sri Lanka | 700.10 | 700.10 |
| 2 | Nabil Bank Limited | Nepal | 329.45 | 452.03 |

9 q) Off-balance Sheet SPVs sponsored

| SL. No | Name of the Subsidiary | As at March 31, 2024 | As at March 31, 2023 |
|--------|------------------------|-------------------------|-------------------------|
| a) | Domestic | Nil | Nil |
| b) | Overseas | Nil | Nil |

9 r) Disclosure of complaints

i) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

| Sr. No | Particulars | Current Year | Previous Year |
|---|---|--------------|---------------|
| Complaints received by the NBFC from its customers | | | |
| 1 | Number of complaints pending at beginning of the year | 1 | 10 |
| 2 | Number of complaints received during the year | 915 | 997 |
| 3 | Number of complaints disposed during the year | 911 | 1006 |
| 3.1 | Of which, number of complaints rejected by the NBFC | 183 | 191 |
| 4 | Number of complaints pending at the end of the year | 5 | 1 |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 52: Other disclosures required as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 (Contd..)

| Sr. No | Particulars | Current Year | Previous Year |
|--------|--|--------------|---------------|
| | Maintainable complaints received by the NBFC from Office of Ombudsman | | |
| 5.* | Number of maintainable complaints received by the NBFC from Office of Ombudsman | 338 | 275 |
| 5.1 | Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman | 328 | 261 |
| 5.2 | Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman | 10 | 14 |
| 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, 2021

ii) Top five grounds of complaints received by the NBFCs from customers

| Grounds of complaints, (i.e. complaints relating to) | Number of complaints pending at the beginning of the year | Number of complaints received during the year | % increase/ decrease in the number of complaints received over the previous year | Number of complaints pending at the end of the year | Of 5, number of complaints pending beyond 30 days |
|--|---|---|--|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| Current Year | | | | | |
| Loans & Advances | 0 | 521 | -32.77% | 4 | 0 |
| Staff behavior | 0 | 45 | -28.57% | 0 | 0 |
| Bond | 1 | 7 | 86.63% | 0 | 0 |
| Personal Loan | 0 | 46 | | 0 | 0 |
| Business Loan | 0 | 7 | | 0 | 0 |
| Others | 0 | 289 | | 1 | 0 |
| Total | 1 | 915 | -8.22% | 5 | 0 |
| Previous Year | | | | | |
| Loans & Advances | 3 | 775 | -8.28% | 0 | 0 |
| Bond | 0 | 0 | 0.00% | 1 | 0 |
| Staff behavior | 0 | 35 | 75% | 0 | 0 |
| Others | 7 | 187 | 11.31% | 0 | 0 |
| Total | 10 | 997 | -3.48% | 1 | 0 |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 52: Other disclosures required as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 (Contd..)

9s) Intra-group exposures

| SL. No | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------|---|-------------------------|-------------------------|
| i) | Total amount of intra group exposures | 6,772.81 | 4,540.91 |
| ii) | Total amount of top 20 intra-group exposures | 6,772.81 | 4,540.91 |
| iii) | Percentage of intra- group exposures to total exposure of the NBFC on borrowers/customers | 0.89% | 0.72% |

9t) Unhedged Foreign currency exposure

| SL. No | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------|------------------------------------|-------------------------|-------------------------|
| 1 | Unhedged Foreign Currency Exposure | NIL | NIL |

Refer note 42(iii)c & 52(9)c

9u) Loans to directors, senior officers and relatives of directors

| SL. No | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------|--|-------------------------|-------------------------|
| 1 | Directors and their relatives | - | - |
| 2 | Entities associated with directors and their relatives | - | - |
| 3 | Senior officers and their relatives | 12.23 | 9.50 |

10 Percentage of loans granted against collateral of gold jewellery to total assets

| SL. No | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------|---|-------------------------|-------------------------|
| 1 | Gold Loans granted against collateral of gold jewellery | 7,28,784.89 | 6,18,753.19 |
| 2 | Total assets of the Company | 8,50,284.21 | 7,26,198.14 |
| 3 | Percentage of Gold Loans to Total Assets | 85.71% | 85.20% |

11 Breach of Covenant

During the financial year ended March 31, 2024, no bank or financial institution or debenture trustee has issued any notice of breach of covenant in respect of loans availed or debt securities issued by the Company.

12. Divergence in Asset Classification and Provisioning as assessed/identified by RBI

| SL. No | Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------|--|------------------------------|------------------------------|
| a) | The additional provisioning requirements assessed by RBI (or National Housing Bank (NHB) in the case of Housing Finance Companies) exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period or | NIL | NIL |
| b) | the additional Gross NPAs identified by RBI/NHB exceeds 5 per cents of the reported Gross NPA for the reference period. | NIL | NIL |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 53: Disclosure required as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 on Comparison between provisions required under RBI prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and Impairment allowances made under Ind AS 109

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. Where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision of the Reserve Bank. A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 is given below:

Template for Disclosure in Notes to Financial Statements

| Asset Classification as per RBI Norms | 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 | 7,39,669.37 | 6,199.17 | 7,33,470.20 | 2,832.50 | 3,366.67 |
| | Stage 2 | 15,561.14 | 275.32 | 15,285.82 | 48.37 | 226.95 |
| Subtotal | | 7,55,230.51 | 6,474.49 | 7,48,756.02 | 2,880.87 | 3,593.62 |
| Non-Performing Assets (NPA) | | | | | | |
| Substandard | Stage 3 | 19,187.77 | 2,261.10 | 16,926.67 | 3,113.52 | (852.42) |
| Doubtful - up to 1 year | Stage 3 | 4,950.88 | 510.52 | 4,440.36 | 1,275.72 | (765.20) |
| 1 to 3 years | Stage 3 | 466.05 | 56.37 | 409.68 | 167.32 | (110.95) |
| More than 3 years | Stage 3 | 240.57 | 47.79 | 192.78 | 145.97 | (98.18) |
| Subtotal for doubtful | | 5,657.50 | 614.68 | 5,042.82 | 1,589.01 | (974.33) |
| Loss | Stage 3 | - | - | - | - | - |
| Subtotal for NPA | | 24,845.27 | 2,875.78 | 21,969.49 | 4,702.53 | (1,826.75) |
| 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 | 12,267.83 | 14.74 | 12,253.09 | - | 14.74 |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | - | - | - | - | - |
| Subtotal | | 12,267.83 | 14.74 | 12,253.09 | - | 14.74 |
| Total | Stage 1 | 7,51,937.20 | 6,213.91 | 7,45,723.29 | 2,832.50 | 3,381.41 |
| | Stage 2 | 15,561.14 | 275.32 | 15,285.82 | 48.37 | 226.95 |
| | Stage 3 | 24,845.27 | 2,875.78 | 21,969.49 | 4,702.53 | (1,826.75) |
| | Total | 7,92,343.61 | 9,365.01 | 7,82,978.60 | 7,583.40 | 1,781.61 |

The aggregate impairment loss on application of expected credit loss method (ECL) as per IND AS, as stated above, is more than the provisioning required under IRACP norms (including standard asset provisioning). Further, as stated in Note 19.1 the Company has retained provision in excess of ECL in the books of account as a matter of prudence.

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 54: Disclosure required as per Master Direction -Reserve Bank of India (Non Banking Financial Company- Scale Based Regulation) Directions ,2023 on Liquidity Coverage Ratio

Maintenance of Liquidity Coverage Ratio (LCR)

Reserve Bank Of India vide its notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/ 2019-20 dtd November 04,2019 introduced Liquidity Coverage Ratio for certain categories of NBFCs w.e.f December 1 ,2020 . All non-deposit taking NBFCs with asset size of ₹ 10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, shall maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days. The LCR requirement shall be binding on NBFCs from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching up to the required level of 100% by December 1, 2024, as per the time-line given below:

| From | December 1, 2020 | December 1, 2021 | December 1, 2022 | December 1, 2023 | December 1, 2024 |
|-------------|------------------|------------------|------------------|------------------|------------------|
| Minimum LCR | 50% | 60% | 70% | 85% | 100% |

A) Quantitative Disclosure

| Particulars | Quarter ended March 31, 2024 | | Quarter ended December 31, 2023 | | Quarter ended September 30, 2023 | | Quarter ended June 30, 2023 | |
|--|---|---|---|---|---|---|---|---|
| | Total Unweighted Value (Average) | Total weighted Value (Average) | Total Unweighted Value (Average) | Total weighted Value (Average) | Total Unweighted Value (Average) | Total weighted Value (Average) | Total Unweighted Value (Average) | Total weighted Value (Average) |
| High Quality Liquid Assets | | | | | | | | |
| 1 Total High Quality Liquid Assets (HQLA) | 36,424.37 | 36,424.37 | 55,368.99 | 55,368.99 | 46,247.62 | 46,247.62 | 37,539.22 | 37,539.22 |
| Cash Outflows | | | | | | | | |
| 2 Deposits (for deposit taking companies) | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 3 Unsecured wholesale funding | 5,898.72 | 6,783.52 | 86.49 | 99.47 | 10.79 | 12.41 | 59.84 | 68.82 |
| 4 Secured wholesale funding | 32,579.07 | 37,465.93 | 25,693.37 | 29,547.38 | 30,370.99 | 34,926.64 | 25,485.65 | 29,308.50 |
| 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 | 12,316.89 | 14,164.42 | 12,709.20 | 14,615.58 | 9,819.26 | 11,292.15 | 16,027.55 | 18,431.68 |
| 6 Other contractual funding obligations | 5,208.71 | 5,990.01 | 4,952.94 | 5,695.89 | 4,666.10 | 5,366.01 | 4,807.37 | 5,528.48 |
| 7 Other contingent funding obligations | 68.29 | 78.54 | 93.23 | 107.22 | 104.99 | 120.74 | 99.73 | 114.69 |
| 8 Total Cash Outflows | 56,071.68 | 64,482.42 | 43,535.23 | 50,065.54 | 44,972.13 | 51,717.95 | 46,480.14 | 53,452.17 |
| Cash Inflows | | | | | | | | |
| 9 Secured lending | - | - | - | - | - | - | - | - |
| 10 Inflows from fully performing exposures | 1,80,056.63 | 1,35,042.48 | 1,52,805.79 | 1,14,604.35 | 1,50,598.08 | 1,12,948.56 | 1,52,083.04 | 1,14,062.28 |
| 11 Other cash inflows | 16,181.32 | 12,135.99 | 13,608.70 | 10,206.52 | 12,163.04 | 9,122.28 | 11,208.79 | 8,406.59 |
| 12 Total Cash Inflows | 1,96,237.95 | 1,47,178.47 | 1,66,414.49 | 1,24,810.87 | 1,62,761.12 | 1,22,070.84 | 1,63,291.83 | 1,22,468.87 |
| 13 Total HQLA | | 36,424.37 | | 55,368.99 | | 46,247.62 | | 37,539.22 |
| 14 Total Net Cash Outflows | | 16,120.61 | | 12,516.39 | | 12,929.49 | | 13,363.04 |
| 15 Liquidity Coverage Ratio (%) | | 226% | | 442% | | 358% | | 281% |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 54: Disclosure required as per Master Direction -Reserve Bank of India (Non Banking Financial Company- Scale Based Regulation) Directions ,2023 on Liquidity Coverage Ratio (Contd..)

Components of High Quality Liquid Assets

| Particulars | Quarter ended March 31, 2024 | | Quarter ended December 31, 2023 | | Quarter ended September 30, 2023 | | Quarter ended June 30, 2023 | |
|--|---|---|---|---|---|---|---|---|
| | Total Unweighted Value (Average) | Total weighted Value (Average) | Total Unweighted Value (Average) | Total weighted Value (Average) | Total Unweighted Value (Average) | Total weighted Value (Average) | Total Unweighted Value (Average) | Total weighted Value (Average) |
| 1 Assets included as HQLA without any haircut | 36,424.37 | 36,424.37 | 55,368.99 | 55,368.99 | 46,247.62 | 46,247.62 | 37,539.22 | 37,539.22 |
| (a) Cash in Hand | 3,373.68 | 3,373.68 | 3,448.41 | 3,448.41 | 3,291.00 | 3,291.00 | 2,849.92 | 2,849.92 |
| (b) Bank Balance | 8,191.65 | 8,191.65 | 9,524.68 | 9,524.68 | 8,629.68 | 8,629.68 | 9,817.51 | 9,817.51 |
| (c) Government securities | 1,263.41 | 1,263.41 | 281.30 | 281.30 | 94.48 | 94.48 | 573.47 | 573.47 |
| (d) TREPS | 23,595.63 | 23,595.63 | 42,114.60 | 42,114.60 | 34,232.46 | 34,232.46 | 24,298.32 | 24,298.32 |
| 2 Assets considered for HQLA with a minimum haircut of 15% | - | - | - | - | - | - | - | - |
| 3 Assets considered for HQLA with a minimum haircut of 50% | - | - | - | - | - | - | - | - |

| Particulars | Quarter ended March 31, 2023 | | Quarter ended December 31, 2022 | | Quarter ended September 30, 2022 | | Quarter ended June 30, 2022 | |
|-------------|---|---|---|---|---|---|---|---|
| | Total Unweighted Value (Average) | Total weighted Value (Average) | Total Unweighted Value (Average) | Total weighted Value (Average) | Total Unweighted Value (Average) | Total weighted Value (Average) | Total Unweighted Value (Average) | Total weighted Value (Average) |

High Quality Liquid Assets

| | | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1 Total High Quality Liquid Assets (HQLA) | 39,191.89 | 39,191.89 | 49,388.42 | 49,388.42 | 46,242.14 | 46,242.14 | 50,115.83 | 50,115.83 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|

Cash Outflows

| | | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 2 Deposits (for deposit taking companies) | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 3 Unsecured wholesale funding | 165.01 | 189.76 | 64.82 | 74.55 | 82.43 | 94.80 | 3,278.71 | 3,770.51 |
| 4 Secured wholesale funding | 26,191.95 | 30,120.75 | 26,164.09 | 30,088.71 | 20,580.88 | 23,668.01 | 28,258.36 | 32,497.11 |
| 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 | 8,919.96 | 10,257.96 | 8,192.50 | 9,421.37 | 11,463.30 | 13,182.79 | 18,869.83 | 21,700.30 |
| 6 Other contractual funding obligations | 4,800.00 | 5,520.00 | 4,760.00 | 5,474.00 | 4,890.00 | 5,623.50 | 4,820.00 | 5,543.00 |
| 7 Other contingent funding obligations | 102.18 | 117.51 | 151.36 | 174.06 | 125.39 | 144.20 | 116.33 | 133.79 |
| 8 Total Cash Outflows | 40,179.10 | 46,205.98 | 39,332.77 | 45,232.69 | 37,142.00 | 42,713.30 | 55,343.23 | 63,644.71 |

Cash Inflows

| | | | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 9 Secured lending | - | - | - | - | - | - | - | - |
| 10 Inflows from fully performing exposures | 1,34,026.60 | 1,00,519.95 | 1,26,881.75 | 95,161.31 | 1,70,079.78 | 1,27,559.83 | 1,74,055.91 | 1,30,541.94 |
| 11 Other cash inflows | 23,138.89 | 17,354.17 | 13,196.20 | 9,897.15 | 2,866.85 | 2,150.14 | 3,887.36 | 2,915.52 |
| 12 Total Cash Inflows | 1,57,165.49 | 1,17,874.12 | 1,40,077.95 | 1,05,058.46 | 1,72,946.63 | 1,29,709.97 | 1,77,943.27 | 1,33,457.46 |
| 13 Total HQLA | | 39,191.89 | | 49,388.42 | | 46,242.14 | | 50,115.83 |
| 14 Total Net Cash Outflows | | 11,551.50 | | 11,308.17 | | 10,678.33 | | 15,911.18 |
| 15 Liquidity Coverage Ratio (%) | | 339% | | 437% | | 433% | | 315% |

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 54: Disclosure required as per Master Direction -Reserve Bank of India (Non Banking Financial Company- Scale Based Regulation) Directions ,2023 on Liquidity Coverage Ratio (Contd..)

Components of High Quality Liquid Assets

| Particulars | Quarter ended March 31, 2023 | | Quarter ended December 31, 2022 | | Quarter ended September 30, 2022 | | Quarter ended June 30, 2022 | |
|--|---|---|---|---|---|---|---|---|
| | Total Unweighted Value (Average) | Total weighted Value (Average) | Total Unweighted Value (Average) | Total weighted Value (Average) | Total Unweighted Value (Average) | Total weighted Value (Average) | Total Unweighted Value (Average) | Total weighted Value (Average) |
| | 1 Assets included as HQLA without any haircut | 39,191.89 | 39,191.89 | 49,388.42 | 49,388.42 | 46,242.14 | 46,242.14 | 50,115.83 |
| (a) Cash in Hand | 2,746.60 | 2,746.60 | 2,976.91 | 2,976.91 | 2,722.29 | 2,722.29 | 3,260.66 | 3,260.66 |
| (b) Bank Balance | 12,194.59 | 12,194.59 | 13,752.41 | 13,752.41 | 7,468.95 | 7,468.95 | 14,869.02 | 14,869.02 |
| (c) Government securities | 1,308.34 | 1,308.34 | 1,298.66 | 1,298.66 | 1,600.38 | 1,600.38 | 969.20 | 969.20 |
| (d) TREPS | 22,942.36 | 22,942.36 | 26,894.28 | 26,894.28 | 26,150.19 | 26,150.19 | 30,959.78 | 30,959.78 |
| (e) T- Bills | - | - | 4,466.16 | 4,466.16 | 8,300.33 | 8,300.33 | 57.17 | 57.17 |
| 2 Assets considered for HQLA with a minimum haircut of 15% | - | - | - | - | - | - | - | - |
| 3 Assets considered for HQLA with a minimum haircut of 50% | - | - | - | - | - | - | - | - |

Note:

- Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for Cash inflows and Cash outflows).
- Weighted values are calculated after the application of respective haircuts (for HQLA) and stress factors (on cash inflow/cash outflow) as per RBI guidelines.
- 'Average' for all the quarters is computed as simple averages of daily observations for the quarter.
- The figures used for the quantitative disclosure are based on the estimates and assumptions of the management, which have been relied upon by the auditors.

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 Management framework of the Company thus subjecting LCR maintenance to Board oversight and periodical review. The Company computes the LCR and reports the same to the Asset Liability Management Committee (ALCO) 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 cash outflows and inflows within the next 30-day period. HQLA predominantly comprises unencumbered Cash and Bank balances, Government securities (viz., Treasury Bills, Central and State Government securities, Investments in TREPs (Triparty Repo trades in Government Securities provided by The Clearing Corporation of India)).

All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation template.

The Company monitors the concentration of funding sources from significant counterparties, significant instruments/products as part of the LRM framework. The Company follows internal limits on short term borrowings which form part of the LRM framework. The Company's funding sources are fairly dispersed across sources and maturities.

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Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 54: Disclosure required as per Master Direction -Reserve Bank of India (Non Banking Financial Company- Scale Based Regulation) Directions ,2023 on Liquidity Coverage Ratio (Contd..)

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.

The Asset-Liability Management Committee (ALCO) consisting of the NBFC's top management shall be responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the NBFC. The Managing Director heads the Committee. The role of the ALCO with respect to liquidity risk include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company.

The ALM Support Group headed by Chief Financial Officer and consisting of operating staff will be responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO.

Note 55: Disclosure pursuant to RBI Notification-RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 and RBI/2021- 22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated May 05, 2021

| Type of borrower | Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of the half-year (March 2023) (A) | Of (A), aggregate debt that slipped into NPA during the half-year (B) | Of (A) amount written off during the half-year (C) | Of (A) amount paid by the borrowers during the half-year (D) | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of half-year (September 2023) (E) * |
|-------------------|---|---|--|--|--|
| Personal Loans | 0.44 | - | 0.43 | 0.01 | - |
| Corporate Persons | - | - | - | - | - |
| Of which MSMEs | - | - | - | - | - |
| Others | - | - | - | - | - |
| Total | 0.44 | - | 0.43 | 0.01 | - |

*The closing balance of above loan account is "Nil" as on 31 March 2024

Note 56: Details of Benami Property Held

No proceedings have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2024 and March 31, 2023.

Note 57: Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2024 and March 31, 2023.

Note 58: Relationship with struck off Companies

The company has no transaction with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 59: Registration of Charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2024 and March 31, 2023. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

Note 60: Compliance with number of layers of companies

The number of layers prescribed under section 2(87) of the Companies Act 2013 read with the Companies (Restriction on number of Layers) Rules, 2017, is not applicable to the company

Note 61: Compliance with approved Scheme(s) of Arrangements

The Company has not entered into any Scheme of Arrangements which requires the approval of the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 for the financial years ended March 31, 2024 and March 31, 2023.

Note 62: Utilisation of Borrowed funds and Share premium

The Company, as part of its normal business, grants loans and advances, makes investment, accept non-convertible debentures from its customers, other entities and persons and borrows money from banks, financial institutions, other entities and persons. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

We state that 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 any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly, or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any funds from any other persons or entities, including foreign entities (Funding Party) with the understanding whether recorded in writing or otherwise, that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 63: Undisclosed Income

The company does not have any transaction that are not recorded in the books of account but has been surrendered or disclosed as income during the year in tax assessments under the Income tax Act, 1961 (such as search or survey or any other relevant provision under Income Tax Act 1961) and there was no instance of previously unrecorded income as above to be recorded in the books of accounts during the year.

Notes

Forming Part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 64: Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2024 and March 31, 2023.

Note 65: Audit Trail facility for accounting software

As required under the Companies (Audit and Auditors) Amendment Rules, 2021, read with sub-section 3 of Section 143 of the Companies Act, 2013 which was effective from 1st April 2023, the Company has used own accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled at the database level to log any direct data changes, wherein adequate controls have been deployed to monitor the direct data changes effected at the data base level. Further, as required under proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, the audit trail has been preserved by the company as per the statutory requirements for record retention.

Note 66: Other Developments

The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The impact of changes if any arising on enactment of the Code will be assessed by the company after the effective date of the same and the rules thereunder are notified.

Note 67: Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.

Notes on accounts form part of standalone financial statements

As per our report of even date attached

For Elias George & Co.
(FRN : 000801S)

Sd/-

Vaibhav T Ved

Partner

Chartered Accountants

Membership No. 235912

For Babu A. Kallivayalil & Co.
(FRN : 005374S)

Sd/-

Babu Abraham Kallivayalil

Partner

Chartered Accountants

Membership No. 026973

For and on behalf of the Board of Directors

Sd/-

George Jacob Muthoot

Chairman & Whole-time Director

DIN: 00018235

Sd/-

Oommen K. Mammen

Chief Financial Officer

Sd/-

George Alexander Muthoot

Managing Director

DIN: 00016787

Sd/-

Rajesh A

Company Secretary

Place: Kochi

Date: May 30, 2024

Place: Kochi

Date: May 30, 2024

Form AOC-1

“(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)”

“Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures”

“Part “A”: Subsidiaries

| Sl No. | Particulars | Details | Details | Details | Details | Details | Details | Details |
|--------|---|---|---------------------------------|------------------------------|---|-----------------------|--|---------------------------------|
| 1 | Name of the subsidiary | Asia Asset Finance PLC | Muthoot Homefin (India) Limited | Belstar Microfinance Limited | Muthoot Insurance Brokers Private Limited | Muthoot Money Limited | Muthoot Asset Management Private Limited | Muthoot Trustee Private Limited |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | LKR , Exchange Rate as on March 31, 2024 – 0.2774060 / Average Exchange Rate - 0.2604280* (INR in millions) | ₹ (in millions) | ₹ (in millions) | ₹ (in thousands) | ₹ (in millions) | ₹ (in thousands) | ₹ (in thousands) |
| 4 | Share capital | 611.81 | 1,191.56 | 548.44 | 7,500.00 | 326.83 | 10,00,000.00 | 10,000.00 |
| 5 | Reserves & surplus | 321.78 | 3,567.20 | 16,739.70 | 19,96,349.86 | 4,757.42 | 2,06,510.47 | 755.66 |
| 6 | Total Assets | 7,169.09 | 20,220.84 | 93,591.13 | 23,02,342.78 | 12,518.66 | 12,06,616.76 | 10,785.20 |
| 7 | Total Liabilities | 6,235.50 | 15,462.08 | 76,302.99 | 2,98,492.92 | 7,434.41 | 106.29 | 29.54 |
| 8 | Investments | 1,181.60 | - | - | 4,96,818.95 | - | - | - |
| 9 | Turnover | 1,719.75* | 2,187.71 | 18,513.84 | 15,27,738.01 | 1,261.37 | 88,530.01 | 803.56 |
| 10 | Profit before taxation | 97.27* | 255.92 | 4,418.47 | 5,78,092.98 | 61.99 | 87,451.72 | 717.75 |
| 11 | Provision for taxation | 7.63* | 70.99 | 1,019.93 | 1,60,275.80 | 15.64 | 22,212.27 | 180.65 |
| 12 | Profit after taxation | 89.64* | 184.93 | 3,398.54 | 4,17,817.18 | 46.35 | 65,239.45 | 537.10 |
| 13 | Proposed Dividend | Nil | Nil | ₹ 0.75 per share | Nil | Nil | Nil | Nil |
| 14 | % of shareholding | 72.92% | 100.00% | 63.86% | 100.00% | 100.00% | 100.00% | 100.00% |

1 Names of subsidiaries which are yet to commence operations: Not Applicable

2 Names of subsidiaries which have been liquidated or sold during the year: Not Applicable

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

Not Applicable

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: May 30, 2024

Independent Auditors' Report

To the Members of **MUTHOOT FINANCE LIMITED**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Muthoot Finance Limited (hereinafter referred to as 'the Holding Company'), and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the consolidated Balance Sheet as at March 31, 2024, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and Notes to the consolidated financial statements, including a summary of material 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 the consideration of reports of the other auditors on separate financial statements of the subsidiaries, referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and its consolidated profit, its consolidated total comprehensive income, its consolidated cash flows and consolidated changes in equity for the year ended on that date.

A) Key Audit Matters with reference to the Holding Company

| Key Audit Matter | Auditors' Response |
|---|--|
| <p>1. Expected Credit Loss under IND AS 109 "Financial Instruments"</p> <p>The Company recognises Expected Credit Losses (ECL) on loan assets under IND AS 109 "Financial Instruments" based on the Expected Credit Loss model developed by the Company. The estimation of expected credit loss on financial instruments involves significant judgement and estimates. Key estimates involve determining Exposure at Default (EAD), Probability at Default (PD) and Loss Given Default (LGD) using historical information. Hence, we have considered the estimation of ECL as a Key Audit Matter.</p> <p>Refer Note 44 (Risk Management) to the consolidated financial statements.</p> | <ul style="list-style-type: none"> Assessed the accounting policy for impairment of financial assets and its compliance with IND AS 109. Obtained an understanding of the Company's Expected Credit Loss (ECL) calculation and the underlying assumptions. Tested the key controls over the assessment and identification of significant increase in credit risk and staging of assets. Sample testing of the accuracy and appropriateness of information used in the estimation of Probability of Default (PD) and Loss Given Default (LGD). Tested the arithmetical accuracy of the computation of PD and LGD and also performed analytical procedures to verify the reasonableness of the computation. |

Basis for Opinion

We conducted our audit of the consolidated financial statements 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 'Auditors' Responsibilities for the audit of the consolidated financial statements' section of our Report. We are independent of the Group 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 consolidated 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 we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter | Auditors' Response |
|--|--|
| <p>2. Related Party Transactions</p> <p>We identified related party transactions as a key audit matter due to the significance of related party transactions, regulatory compliance and risk of such transactions remaining undisclosed in the financial statements.</p> | <ul style="list-style-type: none"> ● Assessed the disclosure made in relation to IND AS 109 for ECL allowance. Further, we also assessed whether the disclosure of key judgements and assumptions are adequate. ● Evaluated the Company's policies, processes and procedures in respect of identifying and disclosing related party transactions. ● Read the minutes of meetings of the shareholders, Board and Audit Committee regarding the Company's assessment of related party transactions for arm's length pricing. ● Assessed the compliance with the Act, including authorisation and approvals as specified in Sections 177 and 188 of the Act, and Rules thereon and the Securities and Exchange Board of India regulations with respect to related party transactions. ● Tested on a sample basis related party transactions with the underlying contracts and other documents. |
| <p>3. Compliance and disclosure requirements</p> <p>Compliance and disclosure requirements under the applicable Indian Accounting Standards (Ind AS), Reserve Bank of India (RBI) guidelines and other applicable statutory, regulatory and financial reporting framework.</p> | <ul style="list-style-type: none"> ● Assessed the systems and processes laid down by the Company to appropriately ensure compliance and disclosures as per the applicable Ind AS, RBI guidelines and other applicable statutory, regulatory and financial reporting framework. ● Designed and performed audit procedures to assess the completeness and correctness of the details disclosed having regard to the assumptions made by the Management in relation to the applicability and extent of disclosure requirements. ● Relied on internal records of the Company and external confirmations wherever necessary. |
| <p>4. Litigations</p> <p>The Company has various tax litigations pending under the Income Tax Act, 1961, Goods and Services Tax Act, 2017, Service Tax under Finance Act, 1994 and Value Added Tax Acts of various States. The Company has disputed these in various forums and the outcome of these cases will depend on significant judgements, hence we have identified pending litigations as a Key Audit Matter.</p> | <p>In assessing the litigations, we have:</p> <ul style="list-style-type: none"> ● Read the communications with the relevant tax authorities in respect to the pending tax litigations and also considered the submissions made by the Management to the respective appellate authorities. ● We verified the accuracy of the disputed amounts with the relevant communication from the tax authorities. |
| <p>5. IT Systems and Controls</p> <p>The Company uses Information Technology (IT) application for financial accounts and reporting process. Any gap in the financial accounting and reporting process may result in a misstatement, hence we have identified IT systems and controls over financial reporting as a Key Audit Matter</p> | <ul style="list-style-type: none"> ● Understood the IT systems and controls over key financial accounting and reporting systems. ● Tested the general IT controls for design and operating effectiveness. ● Understood the changes made in the IT environment during the year and ascertained its effect on the financial statements controls and accounts. ● We also assessed, through sample tests, the information generated from these systems which were relied upon for our audit. |

B) Key Audit Matters with reference to subsidiaries

There are no specific key audit matters reported to us by the auditors of the subsidiary companies not audited by us, except as reported by the auditors of three subsidiary companies in their standalone audit report and reproduced by us, as below:

- (i) In respect of the subsidiary, Belstar Microfinance Limited

| Key Audit Matter | Auditors' Response |
|--|--|
| <p>Expected Credit Losses on loan assets</p> <p>Refer Note 3.6 of material accounting policies and Note No. 9 for the outstanding loan assets and Note No. 52 of the Standalone Financial Statements of Belstar Microfinance Limited for credit risk disclosures.</p> <p>As on March 31, 2024, the Company has reported gross loan assets of Rs. 85,611.31 million against which an impairment loss of Rs.2,336.39 million has been recorded. The Company recognised impairment provision for loan assets based on the Expected Credit Loss approach laid down under 'Ind AS 109 – Financial Instruments'.</p> <p>The Expected Credit Loss ('ECL') approach as required under Ind AS 109, Financial instruments, involves high degree of complexity requiring significant judgement of the Management and the use of the different modelling techniques and assumptions which could have a material impact on the accompanying financial statements.</p> <p>The Management is required to determine the ECL that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset. Significant management judgement and assumptions involved in measuring ECL include:</p> <ul style="list-style-type: none"> • Categorisation of loans in Stage 1, 2 and 3 based on identification of exposures with Significant Increase in Credit Risk (SICR) since their origination and individually impaired/default exposures. • Techniques used to determine Probability of Default, Loss Given Default and Exposure at Default. • Factoring in future economic assumptions. <p>These parameters are derived from the Company's internally developed statistical models, other historical data and trends observed in macro- economic factors.</p> <p>Considering the significance of the above matters to the overall standalone financial statements, and extent of the Management's estimates and judgements involved and also the significant auditor attention required to test such complex accounting estimates, we have identified this as a Key Audit Matter.</p> | <p>Our audit focused on assessing the appropriateness of Management's judgement and estimates used in the impairment analysis through procedures that included, but were not limited to, the following;</p> <ul style="list-style-type: none"> • Obtain an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios. • Considered the Company's accounting policies for estimation of expected credit loss on loans and assessing compliance with the policies in terms of Ind AS 109. • Assessed and tested the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognised. Also, evaluated the controls over the modelling process, validation of the data and related approvals; • Performed a critical assessment of assumptions and input data used in the estimation of Expected Credit Loss models for specific key credit risk parameters, such as the transfer logic between stages, Probability of Default (PD) or Loss Given Default (LGD); • Performed an assessment of the adequacy of the credit losses expected within 12 months by reference to credit losses actually incurred on similar portfolios historically; • Obtained written representations from management on whether they believe significant assumptions used in calculation of expected credit losses are reasonable; and • Assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying Standalone Financial Statements in accordance with the applicable accounting standards and related RBI circulars. |
| <p>Information technology ('IT') Systems and controls impacting financial reporting and additional reporting requirements in respect of "Audit Trail" feature</p> <p>The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and controls to process significant transactions at numerous locations, such as loans, interest income and impairment of financial assets. Any significant gaps in the IT control environment could result in a material misstatement of the financial and accounting records.</p> | <p>As part of our Audit, we have carried out testing of the IT general controls, application controls and IT dependent manual controls.</p> <p>We tested the design and operating effectiveness of the Company's IT access controls over the key information systems, including changes made to the IT landscape during the audit period, that are critical to financial reporting.</p> <p>We tested IT general controls in the nature of controls over logical access, changes management, and other aspects of IT operational controls.</p> |

| Key Audit Matter | Auditors' Response |
|--|--|
| <p>Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.</p> <p>During the year, pursuant to Rule 11(g) of Companies (Audit and Auditors) Rules, 2014, the Auditor is required to also report on the "Audit Trail" feature in the accounting software.</p> <p>In view of the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information including the additional reporting responsibilities in relation to "Audit Trail" feature, we have identified this as a key audit matter for current year's audit.</p> | <p>Where deficiencies were identified, if any, we tested compensating controls or performed alternate procedures.</p> <p>To enable us to report on the "Audit Trail" feature in the accounting software, certain additional procedures were performed which included a review of the Audit logs maintained for all the major process/stages on a test check basis and also review of the IS audit reports, internal audit reports and SOC 2 reports of the SaaS vendors (to the extent available) to identify whether there were any unresolved issues in relation to Audit Trail.</p> |

(ii) In respect of the subsidiary, Muthoot Homefin (India) Limited

| Key Audit Matter | Auditors' Response |
|--|---|
| <p>1. Expected Credit Loss (ECL) on Loans and Advances</p> <p>As at March 31, 2024, the carrying value of loan assets measured at amortized cost, aggregated to Rs 16,792.35 million (net of allowance of ECL Rs. 292.20 million).</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 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 judgemental 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 ECL and as a result are considered the most significant judgemental 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.</p> <p>Refer Note 3.7 of the Standalone Financial Statements of Muthoot Homefin India Limited.</p> | <p>Our Audit Approach:</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <p>a) Testing the design and effectiveness of internal controls over the following:</p> <ul style="list-style-type: none"> • Key controls over the completeness and accuracy to the key inputs, data and assumptions into the IND AS 109 impairment models. • Key controls over the application of the staging criteria consistent with the definitions applied including the appropriateness of the qualitative factors. • Management's controls over authorization and calculation of post model adjustments and management overlays to the output of the ECL model. <p>b) On sample basis, ECL allowance on loan assets were tested over the following:</p> <ul style="list-style-type: none"> • Sample testing over 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. • We evaluated reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD; and • We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company. <p>c) We also evaluated the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model.</p> |

| Key Audit Matter | Auditors' Response |
|------------------|--|
| | <p>d) Testing management's controls on compliance with disclosures to confirm the compliance with the relevant provisions of IND AS 109 and RBI.</p> <p>e) Evaluating the appropriateness of the Company's IND AS 109 impairment methodologies and reasonableness of assumptions used, including management overlays.</p> <p>f) For models which were changed or updated during the year, evaluating whether the changes were appropriate by assessing the updated model methodology.</p> <p>Read and assessed the disclosures included in the IND AS financial statements in respect of expected credit losses with the requirements of IND AS 107 and IND AS 109</p> |

(iii) In respect of foreign subsidiary, Asia Asset Finance PLC

| Key Audit Matter | Auditors' Response |
|---|---|
| <p>Impairment of loans and receivables</p> <p>The company's gross loans and receivables amount to Rs. 20.5 billion as at 31st March 2024 (2023: Rs.21.2 billion) and impairment allowance for the year amounts to Rs. 505 million (2023: Rs. 556 million).</p> <p>Due to the significance of loans and receivables and the significant estimates and judgement involved, the impairment of these loans and receivables was considered to be a key audit matter.</p> <p>The impairment provision is considered separately on an individual and collective basis.</p> <p>In calculating the impairment provision on a collective basis, statistical models are used. The following inputs to these models require significant management judgement:</p> <ul style="list-style-type: none"> the probability of default (PD); the exposure at default (EAD); the loss given default (LGD); and the effective interest rates. <p>In assessing loans and receivables on an individual basis, significant judgements, estimates and assumptions have been made by management to:</p> <ul style="list-style-type: none"> Determine if the loan or advance is credit impaired; Evaluate the adequacy and recoverability of collateral; Determine the expected cash flows to be collected; and Estimate the timing of the future cash flows. <p>The disclosures associated with impairment of loans and receivables are set out in the special purpose financial information in the following notes to the Standalone Financial Statements of Asia Asset Finance PLC.</p> <ul style="list-style-type: none"> Note 4-Impairment of financial instruments Note 10-Loans and receivables | <p>Our procedures included the following:</p> <ul style="list-style-type: none"> We obtained an understanding of management's process and tested controls over credit origination, credit monitoring and credit remediation. We assessed the appropriateness of the accounting policies and loan impairment methodologies applied by comparing these to the requirements of SLFRS 9: Financial Instruments including consideration of current economic crisis and related industry responses based on the best available information up to the date of our report. We test-checked the underlying calculations and data. <p>In addition to the above, we performed the following specific procedures:</p> <p>For loans and receivables collectively assessed for impairment:</p> <ul style="list-style-type: none"> We assessed the completeness of the underlying information in loans and receivables used in the impairment calculations by agreeing details to the company's source documents and information in IT systems. We also considered the reasonableness of macro-economic and other factors used by management by comparing them with publicly available data and information sources. This included assessing and challenging the reasonableness of macroeconomic scenarios considered and certain forward-looking economic data developed by the company, with a particular focus on the impact of current economic crisis in light of certain available information and consensus views. <p>For loans and receivables individually assessed for impairment:</p> <ul style="list-style-type: none"> We assessed the main criteria used by the management for determining whether an impairment event had occurred. Where impairment indicators existed, we assessed the reasonableness of management's estimated future recoveries including the expected future cash flows, discount rates and the valuation of collateral held. |

| Key Audit Matter | Auditors' Response |
|------------------|---|
| | <ul style="list-style-type: none">● Evaluating the reasonableness of the provisions made with particular focus on the impact of economic crisis on elevated risk industries, strategic responsive actions taken, collateral values, and the value and timing of future cashflows. <p>For loans and advances affected by government stimulus and debt moratorium relief measures granted:</p> <ul style="list-style-type: none">● Assessing the appropriateness of judgements, reasonableness of calculations and data used to determine whether customer contracts have been substantially modified or not and to determine the resulting accounting implications; and● Evaluating the reasonableness of the interest income recognised on such affected loans and advances. |

Information Other than the Consolidated Financial Statements and Auditors' Report thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Corporate Overview, Board's Report, Management Discussion and Analysis Report, Business Responsibility and Sustainability Report and Report on Corporate Governance in the Annual Report of the Holding Company for the financial year 2023-24, but does not include the consolidated financial statements, and our Auditors' Report thereon. The reports containing the other information as above are expected to be made available to us after the date of this Auditors' Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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 during the course of our audit, or otherwise appears to be materially misstated.

When we read the reports containing the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

Responsibilities of Management and the Board of Directors for the consolidated financial statements

The Holding 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 and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 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 Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate its respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the respective companies in the Group.

Auditors' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatements of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has an adequate internal financial controls system 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 the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' 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 Auditors' 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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 current year and are therefore the key audit matters. We describe these matters in our Auditors' Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements / financial information of six subsidiaries (incorporated in India) and one foreign subsidiary, whose financial statements reflect total assets of Rs.1,14,409.98 million as at March 31, 2024, total revenue of Rs. 24,266.68 million and net cash out flows of Rs. 3,588.10 million for the year ended March 31, 2024, as considered in the consolidated financial statements. These financial statements / financial information 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 such other auditors.

Our opinion above on the consolidated financial statements, and our report on 'Other Legal and Regulatory Requirements' below, is not modified in respect of the above matter with respect to our reliance on the work done and reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As per 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, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the other matters section above, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b. In our opinion, proper books of account as required by law relating to the preparation of aforesaid consolidated financial statements have been kept by the Group so far as it appears from our examination of those books, returns and the reports of the other auditors except for certain matters in respect of audit trail as stated in the paragraph 2(i)(vi) below. Since the key operations of the Holding Company are automated with the key applications integrated to Core Banking System (CBS)/ Management Information System (MIS), the audit of the Holding Company is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statements of Changes in Equity dealt with by this Report are in agreement with books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. The modifications relating to the maintenance of accounts and other matters connected therewith in respect of audit trail are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report '**Annexure B**' to this report which is based on the Auditors' Reports of the Holding Company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to financial statements of those companies.
- h. With respect to the other matters to be included in the Auditors' Report in accordance with Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Holding Company and Subsidiary Companies incorporated in

India to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act; and

- i. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigation on its financial position in its consolidated financial statements – Refer Note 41 to the consolidated financial statements.
 - ii. The Group has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, 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 by the Holding Company and its subsidiary companies incorporated in India during the year ended March 31, 2024.
 - iv. With respect to clause (e) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended;
 - a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in Note 58 to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of its subsidiaries 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 Holding Company or any of its subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in Note 58 to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of its subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of its subsidiaries shall, whether, 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
 - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The dividend declared/paid during the year by the Group is in compliance with Section 123 of the Act.
 - vi. Based on our examination, which included test checks, and that performed by the respective auditors of the subsidiaries which are companies incorporated in India, whose financial statements

have been audited under the Act, except for instances mentioned below, the Company and subsidiaries have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and the respective auditors of the above referred subsidiaries, did not come across any instance of audit trail feature being tampered with.

In respect of Holding Company Muthoot Finance Limited:

- the feature of recording audit trail (edit log) facility was not seen enabled at the

database level of the accounting software used during the year.

In respect of Subsidiary Company Belstar Microfinance Limited:

- the feature of recording audit trail (edit log) facility was not seen enabled at the database level of the accounting software used during the year.
- Complete particulars of the modified fields were not seen captured in the audit trail in respect of the human resources management software used during the year.

For Elias George & Co.,

Chartered Accountants
Firm Regn. No. 000801S

Sd/-

Vaibhav T Ved

Partner
Membership No:235912
UDIN: 24235912BKAHYO8152

May 30, 2024
Kochi

For Babu A. Kallivayalil & Co.,

Chartered Accountants
Firm Regn. No. 005374S

Sd/-

Babu Abraham Kallivayalil

Partner
Membership No: 026973
UDIN: 24026973BKKEKQK3154

May 30, 2024
Kochi

'ANNEXURE A' REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2024

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of the audit and to the best of our knowledge and belief and based on the consideration of the report of respective auditors of the subsidiary companies, incorporated in India, we state that:

- xxi. There are no qualifications or adverse remarks by the respective auditors in their report on Companies (Auditors Report) Order, 2020 of the companies included in the consolidated financial statements.

For Elias George & Co.,

Chartered Accountants
Firm Regn. No. 000801S

Sd/-

Vaibhav T Ved

Partner
Membership No:235912
UDIN: 24235912BKAHYO8152

May 30, 2024
Kochi

For Babu A. Kallivayalil & Co.,

Chartered Accountants
Firm Regn. No. 005374S

Sd/-

Babu Abraham Kallivayalil

Partner
Membership No: 026973
UDIN: 24026973BKEKQK3154

May 30, 2024
Kochi

'ANNEXURE B' REFERRED TO IN PARAGRAPH 2(g) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2024

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to the financial statements of Muthoot Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies incorporated in India, as of that date.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the other matters paragraph below, the Holding Company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial controls with reference to consolidated financial statements 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 'Guidance Note').

Management's and Board of Directors' Responsibility for Internal Financial Controls

The respective Management and Board of Directors of the Holding Company and its subsidiary 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 Holding Company and its subsidiary companies incorporated in India 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 Companies Act, 2013 ('the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the Institute of Chartered Accountants of India 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 consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 auditors' 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 of the subsidiary companies incorporated in India in terms of their reports are sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statements.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in

so far as it relates to six subsidiary companies incorporated in India is based on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of the above matter.

Meaning of Internal Financial Controls over Financial Reporting

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 financial statements in

accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements Reporting

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.

For Elias George & Co.,

Chartered Accountants
Firm Regn. No. 000801S

Sd/-

Vaibhav T Ved

Partner
Membership No:235912
UDIN: 24235912BKAHYO8152

May 30, 2024
Kochi

For Babu A. Kallivayalil & Co.,

Chartered Accountants
Firm Regn. No. 005374S

Sd/-

Babu Abraham Kallivayalil

Partner
Membership No: 026973
UDIN: 24026973BKEKQK3154

May 30, 2024
Kochi

Consolidated Balance Sheet

as at March 31, 2024

(Rupees in millions, except for share data and unless otherwise stated)

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|----------|-------------------------|-------------------------|
| I. ASSETS | | | |
| 1 Financial assets | | | |
| a) Cash and cash equivalents | 5 | 60,373.45 | 77,701.83 |
| b) Bank Balance other than (a) above | 5 | 2,346.57 | 2,654.76 |
| c) Receivables | 7 | | |
| (i) Trade Receivables | | 178.36 | 98.95 |
| (ii) Other Receivables | | - | - |
| d) Loans | 8 | 8,81,871.71 | 7,05,543.84 |
| e) Investments | 9 | 7,124.72 | 5,457.12 |
| f) Other Financial assets | 10 | 4,136.12 | 3,453.00 |
| 2 Non-financial Assets | | | |
| a) Current tax assets (Net) | | 724.86 | 474.57 |
| b) Deferred tax Assets (Net) | 35 | 975.78 | 640.98 |
| c) Investment Property | 11 | 91.07 | 82.02 |
| d) Property, Plant and Equipment | 12 | 4,255.24 | 3,272.37 |
| e) Right to use Assets | 13 | 111.11 | 142.23 |
| f) Capital work-in-progress | 12 | 883.16 | 674.27 |
| g) Goodwill | | 299.96 | 299.96 |
| h) Other Intangible assets | 14 | 58.35 | 58.85 |
| i) Intangible assets under development | 14 | 3.65 | 0.44 |
| j) Other non-financial assets | 15 | 1,260.09 | 934.01 |
| Total Assets | | 9,64,694.20 | 8,01,489.20 |
| II. LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| 1 Financial Liabilities | | | |
| a) Derivative financial instruments | 6 | 138.86 | 1,921.73 |
| b) Payables | 16 | | |
| (i) Trade Payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | 7.68 | 7.20 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,381.23 | 871.23 |
| (ii) Other Payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,280.77 | 1,119.71 |
| c) Debt Securities | 17 | 1,74,762.20 | 1,46,045.79 |
| d) Borrowings (other than Debt Securities) | 18 | 5,00,519.53 | 4,05,974.58 |
| e) Deposits | 19 | 4,018.26 | 3,314.76 |
| f) Subordinated Liabilities | 20 | 3,309.73 | 2,546.55 |
| g) Lease Liabilities | | 125.91 | 155.57 |
| h) Other financial liabilities | 21 | 16,014.90 | 12,638.76 |
| 2 Non-financial Liabilities | | | |
| a) Current tax liabilities (Net) | | 551.68 | 811.92 |
| b) Provisions | 22 | 3,733.27 | 3,618.92 |
| c) Deferred tax liabilities (Net) | 35 | 167.62 | 152.86 |
| d) Other non-financial liabilities | 23 | 1,142.16 | 781.58 |
| 3 EQUITY | | | |
| a) Equity share capital | 24 | 4,014.62 | 4,014.48 |
| b) Other equity | 25 | 2,47,057.45 | 2,12,643.04 |
| Equity attributable to the owners of the parent | | 2,51,072.07 | 2,16,657.52 |
| c) Non-controlling interest | | 6,468.33 | 4,870.52 |
| Total Liabilities and Equity | | 9,64,694.20 | 8,01,489.20 |

Notes on accounts form part of consolidated financial statements

As per our report of even date attached

For Elias George & Co.
(FRN : 000801S)

Sd/-
Vaibhav T Ved
Partner
Chartered Accountants
Membership No. 235912

For Babu A. Kallivayalil & Co.
(FRN : 005374S)

Sd/-
Babu Abraham Kallivayalil
Partner
Chartered Accountants
Membership No. 026973

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: May 30, 2024

Place: Kochi
Date: May 30, 2024

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(Rupees in millions, except for share data and unless otherwise stated)

| Particulars | Note No. | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|----------|------------------------------|------------------------------|
| Revenue from operations | | | |
| (i) Interest income | 26 | 1,45,457.01 | 1,15,555.35 |
| (ii) Dividend income | | 48.10 | 9.41 |
| (iii) Net gain on fair value changes | 27 | 640.06 | 524.14 |
| (iv) Net gain on derecognition of financial instruments under amortised cost category | | 1,723.34 | 1,403.12 |
| (v) Sale of services | 28 | 88.87 | 90.70 |
| (vi) Service charges | | 2,659.19 | 1,393.91 |
| (I) Total Revenue from operations | | 1,50,616.57 | 1,18,976.63 |
| (II) Other Income | 29 | 1,010.85 | 773.42 |
| (III) Total Income (I + II) | | 1,51,627.42 | 1,19,750.05 |
| Expenses | | | |
| (i) Finance costs | 30 | 54,300.78 | 42,091.78 |
| (ii) Impairment on financial instruments | 31 | 5,538.21 | 2,432.22 |
| (iii) Employee benefits expenses | 32 | 18,282.06 | 14,882.68 |
| (iv) Depreciation, amortization and impairment | 33 | 921.06 | 781.61 |
| (v) Other expenses | 34 | 12,620.27 | 10,333.96 |
| (IV) Total Expenses (IV) | | 91,662.38 | 70,522.25 |
| (V) Profit before tax (III- IV) | | 59,965.04 | 49,227.80 |
| (VI) Tax Expense: | 35 | | |
| (1) Current tax | | 15,807.24 | 12,341.19 |
| (2) Deferred tax | | (512.30) | 294.47 |
| (3) Taxes relating to prior years | | (5.84) | (105.52) |
| (VII) Profit for the year (V- VI) | | 44,675.94 | 36,697.66 |
| (VIII) Other Comprehensive Income | | | |
| A) (i) Items that will not be reclassified to profit or loss | | | |
| - Surplus reserve from property plant and equipment | | 11.33 | - |
| - Remeasurement of defined benefit plans | | 50.59 | 41.12 |
| - Fair value changes on equity instruments through other comprehensive income | | 375.94 | (84.82) |
| - Changes in value of forward element of forward contract | | 480.71 | 396.46 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | (231.89) | (89.89) |
| Subtotal (A) | | 686.68 | 262.87 |
| B) (i) Items that will be reclassified to profit or loss | | | |
| - Gain/ (loss) from translating financial statements of foreign operations | | 82.82 | (17.54) |
| - Fair value gain/ (loss) on debt instruments through other comprehensive income | | - | - |
| - Effective portion of gain/ (loss) on hedging instruments in cash flow hedges | | (87.36) | 245.00 |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | 21.99 | (61.66) |
| Subtotal (B) | | 17.45 | 165.80 |
| Other comprehensive income (A + B) (VIII) | | 704.13 | 428.67 |
| (IX) Total comprehensive income for the year (VII+VIII) | | 45,380.07 | 37,126.33 |
| Profit for the year attributable to | | | |
| Owners of the parent | | 43,242.88 | 36,122.98 |
| Non-controlling interest | | 1,433.06 | 574.68 |
| Other comprehensive income attributable to | | | |
| Owners of the parent | | 680.66 | 439.54 |
| Non-controlling interest | | 23.47 | (10.87) |
| Total comprehensive income for the year attributable to | | | |
| Owners of the parent | | 43,923.55 | 36,562.52 |
| Non-controlling interest | | 1,456.52 | 563.81 |
| (X) Earnings per equity share | 36 | | |
| (Face value of ₹10/- each) | | | |
| Basic (₹) | | 107.72 | 89.99 |
| Diluted (₹) | | 107.71 | 89.98 |

Notes on accounts form part of consolidated financial statements

As per our report of even date attached

For Elias George & Co.
(FRN : 000801S)For Babu A. Kallivayalil & Co.
(FRN : 005374S)

For and on behalf of the Board of Directors

Sd/-
Vaibhav T Ved
Partner
Chartered Accountants
Membership No. 235912Sd/-
Babu Abraham Kallivayalil
Partner
Chartered Accountants
Membership No. 026973Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787Sd/-
Oommen K. Mammen
Chief Financial OfficerSd/-
Rajesh A
Company SecretaryPlace: Kochi
Date: May 30, 2024Place: Kochi
Date: May 30, 2024

Consolidated Statement of Changes in Equity

for the period ended March 31, 2024

(Rupees in millions, except for share data and unless otherwise stated)

a. Equity Share Capital

Equity shares of ₹10/- each issued, subscribed and fully paid

| Particulars | Number | Amount |
|---|---------------------|-----------------|
| As at April 01, 2022 | 40,13,45,266 | 4,013.45 |
| Shares issued in exercise of Employee Stock Options during the year | 1,02,965 | 1.03 |
| As at March 31, 2023 | 40,14,48,231 | 4,014.48 |
| Shares issued in exercise of Employee Stock Options during the year | 13,445 | 0.14 |
| As at March 31, 2024 | 40,14,61,676 | 4,014.62 |

b. Other Equity

| Particulars | Reserves and Surplus | | | | | | | Other comprehensive income | | | | | Total non-controlling interest | Total | | | |
|--|----------------------|--------------------|--|-----------------|--------------------------|----------------------------|-----------------|----------------------------|--------------------------------------|---|---------------------------|-------------------------|--------------------------------|--------------|---------------------|--|--|
| | Statutory reserve | Securities premium | Debt redemption reserve (Refer Note 25-1(c)) | General Reserve | Share Option Outstanding | Capital Redemption Reserve | Capital reserve | Retained Earnings | Foreign currency translation reserve | Equity instruments through other comprehensive income | Cash flow hedging reserve | Cost of Hedging Reserve | | | Revaluation Surplus | Other Items of Comprehensive Income (Remeasurement of defined benefit plans) | Total attributable to equity holders of the parent |
| Balance as at April 01, 2022 | 42,377.74 | 15,063.70 | 35,123.97 | 2,676.33 | 61.74 | 500.00 | 0.66 | 88,710.09 | (301.57) | 429.51 | (204.14) | (658.27) | - | 64.00 | 1,83,843.79 | 3,521.72 | 1,87,365.51 |
| Profit for the period (Net of tax) | - | - | - | - | - | - | - | 36,122.98 | (12.79) | (63.48) | 183.43 | 298.26 | - | 34.13 | 36,122.98 | 574.68 | 36,697.66 |
| Other comprehensive income for the year | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 439.54 | (10.87) | 428.67 |
| Adjustments to non-controlling interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 784.99 |
| Dividend | - | - | - | - | - | - | - | (8,026.91) | - | - | - | - | - | - | (8,026.91) | - | (8,026.91) |
| Net gain / (loss) on transaction with Non-controlling interest | - | - | - | - | - | - | - | 259.51 | - | - | - | - | - | - | 259.51 | - | 259.51 |
| Transfer to/from retained earnings | 7,122.21 | - | - | - | - | - | - | (7,122.21) | - | - | - | - | - | - | - | - | - |
| Share based payment expenses | - | - | - | - | (32.46) | - | - | - | - | - | - | - | - | - | (32.46) | - | (32.46) |
| Share option exercised during the year | - | - | - | - | (9.16) | - | - | 9.16 | - | - | - | - | - | - | - | - | - |
| Transfer from ESOP reserves | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Share premium received during the year | - | 36.59 | - | - | - | - | - | - | - | - | - | - | - | - | 36.59 | - | 36.59 |
| Balance as at March 31, 2023 | 49,499.95 | 15,100.29 | 35,123.97 | 2,676.33 | 20.12 | 500.00 | 0.66 | 1,09,952.62 | (314.36) | 366.02 | (20.71) | (360.01) | - | 98.13 | 2,12,643.04 | 4,870.52 | 2,17,513.56 |
| Profit for the period | - | - | - | - | - | - | - | 43,242.88 | - | - | - | - | - | - | 43,242.88 | 1,433.06 | 44,675.94 |

Consolidated Statement of Changes in Equity

for the period ended March 31, 2024

(Rupees in millions, except for share data and unless otherwise stated)

b. Other Equity (Contd..)

| Particulars | Reserves and Surplus | | | | | Other comprehensive income | | | | | Total non-controlling interest | Total | | | | | |
|--|----------------------|--------------------|--|-----------------|----------------------------------|----------------------------|-------------------|--------------------------------------|---|---------------------------|--------------------------------|---------------|-------------------------|---------------------|---|--|--------------------|
| | Statutory reserve | Securities premium | Debt redemption reserve (Refer Note 25.1(c)) | General Reserve | Share Option Outstanding Reserve | Capital Redemption Reserve | Retained Earnings | Foreign currency translation reserve | Equity instruments through other comprehensive income | Cash flow hedging reserve | | | Cost of Hedging Reserve | Revaluation Surplus | Other Comprehensive Income (Remeasurement of defined benefit plans) | Total attributable to equity holders of the parent | |
| Other comprehensive income for the year (Net of tax) | - | - | - | - | - | - | 60.39 | 281.32 | (65.45) | 356.87 | 5.78 | 41.73 | 680.66 | 23.47 | 704.13 | | |
| Adjustments to non-controlling interest | - | - | - | - | - | - | - | - | - | - | - | - | - | 141.28 | 141.28 | | |
| Dividend | - | - | - | - | - | (8,831.86) | - | - | - | - | - | - | (8,831.86) | - | (8,831.86) | | |
| Net gain / (loss) on transaction with Non-controlling interest | - | - | - | - | - | (684.21) | - | - | - | - | - | - | (684.21) | - | (684.21) | | |
| Transfer to/from retained earnings | 8,593.59 | - | - | - | - | (8,593.59) | - | - | - | - | - | - | - | - | - | | |
| Other Additions/ Deductions during the year | - | - | - | - | - | - | 6.42 | - | - | - | - | - | - | 6.42 | 6.42 | | |
| Share Option exercised during the year | - | - | - | - | (5.13) | - | - | - | - | - | - | - | (5.13) | - | (5.13) | | |
| Transfer from ESOP reserves | - | - | - | - | (3.83) | - | - | - | - | - | - | - | - | - | - | | |
| Share premium received during the year | - | 5.67 | - | - | - | - | - | - | - | - | - | - | - | 5.67 | 5.67 | | |
| Balance as at March 31, 2024 | 58,093.54 | 15,105.96 | 35,123.97 | 2,676.33 | 11.16 | 500.00 | 0.66 | 1,35,089.67 | (247.55) | 647.36 | (86.16) | (3.15) | 5.78 | 139.87 | 2,47,057.45 | 6,468.33 | 2,53,525.78 |

Notes on accounts form part of consolidated financial statements

As per our report of even date attached

For Elias George & Co.

(FRN : 0008015)

Sd/-

Vaibhav T Ved

Partner

Chartered Accountants

Membership No. 235912

Place: Kochi

Date: May 30, 2024

For and on behalf of the Board of Directors

Sd/-

George Jacob Muthoot

Chairman & Whole-time Director

DIN: 00018235

Sd/-

George Alexander Muthoot

Managing Director

DIN: 00016787

Sd/-

Oommen K. Mammen

Chief Financial Officer

Sd/-

Rajesh A

Company Secretary

Consolidated Cash Flow Statement

for the Year ended March 31, 2024

(Rupees in millions, except for share data and unless otherwise stated)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| A. Cash flow from Operating activities | | |
| Profit before tax | 59,965.04 | 49,227.80 |
| Adjustments to reconcile profit before tax to net cash flows: | | |
| Depreciation, amortisation and impairment | 921.06 | 781.61 |
| Impairment on financial instruments | 5,538.21 | 2,420.07 |
| Finance cost | 54,300.78 | 42,091.78 |
| (Profit)/Loss on sale of Property, plant and equipment | (6.39) | (2.39) |
| Provision for Gratuity | 161.02 | 145.71 |
| Provision for Compensated absences | (13.55) | 31.16 |
| Interest income on investments | (3,369.08) | (2,665.79) |
| Dividend income | (48.10) | (9.41) |
| (Profit)/Loss on sale of mutual funds | (1,022.58) | (716.50) |
| Unrealised (Gain)/Loss on investment | 388.78 | 192.36 |
| Operating Profit Before Working Capital Changes | 1,16,815.19 | 91,496.40 |
| Adjustments for: | | |
| (Increase)/Decrease in Trade receivables | (79.41) | (28.86) |
| (Increase)/Decrease in Bank balances other than cash and cash equivalents | 307.81 | 136.22 |
| (Increase)/Decrease in Loans | (1,79,256.51) | (59,869.49) |
| (Increase)/Decrease in Other financial assets | (681.02) | (723.30) |
| (Increase)/Decrease in Other non-financial assets | (136.05) | 28.64 |
| Increase/(Decrease) in Other financial liabilities | 378.94 | 1,563.16 |
| Increase/(Decrease) in Other non-financial liabilities | 355.76 | (465.63) |
| Increase/(Decrease) in Trade payables | 510.48 | 116.42 |
| Increase/(Decrease) in Other payables | 161.06 | 457.11 |
| Increase/(Decrease) in Provisions | (1,995.56) | (3,011.40) |
| Cash generated from/ (used in) operations | (63,619.31) | 29,699.27 |
| Finance cost paid | (57,593.09) | (44,521.97) |
| Income tax paid | (16,327.78) | (13,217.97) |
| Net cash from / (used in) operating activities | (1,37,540.18) | (28,040.67) |
| B. Cash flow from Investing activities | | |
| Purchase of Property, plant and equipment and intangible assets | (2,224.24) | (1,411.43) |
| Proceeds from sale of Property, plant and equipment | 19.08 | 13.99 |
| (Increase)/Decrease in Investment Property | (0.38) | 8.74 |
| (Increase)/Decrease in Investment in mutual funds (Net) | 1,022.58 | 1,624.40 |
| Investments in quoted equity shares | (338.35) | - |
| (Increase)/Decrease in Investments at amortised cost | (374.06) | (1,160.39) |
| (Increase)/Decrease in Investments in Security Receipts (Net) | (1,144.77) | - |
| Interest received on investments | 3,445.63 | 2,724.95 |
| Dividend income | 48.10 | 9.41 |
| Net cash from / (used in) investing activities | 453.59 | 1,809.67 |

Consolidated Cash Flow Statement

for the Year ended March 31, 2024

(Rupees in millions, except for share data and unless otherwise stated)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| C. Cash flow from Financing activities | | |
| Proceeds from issue of equity share capital | 0.64 | 5.15 |
| Payments for acquisition of non controlling interest | (530.00) | - |
| Proceeds from issue of subsidiary shares to Non-controlling interest | - | 1,050.00 |
| Increase / (Decrease) in Debt securities | 28,746.08 | 14,225.96 |
| Increase / (Decrease) in Borrowings (other than Debt securities) | 99,173.53 | (3,896.22) |
| Increase / (Decrease) in Deposits | 335.71 | 1,143.57 |
| Increase / (Decrease) in Subordinated liabilities | 783.60 | (459.47) |
| Payment of lease liabilities and interest on lease liabilities | (89.23) | (86.74) |
| Dividend paid | (8,844.39) | (8,032.06) |
| Net cash from / (used in) financing activities | 1,19,575.94 | 3,950.19 |
| D. Net increase/(decrease) in cash and cash equivalents (A+B+C) | (17,510.65) | (22,280.81) |
| Net foreign exchange difference | 23.13 | (10.30) |
| Cash and cash equivalents at April 01, 2023/ April 01, 2022 | 78,311.36 | 1,00,602.47 |
| Cash and cash equivalents at March 31, 2024 / March 31, 2023 | 60,823.84 | 78,311.36 |

Notes:

- a) The above Cash flow statement has been prepared under the " Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7)- Statement of Cash Flows.
- b) Components of Cash and cash equivalents as per Consolidated Cash flow statement:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Cash and cash equivalents as per Consolidated Balance sheet | 60,373.45 | 77,701.83 |
| Add: Investment in reverse re-purchase against treasury bills and bonds (maturity less than 3 months) | 463.60 | 610.47 |
| | 60,837.05 | 78,312.30 |
| Less: Bank Overdraft | (13.21) | (0.94) |
| Cash and cash equivalents as per Consolidated Cash flow Statement | 60,823.84 | 78,311.36 |

Notes on accounts form part of consolidated financial statements**As per our report of even date attached**

For Elias George & Co.
(FRN : 000801S)

For Babu A. Kallivayalil & Co.
(FRN : 005374S)

For and on behalf of the Board of Directors

Sd/-
Vaibhav T Ved
Partner
Chartered Accountants
Membership No. 235912

Sd/-
Babu Abraham Kallivayalil
Partner
Chartered Accountants
Membership No. 026973

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: May 30, 2024

Place: Kochi
Date: May 30, 2024

Notes

forming part of Consolidated Financial Statements

1. Corporate Information

Muthoot Finance Limited (“the Company”) was incorporated as a private limited Company on 14th March, 1997 and was converted into a public limited company on November 18, 2008. The Company was promoted by Late Mr. M. G. George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot and Mr. George Alexander Muthoot who collectively operated under the brand name of “The Muthoot Group”. The Company obtained permission from the Reserve Bank of India for carrying on the business of Non-Banking Financial Institutions on 13-11-2001 vide Regn. No. N 16.00167. **The Reserve Bank of India vide its press release 2022-2023/975 dated September 30, 2022, has classified Muthoot Finance Limited as Upper Layer NBFC as per their “Scale based regulatory framework”.** The Registered Office of the Company is at 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.

The Company made an Initial Public Offer of 51,500,000 Equity Shares of the face value ₹ 10/- each at a price of ₹ 175/- raising ₹ 9,012.50 million during the month of April 2011. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited from May 6, 2011.

Basis of Consolidation

The Consolidated financial statements relate to Muthoot Finance Limited and its subsidiaries which constitute the 'Group' hereinafter. Following subsidiary companies have been considered in the preparation of the consolidated financial statements: -

| Name of the Company (Country of Incorporation) | Abbreviation used | Relationship with the company | % of holding as at March 31, 2024 | % of holding as at March 31, 2023 |
|---|----------------------|------------------------------------|--------------------------------------|--------------------------------------|
| Asia Asset Finance PLC (Sri Lanka) | AAF | Subsidiary Company | 72.92 | 72.92 |
| Muthoot Homefin (India) Limited (India) | MHIL | Wholly owned subsidiary Company | 100.00 | 100.00 |
| Belstar Microfinance Limited (India) | BML | Subsidiary Company | 63.86 | 56.97 |
| Muthoot Insurance Brokers Private Limited (India) | MIBPL | Wholly owned subsidiary Company | 100.00 | 100.00 |
| Muthoot Money Limited (India) | MML | Wholly owned subsidiary Company | 100.00 | 100.00 |
| Muthoot Asset Management Private Limited (India) | MAMPL | Wholly owned subsidiary Company | 100.00 | 100.00 |
| Muthoot Trustee Private Limited (India) | MTPL | Wholly owned subsidiary Company | 100.00 | 100.00 |

As stated in Note 9.2 of the consolidated financial statements, the Company held 2,163,000 equity shares of Nepalese Rupee 100/- each in United Finance Limited as at March 31, 2021. Since the management did not have significant influence over the entity as specified in Ind AS-28 - Investments in Associates and Joint Ventures; had elected to recognise and measure the investment at fair value through OCI as per the requirements of Ind AS 109 – Financial Instruments. On July 11, 2021, United Finance Limited was acquired by Nabil Bank Limited, Nepal in share swap 1 : 0.35 and accordingly the Company holds 11,98,531 equity shares of Nepalese Rupee 100/- (i.e. 0.442965% shareholding) each as at March 31, 2024.

2. Basis of preparation and presentation

2.1. Statement of Compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended from time to time). These financial statements may require further adjustments, if any, necessitated by the guidelines / clarifications / directions issued in the future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable.

Notes

forming part of Consolidated Financial Statements

2.2. Principles of Consolidation

2.2.1. Business Combination:

The Group applies Ind AS 103, Business Combinations, to business combinations. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve if there exist clear evidence of the underlying reason for classifying the business combination as resulting in bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction cost are expensed as incurred, except to the extent related to debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the statement of profit and loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

If business combination is achieved in stages, any previously held equity interest of the acquirer in the acquiree is remeasured to its acquisition date fair value and any resulting gain or loss is recognised in the Statement of Profit and Loss or OCI, as appropriate.

2.2.2. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

2.2.3. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

2.2.4. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other component of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the Statement of Profit and Loss.

2.2.5. Transactions eliminated on consolidation

Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions are eliminated.

2.2.6. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into at the exchange rates at the dates of the transactions.

The Group recognises foreign currency translation differences in OCI and accumulated in equity (as exchange difference on translating the financial statements of foreign operations), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed off in its entirety or partially such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the Statement of Profit and Loss as part of the gain or loss on disposal. If the Group disposes off part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

2.2.7. The financial statement of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company i.e., year ended March 31, 2024.

2.2.8. Consolidated financial statements are prepared using uniform accounting policies except as stated in Notes

Notes

forming part of Consolidated Financial Statements

3.9 and 3.10 of Consolidated Financial Statements. The adjustments arising out of the same are not considered material.

2.3. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for following assets and liabilities which have been measured at fair value:

- i) fair value through other comprehensive income (FVOCI) instruments,
- ii) derivative financial instruments,
- iii) other financial assets held for trading
- iv) financial assets and liabilities designated at fair value through profit or loss (FVTPL)

2.4. 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.

2.5. Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest million, except when otherwise indicated.

2.6. New Accounting Standards that are issued but not effective

There are no standards that are issued but not yet effective on March 31, 2024.

3. Significant accounting policies

3.1. Revenue Recognition

3.1.1. Recognition of interest income

The Group recognises Interest income by applying the effective interest rate (EIR) to the gross carrying amount of a financial asset except for purchased or originated credit-impaired financial assets and other credit-impaired financial assets.

For purchased or originated credit-impaired financial assets, the Group applies the credit-adjusted effective

interest rate to the amortised cost of the financial asset from initial recognition.

For other credit-impaired financial assets, the Group applies effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

The effective interest rate on a financial asset is 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. While estimating future cash receipts, factors like expected behaviour and life cycle of the financial asset, probable fluctuation in collateral value etc are considered which has an impact on the EIR.

While calculating the effective interest rate, the Group includes all fees and points paid or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Interest income on all trading assets and financial assets required to be measured at FVTPL is recognised using the contractual interest rate as net gain on fair value changes.

3.1.2. Recognition of revenue from sale of goods or services

Revenue (other than for Financial Instruments within the scope of Ind AS 109) is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

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

Notes

forming part of Consolidated Financial Statements

respective 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 respective 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 respective company satisfies a performance obligation.

Revenue from contract with customer for rendering services is recognised at a point in time when the performance obligation is satisfied.

3.1.3. Recognition of Dividend Income

Dividend income (including from FVOCI investments) is recognised by the Group when the respective Company's right to receive the payment is established. This is established when 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.

3.1.4 Net gain/loss on fair value changes

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains/loss on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis. 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.

3.2. Financial instruments

A. Financial Assets

3.2.1. Initial recognition and measurement

All financial assets are recognised initially at fair value when the Group become party to the contractual provisions of the financial asset. In

case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

3.2.2. Subsequent measurement

The Companies in the Group classify its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the respective company's business model for managing financial assets.

a. Financial assets measured at amortised cost

A financial asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

3.2.3. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Group has elected to present the changes in fair value through other comprehensive income (FVOCI)

Notes

forming part of Consolidated Financial Statements

B. Financial liabilities

3.2.4. Initial recognition and measurement

All financial liabilities are recognized initially at fair value when the company become party to the contractual provisions of the financial liability. In case of financial liability which are not recorded at fair value through profit or loss, transaction cost that are directly attributable to the acquisition or issue of the financial liability are adjusted to the fair value on initial recognition. The Group's financial liabilities include trade and other payables, Non-Convertible Debentures loans and borrowings including bank overdrafts.

3.2.5. Subsequent Measurement

Financial liabilities other than financial liabilities at fair value through profit or loss which includes derivative financial instruments are subsequently carried at amortized cost using the effective interest method. Subsequent measurement of derivative financial instruments are at fair value as detailed under Note 3.7 'Derivative Financial Instruments'.

3.3. Derecognition of financial assets and liabilities

3.3.1. Financial Asset

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or it transfers its contractual rights to receive cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) shall be recognised in profit or loss. Any rights and obligations created or retained in the transfer of such financial assets by the Group is recognized as a separate asset or liability.

An entity has transferred the financial asset if, and only if, either:

- a) it has transferred its contractual rights to receive cash flows from the financial asset or
- b) It retains the rights to the cash flows, but has assumed an obligation to pay the received cash

flows in full without material delay to a third party under a 'pass-through' arrangement

Pass-through arrangements are transactions whereby the respective Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), on satisfying specific conditions.

3.3.2. Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the Statement of profit and loss.

3.4. Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all the following circumstances:

- a. The normal course of business
- b. The event of default
- c. The event of insolvency or bankruptcy of the Group and/or its counterparties

3.5. Impairment of financial assets

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit or loss. The Group follows simplified approach for recognition of impaired loss allowance on:

- a) Trade Receivables or contract revenue receivables; and
- b) All lease receivables resulting from transactions within the scope of Ind AS 116.

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3.5.1. Overview of the Expected Credit Loss (ECL) model

Expected Credit Loss, at each reporting date, is measured through a loss allowance for a financial asset:

- At an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.
- At an amount equal to 12-month expected credit losses, if the credit risk on a financial instrument has not increased significantly since initial recognition.

Lifetime expected credit losses means expected credit losses that result from all possible default events over the expected life of a financial asset.

12-month expected credit losses means the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Group performs an assessment, at the end of each reporting period, of whether a financial asset's credit risk has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses.

Based on the above process, the Group categorises its loans into three stages as described below:

For non-impaired financial assets

- Stage 1 is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk since initial recognition. A 12-month ECL provision is made for stage 1 financial assets. In assessing whether credit risk has increased significantly, The Companies in the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition.
- Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition.

The Companies in the Group recognises lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12 months ECL provision.

For impaired financial assets:

Financial assets are classified as Stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Group recognises lifetime ECL for impaired financial assets.

3.5.2. Estimation of Expected Credit Loss

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon.

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 considering fresh slippage of past years. For those pools where historical information is not available, the PD/default rates as stated by external reporting agencies is considered.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected draw downs on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

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Forward looking information

While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and market it operates. On a periodic basis, the Group analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Group based on its internal data. While the internal estimates of PD, LGD rates by the Group may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, vehicles, etc. However, the fair value of collateral affects the calculation of ECLs. The collateral is majorly the property for which the loan is given. The fair value of the same is based on data provided by third party or management judgements.

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. 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.

3.6. Determination of fair value of Financial Instruments

The Group measures financial instruments, such as, investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole.

3.7. Derivative financial instruments

The Group enters into derivative financial instruments such as foreign exchange forward contracts and cross currency swaps to manage its exposure to foreign exchange rate risk and interest rate swaps to manage its interest rate risk.

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Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The resulting gain/loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Company has designated the derivative financial instruments as cash flow hedges of recognised liabilities and unrecognised firm commitments.

Hedge accounting

In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. The company enters into derivative financial instruments that have critical terms aligned with the hedged item and in accordance with the Risk management policy of the company, the hedging relationship is extended to the entire term of the hedged item. The hedges are expected to be highly effective if the hedging instrument is offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk. The assessment of hedge effectiveness is carried out at inception and on an ongoing basis to determine that the hedging relationship has been effective throughout the financial reporting periods for which they were designated.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the Statement of Profit and Loss. When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss. When a hedging instrument expires, is sold, terminated, exercised, or when a

hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

3.8. Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above and investment in reverse re-purchase against treasury bills and bonds, net of outstanding bank overdrafts if any, as they are considered an integral part of the Group's cash management.

3.9. Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset 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.

3.9.1. Depreciation

Depreciation on Property, Plant and Equipment is calculated by the Company and subsidiary companies incorporated in India using written down value method (WDV) to write down the cost of property and

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equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 or useful life estimated by the respective management based on technical evaluation.

The estimated useful lives are as follows:

| Particulars | Useful life |
|---|-------------|
| Leasehold Improvements | 10 years |
| Furniture and fixture | 10 years |
| Plant | 15 years |
| Office equipment (MML, MHIL, BML, MFL) | 5 years |
| Office equipment (MIBPL) | 10 years |
| Server and networking | 6 years |
| Computers | 3 years |
| Building | 30 years |
| Vehicles (MML, MFL) | 8 years |
| Vehicles (MIBPL, BML) | 10 years |
| Wind Mill | 22 years |

In respect of foreign subsidiary AAF, the Property, Plant and Equipment are depreciated on straight line method over the estimated useful life of the assets.

The estimated useful lives are as follows:

| Particulars | Useful life |
|-----------------------|-------------|
| Building | 8 years |
| Plant | 8 years |
| Furniture and fixture | 6 years |
| Office equipment | 6 years |
| Vehicles | 6.5 years |
| Computers | 6 years |

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. 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.

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.

3.10. 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 including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure related to the assets added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Intangible assets comprising of software is amortised by the Company and MML and MIBPL on straight line basis over a period of 5 years, unless it has a shorter useful life. In respect of BML and AAF computer software are amortized over a period of 3 years and 8 years respectively. In respect of MHIL, intangible assets are amortised on a WDV basis over a period of 5 years, unless it has a shorter useful 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.

3.11. 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.

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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.

The fair value of investment property is disclosed in the notes accompanying the consolidated financial statements. Fair value has been determined by independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The estimated useful life is 15 years.

3.12. Impairment of non-financial assets: Property, Plant and Equipment, Intangible Assets and Investment property

The Group assesses, at each reporting date, whether there is any indication that any Property, Plant and Equipment, Intangible Assets, investment property or group of assets called Cash Generating Units (CGU) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount to determine the extent of impairment, if any.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If

such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.13. Finance Cost

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 expense with the corresponding adjustment to the carrying amount of the financial liability.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

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3.14. Other expenses

Expenses are recognised on accrual basis net of the goods and services tax, except where credit for the input tax is not statutorily permitted.

3.15. Employee Benefits Expenses

3.15.1. Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services

3.15.2. Post-Employment Benefits

A. Defined contribution schemes

All eligible employees of the Group are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Group contribute monthly at a stipulated percentage of the covered employee's salary. Contributions are made to Employees Provident Fund Organization in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme at the prescribed rates and are charged to Statement of Profit and Loss at actuals. The Group has no liability for future provident fund benefits other than its annual contribution.

B. Defined Benefit schemes

Gratuity

The Company and its subsidiaries BML, MHIL and MML provides for gratuity covering eligible employees under which a lump sum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Group. The said companies in the Group accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Companies makes annual contribution to a Gratuity Fund administered by Trustees and separate schemes managed by Kotak Mahindra Old Mutual Life Insurance Limited and/or ICICI Prudential Life Insurance Company Limited. In respect of

subsidiary BML, contribution to gratuity fund is made through Life Insurance Corporation of India group gratuity fund. In respect of subsidiaries MHIL and MML gratuity liability is not funded. In respect of its foreign subsidiary AAF, future gratuity benefits are accounted for as liability based on actuarial valuation by Project Unit Credit Method in accordance with LKAS 19. The gratuity liability is not externally funded.

The obligation is measured at the present value of the estimated future cash flows.

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, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses (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 Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

3.15.3. Other Long term employee benefits

Accumulated compensated absences

The Group provides for liability of accumulated compensated absences for eligible employees on the basis of an independent actuarial valuation carried out at the end of the year, using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur.

3.15.4. Employee share based payments

Stock options granted to the employees of the Company under the stock option scheme established are accounted as per the accounting treatment prescribed by the SEBI (Share Based Employee Benefits) Regulations, 2014 issued by Securities and Exchange Board of India.

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The Company follows the fair value method of accounting for the options and accordingly, the excess of market value of the stock options as on the date of grant over the fair value of the options is recognised as deferred employee compensation cost and is charged to the Statement of Profit and Loss on graded vesting basis over the vesting period of the options.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.16. Provisions (other than employee benefits)

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.

3.17. Taxes

Income tax expense represents the sum of current tax and deferred tax.

3.17.1. Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date where the respective Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e., either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income 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.

3.17.2. Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts in the consolidated financial statements for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e., either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.18. Contingent Liabilities and Assets

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 Group does not recognize a contingent liability but discloses its existence in the financial statements.

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 have any contingent assets in the financial statements.

3.19. Earnings 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 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.

3.20. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the Statement of Profit and Loss.

3.21. Cash-flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated.

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3.22. Leases

Effective 01 April 2019, the Group had applied Ind AS 116 'Leases'/SLFRS 16 to all lease contracts existing on 01 April 2019 by adopting the modified retrospective approach.

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116/SLFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset.

The Group as a lessee

The Group has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months and leases with low value assets. The Group determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Group is reasonably certain to exercise that option.

The Group recognises the lease payments associated with these leases as an expense in Statement of Profit and Loss on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit. The related cash flows are classified as operating activities.

Wherever the above exception permitted under Ind AS 116 is not applicable/or as per SLFRS 16, the Group at the time of initial recognition:

- measures lease liability as present value of all lease payments discounted using the Group's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is increased by interest on lease liability, reduced by lease payments made and remeasured to reflect any reassessment or lease modifications specified in the standard, or to reflect revised fixed lease payments.
- measures 'Right-of-use assets' as present value of all lease payments discounted using the Group's incremental cost of borrowing and any initial direct costs. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation (depreciated on straight line basis over the lease period) and any accumulated impairment losses adjusted for any re-measurement of the lease liability specified in the standard.

The Group as a lessor

Leases under which the Group is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases. Lease payments from operating leases are recognised as an income in the Statement of Profit and Loss on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

4. 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. 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 consolidated financial statements is included in the following notes:

4.1. Business Model Assessment

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest test, and the business model test. The respective companies in the Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their

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performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

4.2. Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given 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, probable fluctuations in collateral value as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

4.3. 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 models in the context of actual loss experience and adjust when necessary.

4.4. 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 at each reporting date.

4.5. Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.6. Determination of lease term

Ind AS 116 "Leases" requires lessee 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 assessment on the expected lease term on 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 lease and the importance of the underlying to the Group's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

4.7. Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

Notes

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(Rupees in millions, except for share data and unless otherwise stated)

Note 5.1: Cash and cash equivalents

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Cash on hand | 2,599.94 | 1,699.11 |
| Balances with Banks | | |
| - in current accounts | 53,108.32 | 59,057.12 |
| - in fixed deposit (maturing within a period of three months) | 4,665.19 | 11,948.46 |
| Investment in TREPS | - | 4,997.14 |
| Total | 60,373.45 | 77,701.83 |

Note 5.2: Bank balance other than cash and cash equivalents

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Fixed deposits with bank (Maturing after period of three months) | 1,781.66 | 1,861.29 |
| Fixed deposits with bank under lien (Refer Note 5.2.1) | | |
| - Maturing within a period of three months | 6.10 | 6.96 |
| - Maturing after period of three months | 488.89 | 679.71 |
| Balance in other escrow accounts | | |
| - Unpaid (Unclaimed) Dividend Account | 9.54 | 9.16 |
| - Unspent CSR expenditure account | - | 22.83 |
| - Unpaid (Unclaimed) interest and redemption proceeds of Non-Convertible debentures | 60.38 | 74.81 |
| - Public Issue | | |
| Total | 2,346.57 | 2,654.76 |

Note 5.2.1 Fixed deposits with bank under lien

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Fixed Deposits given as Security for borrowings | 243.59 | 381.56 |
| Fixed Deposits given as Security for guarantees | 248.80 | 303.10 |
| Fixed Deposits on which lien is marked for other purposes | 2.60 | 2.01 |
| Total | 494.99 | 686.67 |

Note 5.3: The amount of Fixed deposits and Investment in TREPS in Notes 5.1 and 5.2 above does not include interest accrued aggregating to ₹70.89 millions (March 31,2023: ₹64.36 millions) disclosed separately under Other financial assets in Note 10. Details of such interest accrued is as follows :

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Fixed deposit and Investment in TREPS (maturing within a period of three months) | 19.48 | 22.12 |
| Fixed deposits with bank (maturing after period of three months) | 27.59 | 20.78 |
| Fixed deposits with bank under lien (maturing within a period of three months): | | |
| - given as security for borrowings | 0.04 | 0.13 |
| - given as security for guarantees | 0.33 | 0.24 |
| - other purposes | 0.00 | 0.00 |
| Fixed deposits with bank under lien (maturing after period of three months): | | |
| - given as security for borrowings | 22.48 | 18.93 |
| - given as security for guarantees | 0.85 | 2.08 |
| - other purposes | 0.12 | 0.08 |
| Total | 70.89 | 64.36 |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 6: Derivative financial instruments

| Particulars | As at March 31, 2024 | | | | As at March 31, 2023 | | | |
|---|---------------------------------|---------------------------------|--------------------|-------------------------|---------------------------------|---------------------------------|--------------------|-------------------------|
| | Notional amounts (USD Millions) | Notional amounts (INR Millions) | Fair value- Assets | Fair value- Liabilities | Notional amounts (USD Millions) | Notional amounts (INR Millions) | Fair value- Assets | Fair value- Liabilities |
| (i) Currency derivatives | | | | | | | | |
| - Forward contracts | 46.97 | 3,917.87 | - | 23.71 | 643.07 | 52,876.63 | - | 1,898.52 |
| - Cross currency swaps | - | - | - | - | - | - | - | - |
| (ii) Interest Rate derivatives | | | | | | | | |
| - Interest rate swaps | - | 13,000.00 | - | 115.15 | - | 6,000.00 | - | 23.21 |
| Total | 46.97 | 16,917.87 | - | 138.86 | 643.07 | 58,876.63 | - | 1,921.73 |
| Included in above are derivatives held for hedging and risk management purposes as follows: | | | | | | | | |
| (i) Fair value hedging | - | - | - | - | - | - | - | - |
| (ii) Cash flow hedging: | | | | | | | | |
| - Currency derivatives | 46.97 | 3,917.87 | - | 23.71 | 643.07 | 52,876.63 | - | 1,898.52 |
| - Interest rate derivatives | - | 13,000 | - | 115.15 | - | 6,000 | - | 23.21 |
| (iii) Net investment hedging | - | - | - | - | - | - | - | - |
| (iv) Undesignated Derivatives | - | - | - | - | - | - | - | - |
| Total (i)+(ii)+(iii)+(iv) | 46.97 | 16,917.87 | - | 138.86 | 643.07 | 58,876.63 | - | 1,921.73 |

The Group undertakes derivative transactions for hedging its exposures to interest rate risk and foreign exchange rate risk. The management of foreign currency risk and interest rate risk is detailed in Note 44.

Note 7: Receivables

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| (I) Trade Receivables | | |
| a) Receivables Considered good - secured | - | - |
| b) Receivables Considered good - unsecured | | |
| Receivables from Money Transfer business | 10.35 | 15.16 |
| Receivable from Power generation - Windmill | - | 0.90 |
| c) Receivables which have significant increase in credit risk | - | - |
| d) Receivables - Credit impaired | - | - |
| e) Other trade receivables | 168.01 | 82.89 |
| f) Commission receivable | - | - |
| Total | 178.36 | 98.95 |
| (II) Other Receivables | | |
| Less: Allowance for impairment loss | - | - |
| Total Net receivable | 178.36 | 98.95 |

Trade receivables are non-interest bearing and are short-term in nature. These consist of receivable from government, insurance business and other parties, and does not involve any credit risk.

Notes

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(Rupees in millions, except for share data and unless otherwise stated)

Note 7: Receivables (Contd..)

7.1 Trade Receivable Ageing Schedule

| Particulars | As at 31 st March, 2024 | | | | | |
|--|--|-----------------------|----------------|----------------|----------------------|--------|
| | Outstanding for following periods from due date of payment | | | | | |
| | Less than 6 months | 6 months - 1 years | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables - considered good | 178.28 | 0.08 | - | - | - | 178.36 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |

| Particulars | As at 31 st March, 2023 | | | | | |
|--|--|-----------------------|----------------|----------------|----------------------|-------|
| | Outstanding for following periods from due date of payment | | | | | |
| | Less than 6 months | 6 months - 1 years | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables - considered good | 96.22 | 0.31 | 2.42 | - | - | 98.95 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |

Note 8: Loans

| Particulars | As at March 31, 2024 | | | | | | |
|--------------------------|----------------------|--|------------------------------|--|---|---------------|-------|
| | Amortised Cost | At Fair value | | | | Sub- total | Total |
| | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | | | |
| (A) | | | | | | | |
| i) Gold Loan | 7,63,533.14 | - | - | - | - | 7,63,533.14 | |
| ii) Corporate Loan | 1,177.32 | - | - | - | - | 1,177.32 | |
| iii) Personal Loan | 9,124.77 | - | - | - | - | 9,124.77 | |
| iv) Staff Loan | 114.16 | - | - | - | - | 114.16 | |
| v) Housing Loan | 12,296.32 | - | - | - | - | 12,296.32 | |
| vi) Project finance Loan | 0.19 | - | - | - | - | 0.19 | |
| vii) Mortgage Loan | 951.35 | - | - | - | - | 951.35 | |
| viii) Pledge Loan | 93.45 | - | - | - | - | 93.45 | |
| ix) Business Loan | 3,760.91 | - | - | - | - | 3,760.91 | |
| x) Vehicle Loan | 1,866.70 | - | - | - | - | 1,866.70 | |
| xi) Micro Finance Loan | 85,831.61 | - | - | - | - | 85,831.61 | |

Notes

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(Rupees in millions, except for share data and unless otherwise stated)

Note 8: Loans (Contd..)

| Particulars | As at March 31, 2024 | | | | | Total |
|---|----------------------|------------------------------------|------------------------|---|-----------|--------------------|
| | Amortised Cost | At Fair value | | | Sub-total | |
| | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | | |
| xii) Insta Personal Loan | 9,095.13 | - | - | - | - | 9,095.13 |
| xiii) Business Loan- SME | 1,389.94 | - | - | - | - | 1,389.93 |
| xiv) Loan Against Property | 0.43 | - | - | - | - | 0.43 |
| xv) Other Loans | 5,093.02 | - | - | - | - | 5,093.02 |
| Total (A) - Gross | 8,94,328.44 | - | - | - | - | 8,94,328.44 |
| Less : Impairment loss allowance | 12,456.73 | - | - | - | - | 12,456.73 |
| Total (A) - Net | 8,81,871.71 | - | - | - | - | 8,81,871.71 |
| (B) | | | | | | |
| I) Secured by tangible assets (including book debts) | | | | | | |
| i) Gold Loan | 7,63,533.14 | - | - | - | - | 7,63,533.14 |
| ii) Corporate Loan | 1,177.32 | - | - | - | - | 1,177.32 |
| iii) Housing Loan | 12,296.32 | - | - | - | - | 12,296.32 |
| iv) Mortgage Loan | 951.35 | - | - | - | - | 951.35 |
| v) Vehicle Loan | 1,866.70 | - | - | - | - | 1,866.70 |
| vi) Business Loan | 17.64 | - | - | - | - | 17.64 |
| vii) Micro finance Loan | 57.31 | - | - | - | - | 57.31 |
| viii) Loan Against Property | 0.43 | - | - | - | - | 0.43 |
| viii) Other Loans | 4,883.16 | - | - | - | - | 4,883.16 |
| Total (I) - Gross | 7,84,783.37 | - | - | - | - | 7,84,783.37 |
| Less : Impairment loss allowance | 9,164.95 | - | - | - | - | 9,164.95 |
| Total (I) - Net | 7,75,618.42 | - | - | - | - | 7,75,618.42 |
| II) Covered by Bank / Government Guarantees | | | | | | |
| III) Unsecured | | | | | | |
| i) Personal Loan | 9,124.77 | - | - | - | - | 9,124.77 |
| ii) Staff Loan | 114.16 | - | - | - | - | 114.16 |
| iii) Project finance Loan | 0.19 | - | - | - | - | 0.19 |
| iv) Pledge Loan | 93.45 | - | - | - | - | 93.45 |
| v) Business Loan | 3,743.27 | - | - | - | - | 3,743.27 |
| vi) Micro finance Loan | 85,774.30 | - | - | - | - | 85,774.30 |
| vii) Insta Personal Loan | 9,095.13 | - | - | - | - | 9,095.13 |
| viii) Business Loan- SME | 1,389.93 | - | - | - | - | 1,389.93 |
| ix) Other Loans | 209.86 | - | - | - | - | 209.86 |
| Total (III) - Gross | 1,09,545.07 | - | - | - | - | 1,09,545.07 |
| Less : Impairment loss allowance | 3,291.78 | - | - | - | - | 3,291.78 |
| Total (III) - Net | 1,06,253.29 | - | - | - | - | 1,06,253.29 |
| Total (I+II+III) - Net | 8,81,871.71 | - | - | - | - | 8,81,871.71 |
| (C) (I) Loans in India | | | | | | |
| i) Public Sector | - | - | - | - | - | - |
| ii) Others | 8,89,041.77 | - | - | - | - | 8,89,041.77 |
| (C) (II) Loans outside India | | | | | | |
| i) Public Sector | - | - | - | - | - | - |
| ii) Others | 5,286.67 | - | - | - | - | 5,286.67 |
| Total (C) - Gross | 8,94,328.44 | - | - | - | - | 8,94,328.44 |
| Less: Impairment Loss Allowance (C) | 12,456.73 | - | - | - | - | 12,456.73 |
| Total (C) - Net | 8,81,871.71 | - | - | - | - | 8,81,871.71 |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 8: Loans (Contd..)

| Particulars | As at March 31, 2023 | | | | | Sub-total | Total |
|---|----------------------|------------------------------------|------------------------|---|---|--------------------|-------|
| | At Fair value | | | | | | |
| | Amortised Cost | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | | | |
| (A) | | | | | | | |
| i) Gold Loan | 6,43,544.27 | - | - | - | - | 6,43,544.27 | |
| ii) Corporate Loan | 1,437.32 | - | - | - | - | 1,437.32 | |
| iii) Personal Loan | 5,835.31 | - | - | - | - | 5,835.31 | |
| iv) Staff Loan | 35.21 | - | - | - | - | 35.21 | |
| v) Housing Loan | 9,152.87 | - | - | - | - | 9,152.87 | |
| vi) Project finance Loan | 0.17 | - | - | - | - | 0.17 | |
| vii) Mortgage Loan | 323.26 | - | - | - | - | 323.26 | |
| viii) Pledge Loan | 67.36 | - | - | - | - | 67.36 | |
| ix) Business Loan | 2,255.74 | - | - | - | - | 2,255.74 | |
| x) Vehicle Loan | 1,286.24 | - | - | - | - | 1,286.24 | |
| xi) Micro finance Loan | 47,410.41 | - | - | - | - | 47,410.41 | |
| xii) Insta Personal Loan | 1,599.07 | - | - | - | - | 1,599.07 | |
| xiii) Business Loan- SME | 15.24 | - | - | - | - | 15.24 | |
| xiv) Other Loans | 2,061.55 | - | - | - | - | 2,061.55 | |
| Total (A) - Gross | 7,15,024.02 | - | - | - | - | 7,15,024.02 | |
| Less : Impairment loss allowance | 9,480.18 | - | - | - | - | 9,480.18 | |
| Total (A) - Net | 7,05,543.84 | - | - | - | - | 7,05,543.84 | |
| (B) | | | | | | | |
| I) Secured by tangible assets (including book debts) | | | | | | | |
| i) Gold Loan | 6,43,544.27 | - | - | - | - | 6,43,544.27 | |
| ii) Corporate Loan | 1,437.32 | - | - | - | - | 1,437.32 | |
| iii) Housing Loan | 9,152.87 | - | - | - | - | 9,152.87 | |
| iv) Mortgage Loan | 323.26 | - | - | - | - | 323.26 | |
| v) Vehicle Loan | 1,286.24 | - | - | - | - | 1,286.24 | |
| vi) Business Loan | 21.54 | - | - | - | - | 21.54 | |
| vii) Micro finance Loan | 218.42 | - | - | - | - | 218.42 | |
| viii) Other Loans | 1,713.50 | - | - | - | - | 1,713.50 | |
| Total (I) - Gross | 6,57,697.42 | - | - | - | - | 6,57,697.42 | |
| Less : Impairment loss allowance | 8,158.13 | - | - | - | - | 8,158.13 | |
| Total (I) - Net | 6,49,539.29 | - | - | - | - | 6,49,539.29 | |
| II) Covered by Bank / Government Guarantees | | | | | | | |
| III) Unsecured | | | | | | | |
| i) Personal Loan | 5,835.31 | - | - | - | - | 5,835.31 | |
| ii) Staff Loan | 35.21 | - | - | - | - | 35.21 | |
| iii) Project finance Loan | 0.17 | - | - | - | - | 0.17 | |
| iv) Pledge Loan | 67.36 | - | - | - | - | 67.36 | |
| v) Business Loan | 2,234.20 | - | - | - | - | 2,234.20 | |
| vi) Micro finance Loan | 47,191.99 | - | - | - | - | 47,191.99 | |
| vii) Insta Personal Loan | 1,599.07 | - | - | - | - | 1,599.07 | |
| viii) Business Loan- SME | 15.24 | - | - | - | - | 15.24 | |
| ix) Other Loans | 348.05 | - | - | - | - | 348.05 | |
| Total (III) - Gross | 57,326.60 | - | - | - | - | 57,326.60 | |
| Less : Impairment loss allowance | 1,322.05 | - | - | - | - | 1,322.05 | |
| Total (III) - Net | 56,004.55 | - | - | - | - | 56,004.55 | |
| Total (I+II+III) - Net | 7,05,543.84 | - | - | - | - | 7,05,543.84 | |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 8: Loans (Contd..)

| Particulars | As at March 31, 2023 | | | | | | Total |
|-------------------------------------|----------------------|------------------------------|------------------------------|---|-----------|---|--------------------|
| | At Fair value | | | | | | |
| | Amortised Cost | Through Comprehensive Income | Other Through profit or loss | Designated at fair value through profit or loss | Sub-total | | |
| (C) (I) Loans in India | | | | | | | |
| i) Public Sector | - | - | - | - | - | - | - |
| ii) Others | 7,09,730.25 | - | - | - | - | - | 7,09,730.25 |
| (C) (II) Loans outside India | | | | | | | |
| i) Public Sector | - | - | - | - | - | - | - |
| ii) Others | 5,293.77 | - | - | - | - | - | 5,293.77 |
| Total (C) - Gross | 7,15,024.02 | - | - | - | - | - | 7,15,024.02 |
| Less: Impairment Loss Allowance (C) | 9,480.18 | - | - | - | - | - | 9,480.18 |
| Total (C) - Net | 7,05,543.84 | - | - | - | - | - | 7,05,543.84 |

8.1 Disclosures on Credit quality and analysis of ECL allowance of the company and its subsidiaries incorporated in India

8.1.1 Muthoot Finance Limited

Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 44..

| Particulars | As at March 31, 2024 | | | | As at March 31, 2023 | | | |
|---|----------------------|--------------------|------------------|--------------------|----------------------|--------------------|------------------|--------------------|
| | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total |
| Internal rating grade | | | | | | | | |
| Performing | | | | | | | | |
| High grade | 7,22,410.06 | - | - | 7,22,410.06 | 6,03,243.31 | - | - | 6,03,243.31 |
| Standard grade | 12,259.31 | - | - | 12,259.31 | 10,859.83 | - | - | 10,859.83 |
| Sub-standard grade | - | 10,597.71 | - | 10,597.71 | - | 5,762.32 | - | 5,762.32 |
| Past due but not impaired | - | 4,963.42 | - | 4,963.42 | - | 4,178.91 | - | 4,178.91 |
| Non-performing | | | | | | | | |
| Individually impaired | - | - | 24,845.28 | 24,845.28 | - | - | 23,985.95 | 23,985.95 |
| Total | 7,34,669.37 | 15,561.13 | 24,845.28 | 7,75,075.78 | 6,14,103.14 | 9,941.23 | 23,985.95 | 6,48,030.33 |
| EIR impact of Service charges received | | | | (711.02) | | | | (323.91) |
| Gross carrying amount closing balance net of EIR impact of service charge received | | | | 7,74,364.76 | | | | 6,47,706.42 |

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to receivables under financing activities is, as follows:

| Particulars | 2023-24 | | | | 2022-23 | | | |
|--|--------------------|--------------------|-------------|---------------|--------------------|--------------------|-------------|---------------|
| | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total |
| Gross carrying amount opening balance | 6,14,103.14 | 9,941.23 | 23,985.95 | 6,48,030.32 | 5,62,329.04 | 21,063.32 | 17,372.24 | 6,00,764.61 |
| New assets originated or purchased | 8,71,104.51 | - | - | 8,71,104.51 | 7,18,731.77 | - | - | 7,18,731.77 |
| Assets derecognised or repaid (excluding write offs) | (7,18,466.81) | (7,304.45) | (18,022.98) | (7,43,794.24) | (6,37,138.61) | (18,839.36) | (15,318.92) | (6,71,296.89) |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 8: Loans (Contd..)

| Particulars | 2023-24 | | | | 2022-23 | | | |
|---|-----------------------|-----------------------|------------------|--------------------|-----------------------|-----------------------|------------------|--------------------|
| | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total |
| Transfers to Stage 1 | 5.95 | (4.58) | (1.37) | - | 33.32 | (31.28) | (2.04) | - |
| Transfers to Stage 2 | (14,547.97) | 14,548.32 | (0.35) | - | (8,484.27) | 8,485.31 | (1.04) | - |
| Transfers to Stage 3 | (17,529.45) | (1,619.40) | 19,148.83 | - | (21,368.11) | (736.76) | 22,104.87 | - |
| Amounts written off | - | - | (264.80) | (264.80) | - | - | (169.16) | (169.16) |
| Gross carrying amount closing balance | 7,34,669.37 | 15,561.13 | 24,845.28 | 7,75,075.78 | 6,14,103.14 | 9,941.23 | 23,985.95 | 6,48,030.33 |
| EIR impact of Service charges received | | | | (711.02) | | | | (323.91) |
| Gross carrying amount closing balance net of EIR impact of service charge received | | | | 7,74,364.76 | | | | 6,47,706.42 |

Reconciliation of ECL balance is given below:

| Particulars | 2023-24 | | | | 2022-23 | | | |
|--|-----------------------|-----------------------|-----------------|-----------------|-----------------------|-----------------------|-----------------|-----------------|
| | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total |
| ECL allowance - opening balance | 5,092.93 | 99.97 | 2,464.72 | 7,657.62 | 5,169.69 | 209.80 | 1,839.42 | 7,218.91 |
| New assets originated or purchased | 7,145.93 | - | - | 7,145.93 | 5,859.16 | - | - | 5,859.16 |
| Assets derecognised or repaid (excluding write offs) | (5,760.80) | (74.49) | (1,858.93) | (7,694.22) | (5,751.47) | (183.72) | (1,605.91) | (7,541.10) |
| Transfers to Stage 1 | 2.07 | (0.69) | (1.38) | - | 7.61 | (5.56) | (2.05) | - |
| Transfers to Stage 2 | (117.40) | 117.40 | - | - | (77.31) | 78.34 | (1.04) | (0.01) |
| Transfers to Stage 3 | (143.73) | (15.68) | 159.41 | - | (194.91) | (8.71) | 203.62 | - |
| Impact on year end ECL of exposures transferred between stages during the year | (19.83) | 148.81 | 2,376.76 | 2,505.74 | 80.16 | 9.82 | 2,199.84 | 2,289.82 |
| Amounts written off | - | - | (264.80) | (264.80) | - | - | (169.16) | (169.16) |
| ECL allowance - closing balance | 6,199.17 | 275.32 | 2,875.78 | 9,350.27 | 5,092.93 | 99.97 | 2,464.72 | 7,657.62 |

8.1.2 Muthoot Money Limited

Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

| Particulars | As at March 31, 2024 | | | | As at March 31, 2023 | | | |
|--|----------------------|---------------|---------------|------------------|----------------------|--------------|---------------|-----------------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| Internal rating grade | | | | | | | | |
| Performing | | | | | | | | |
| High grade | 10,891.40 | - | - | 10,891.40 | 3,527.30 | - | - | 3,527.30 |
| Standard grade | 297.64 | - | - | 297.64 | 182.25 | - | - | 182.25 |
| Sub-standard grade | - | 148.75 | - | 148.75 | - | 59.97 | - | 59.97 |
| Past due but not impaired | - | 59.29 | - | 59.29 | - | 13.66 | - | 13.66 |
| Non- performing | | | | | | | | |
| Individually impaired | - | - | 166.66 | 166.66 | - | - | 144.31 | 144.31 |
| Total | 11,189.04 | 208.03 | 166.66 | 11,563.74 | 3,709.54 | 73.63 | 144.31 | 3,927.49 |
| EIR impact of Service Charges Received and Commission Paid | (0.70) | 0.01 | 0.01 | (0.68) | (0.86) | 0.03 | 0.05 | (0.78) |
| Gross carrying amount closing balance net of EIR impact of service charges received | 11,188.34 | 208.04 | 166.67 | 11,563.06 | 3,708.69 | 73.67 | 144.36 | 3,926.71 |

Notes

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 8: Loans (Contd..)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to receivables under financing activities is, as follows:

| Particulars | 2023-24 | | | | 2022-23 | | | |
|--|------------------|---------------|---------------|------------------|-----------------|--------------|---------------|-----------------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| Gross carrying amount opening balance | 3,709.54 | 73.64 | 144.31 | 3,927.49 | 1,341.27 | 592.39 | 136.89 | 2,070.54 |
| New assets originated or purchased | 10,802.66 | 53.72 | 20.53 | 10,876.92 | 3,176.69 | 11.09 | 4.13 | 3,191.91 |
| Assets derecognised or repaid (excluding write offs) | (3,094.73) | (53.71) | (92.23) | (3,240.66) | (874.60) | (369.06) | (91.31) | (1,334.97) |
| Transfers to Stage 1 | 6.79 | (3.96) | (2.83) | - | 116.85 | (106.89) | (9.96) | - |
| Transfers to Stage 2 | (148.28) | 149.93 | (1.66) | - | (30.25) | 32.57 | (2.32) | - |
| Transfers to Stage 3 | (86.94) | (11.59) | 98.53 | - | (20.42) | (86.45) | 106.87 | - |
| Amounts written off | - | - | - | - | - | - | - | - |
| Gross carrying amount closing balance | 11,189.04 | 208.04 | 166.66 | 11,563.74 | 3,709.54 | 73.64 | 144.31 | 3,927.49 |
| EIR impact of Service Charges Received and Commission Paid | (0.70) | 0.01 | 0.01 | (0.68) | (0.86) | 0.03 | 0.05 | (0.78) |
| Gross carrying amount closing balance net of EIR impact of service charges received | 11,188.35 | 208.03 | 166.67 | 11,563.06 | 3,708.68 | 73.67 | 144.35 | 3,926.71 |

Reconciliation of ECL balance is given below:

| Particulars | 2023-24 | | | | 2022-23 | | | |
|--|--------------|-------------|--------------|---------------|--------------|-------------|--------------|--------------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| ECL allowance - opening balance | 18.09 | 4.27 | 55.32 | 77.68 | 6.43 | 2.81 | 51.35 | 60.59 |
| Changes in ECL rates | 5.89 | (0.89) | (1.34) | 3.66 | 3.37 | 33.17 | 1.64 | 38.17 |
| New assets originated or purchased | 45.21 | 2.59 | 7.79 | 55.60 | 14.37 | 0.67 | 1.34 | 16.39 |
| Assets derecognised or repaid (excluding write offs) | (13.39) | (2.45) | (34.25) | (50.08) | (5.58) | (22.41) | (35.33) | (63.32) |
| Transfers to Stage 1 | 0.04 | (0.19) | (1.07) | (1.23) | 0.82 | (6.49) | (3.85) | (9.52) |
| Transfers to Stage 2 | (0.65) | 2.89 | (0.63) | 1.61 | (0.20) | 1.78 | (0.90) | 0.68 |
| Transfers to Stage 3 | (0.40) | (0.54) | 23.69 | 22.75 | (0.14) | (5.25) | 41.08 | 35.69 |
| Impact on year end ECL of exposures transferred between stages during the year | (7.49) | - | - | (7.49) | (0.99) | - | - | (0.99) |
| Amounts written off | - | - | - | - | - | - | - | - |
| ECL allowance - closing balance | 47.31 | 5.69 | 49.51 | 102.51 | 18.09 | 4.27 | 55.32 | 77.68 |

8.1.3 Belstar Microfinance Limited

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

| Particulars | As at March 31, 2024 | | | | As at March 31, 2023 | | | |
|------------------------------|----------------------|-----------------|-----------------|------------------|----------------------|---------------|-----------------|------------------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| Internal rating grade | | | | | | | | |
| Performing | | | | | | | | |
| High grade | 82,546.71 | - | - | 82,546.71 | 45,599.87 | - | - | 45,599.87 |
| Standard grade | 479.67 | - | - | 479.67 | 170.27 | - | - | 170.27 |
| Sub-standard grade | - | 589.74 | - | 589.74 | - | 174.01 | - | 174.01 |
| Past due but not impaired | - | 434.91 | - | 434.91 | - | 143.43 | - | 143.43 |
| Non - performing | | | | | | | | |
| Individually impaired | - | - | 1,560.28 | 1,560.28 | - | - | 1,144.81 | 1,144.81 |
| Total | 83,026.38 | 1,024.65 | 1,560.28 | 85,611.31 | 45,770.14 | 317.44 | 1,144.81 | 47,232.39 |

Notes

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 8: Loans (Contd..)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to receivables under financing activities is, as follows:

| Particulars | 2023-24 | | | | 2022-23 | | | |
|--|------------------|-----------------|-----------------|------------------|------------------|---------------|-----------------|------------------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| Gross carrying amount opening balance | 45,770.14 | 317.44 | 1,144.81 | 47,232.39 | 33,834.19 | 1,800.93 | 2,145.00 | 37,780.12 |
| New assets originated or purchased (net of repayment) | 74,572.11 | - | - | 74,572.11 | 41,626.14 | - | - | 41,626.14 |
| Assets derecognised or repaid (excluding write offs) | (33,828.51) | (215.04) | (373.45) | (34,417.00) | (26,885.94) | (542.57) | (2,025.90) | (29,454.41) |
| Transfers to Stage 1 | 10.75 | (6.44) | (4.31) | - | 34.42 | (30.97) | (3.45) | - |
| Transfers to Stage 2 | (1,189.72) | 1,189.96 | (0.24) | - | (634.69) | 637.71 | (3.02) | - |
| Transfers to Stage 3 | (2,308.39) | (261.27) | 2,569.66 | - | (2,203.98) | (1,547.66) | 3,751.64 | - |
| Amounts written off | - | - | (1,776.19) | (1,776.19) | - | - | (2,719.46) | (2,719.46) |
| Gross carrying amount closing balance | 83,026.38 | 1,024.65 | 1,560.28 | 85,611.31 | 45,770.14 | 317.44 | 1,144.81 | 47,232.39 |

Reconciliation of ECL balance is given below:

| Particulars | For the year ended March 31, 2024 | | | | For the year ended March 31, 2023 | | | |
|--|-----------------------------------|---------------|-----------------|-----------------|-----------------------------------|--------------|---------------|---------------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| ECL allowance - opening balance | 30.77 | 86.72 | 839.54 | 957.03 | 114.09 | 504.25 | 1,619.25 | 2,237.59 |
| New assets originated or purchased | 1,320.62 | - | - | 1,320.62 | 175.44 | - | - | 175.44 |
| Assets derecognised or repaid (excluding write offs) | (10.90) | (13.92) | (117.14) | (141.96) | (111.81) | (92.24) | (186.98) | (391.03) |
| Transfers to Stage 1 | 4.71 | (1.74) | (2.97) | - | 9.42 | (7.01) | (2.41) | - |
| Transfers to Stage 2 | (262.15) | 262.31 | (0.16) | - | (49.68) | 51.78 | (2.10) | - |
| Transfers to Stage 3 | (591.20) | (73.14) | 664.34 | - | (110.10) | (455.62) | 565.72 | - |
| Impact on ECL of exposures transferred between stages during the year | 48.91 | 120.32 | 1,807.66 | 1,976.89 | 3.41 | 85.56 | 1,565.52 | 1,654.49 |
| Amounts written off | - | - | (1,776.19) | (1,776.19) | - | - | (2,719.46) | (2,719.46) |
| ECL allowance - closing balance | 540.76 | 380.55 | 1,415.08 | 2,336.39 | 30.77 | 86.72 | 839.54 | 957.03 |

8.1.4 Muthoot Homefin (India) Limited

Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

| Particulars | As at March 31, 2024 | | | | As at March 31, 2023 | | | |
|------------------------------|-----------------------|-----------------------|---------------|------------------|-----------------------|-----------------------|---------------|------------------|
| | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total |
| Internal rating grade | | | | | | | | |
| Performing | | | | | | | | |
| High grade | 16,185.90 | - | - | 16,185.90 | 9,451.05 | - | - | 9,451.05 |
| Standard grade | 267.63 | - | - | 267.63 | 310.79 | - | - | 310.79 |
| Sub-standard grade | - | 276.48 | - | 276.48 | - | 243.63 | - | 243.63 |
| Past due but not impaired | - | 40.59 | - | 40.59 | - | 446.72 | - | 446.72 |
| Non-performing | | | | | | | | |
| Individually impaired | - | - | 321.21 | 321.21 | - | - | 436.33 | 436.33 |
| Total | 16,453.53 | 317.07 | 321.21 | 17,091.81 | 9,761.84 | 690.35 | 436.33 | 10,888.52 |
| Ind AS Adjustment | | | | (7.26) | | | | (23.79) |
| Gross Carrying Amount | | | | 17,084.55 | | | | 10,864.73 |

Notes

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 8: Loans (Contd..)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to receivables under financing activities is, as follows:

| Particulars | 2023-24 | | | | 2022-23 | | | |
|---|-----------------------|-----------------------|---------------|------------------|-----------------------|-----------------------|---------------|------------------|
| | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total |
| Gross carrying amount - opening balance | 9,761.84 | 690.35 | 436.33 | 10,888.52 | 8,921.86 | 1,365.48 | 309.21 | 10,596.55 |
| New assets originated or purchased/further increase in existing assets | 8,853.67 | - | - | 8,853.67 | 2,288.26 | - | - | 2,288.26 |
| Moratorium and Restructuring | - | - | - | - | - | - | - | - |
| Assets derecognised or repaid (excluding write offs) | (2,329.93) | (55.92) | (72.36) | (2,458.21) | (1,808.94) | (164.58) | (22.77) | (1,996.29) |
| Transfers to Stage 1 | 420.97 | (372.82) | (48.15) | - | 595.04 | (501.79) | (93.24) | - |
| Transfers to Stage 2 | (159.04) | 163.92 | (4.88) | - | (168.82) | 180.79 | (11.97) | - |
| Transfers to Stage 3 | (93.98) | (108.46) | 202.44 | - | (65.56) | (189.55) | 255.11 | - |
| Changes to contractual cash flows due to modifications not resulting in derecognition | - | - | - | - | - | - | - | - |
| Amounts written off | - | - | (192.17) | (192.17) | - | - | - | - |
| Gross carrying amount - closing balance | 16,453.53 | 317.07 | 321.21 | 17,091.81 | 9,761.84 | 690.35 | 436.33 | 10,888.52 |
| Ind AS Adjustment | | | | (7.26) | | | | (23.79) |
| Gross Carrying Amount | | | | 17,084.55 | | | | 10,864.73 |

Reconciliation of ECL balance is given below:

| Particulars | 2023-24 | | | | 2022-23 | | | |
|--|-----------------------|-----------------------|---------------|---------------|-----------------------|-----------------------|---------------|---------------|
| | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total | Stage 1 Collective | Stage 2 Collective | Stage 3 | Total |
| ECL allowance - opening balance | 35.66 | 32.79 | 289.36 | 357.81 | 36.37 | 43.13 | 177.62 | 257.12 |
| ECL Remeasurements due to changes in EAD / assumptions | 26.07 | (4.21) | (40.38) | (18.52) | (0.41) | (2.52) | (20.02) | (22.95) |
| Assets derecognised or repaid (excluding write offs) | - | - | - | - | - | - | - | - |
| Transfers to Stage 1 | 1.68 | (28.07) | (26.87) | (53.26) | (0.50) | (7.69) | (81.96) | (90.15) |
| Transfers to Stage 2 | (0.64) | 12.34 | (2.72) | 8.98 | 0.14 | 2.77 | (10.52) | (7.61) |
| Transfers to Stage 3 | (0.38) | (8.16) | 112.97 | 104.43 | 0.06 | (2.90) | 224.24 | 221.40 |
| Amounts written off | - | - | (107.24) | (107.24) | - | - | - | - |
| ECL allowance - closing balance | 62.39 | 4.69 | 225.12 | 292.20 | 35.66 | 32.79 | 289.36 | 357.81 |

8.2 Belstar Microfinance Limited

During the previous year, Belstar Microfinance Limited (BML) had sold certain stressed loan receivables to an Asset Reconstruction Company ("ARC") and had subscribed to the Security Receipts ("SRs") issued by the ARC trust (classified under Fair Value through Profit or Loss). As at March 31, 2024, the face value of the above SRs aggregates to Rs 472.71 million and the corresponding NAV declared by the ARC Trust is Rs. 336.31 million. As in the previous year, BML continues to apply the principles prescribed under the Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 in determining the fair value of the SR's at each reporting date, and accordingly, a loss on fair value changes considering the notional provisioning rate applicable if these loans had continued in the books of BML amounting to Rs. 193.06 million was recognised against the face value of these SRs in the previous year and additional loss on fair value changes applying the same ratio amounting to Rs. 279.65 Million was recognised during the year, as disclosed under Note No. 27. As a result of the above, the net carrying value of these SRs as at March 31, 2024 is NIL

Notes

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 9: Investments

| Particulars | As at March 31, 2024 | | | | | |
|--|----------------------|------------------------------------|------------------------|---|-----------------|-----------------|
| | Amortised Cost | At Fair value | | | Sub-total | Total |
| | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | | |
| i) Mutual funds | - | - | 48.82 | - | 48.82 | 48.82 |
| ii) Government securities | 1,855.82 | - | - | - | - | 1,855.82 |
| iii) Other approved securities | 540.15 | - | - | - | - | 540.15 |
| iv) Debt securities | 337.18 | - | - | - | - | 337.18 |
| v) Equity instruments | - | 2,251.59 | 232.38 | - | 2,483.97 | 2,483.97 |
| vi) Others | - | - | - | - | - | - |
| Investment in reverse re-purchase against treasury bills and bonds | 463.58 | - | - | - | - | 463.58 |
| Investment in Security Receipts | - | - | 1,395.20 | - | 1,395.20 | 1,395.20 |
| Total Gross (A) | 3,196.73 | 2,251.59 | 1,676.40 | - | 3,927.99 | 7,124.72 |
| i) Investments outside India | 1,142.91 | 329.45 | - | - | 329.45 | 1,472.36 |
| ii) Investments in India | 2,053.82 | 1,922.14 | 1,676.40 | - | 3,598.54 | 5,652.36 |
| Total Gross (B) | 3,196.73 | 2,251.59 | 1,676.40 | - | 3,927.99 | 7,124.72 |
| Less : Allowance for impairment loss (C) | - | - | - | - | - | - |
| Total - Net D = (A) - (C) | 3,196.73 | 2,251.59 | 1,676.40 | - | 3,927.99 | 7,124.72 |

| Particulars | As at March 31, 2023 | | | | | |
|--|----------------------|------------------------------------|------------------------|---|-----------------|-----------------|
| | Amortised Cost | At Fair value | | | Sub-total | Total |
| | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | | |
| i) Mutual funds | - | - | 45.69 | - | 45.69 | 45.69 |
| ii) Government securities | 1,874.62 | - | - | - | - | 1,874.62 |
| iii) Other approved securities | 179.56 | - | - | - | - | 179.56 |
| iv) Debt securities | 298.21 | - | - | - | - | 298.21 |
| v) Equity instruments | - | 1,875.66 | 0.03 | - | 1,875.69 | 1,875.69 |
| vi) Others | - | - | - | - | - | - |
| Investment in reverse re-purchase against treasury bills and bonds | 610.47 | - | - | - | - | 610.47 |
| Investment in Security Receipts | - | - | 765.95 | - | 765.95 | 765.95 |
| Total Gross (A) | 2,962.86 | 1,875.66 | 811.67 | - | 2,687.33 | 5,650.19 |
| i) Investments outside India | 890.24 | 452.03 | - | - | 452.03 | 1,342.27 |
| ii) Investments in India | 2,072.62 | 1,423.63 | 811.67 | - | 2,235.30 | 4,307.92 |
| Total Gross (B) | 2,962.86 | 1,875.66 | 811.67 | - | 2,687.33 | 5,650.19 |
| Less : Allowance for impairment loss (C) | - | - | (193.07) | - | (193.07) | (193.07) |
| Total - Net D = (A) - (C) | 2,962.86 | 1,875.66 | 618.60 | - | 2,494.26 | 5,457.12 |

Notes

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 9: Investments

9.1 Details of investments are as follows :

Mutual funds

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|-------------------------------|----------------------|--------------|----------------------|--------------|
| | Units* | Amount | Units* | Amount |
| SBI Crisil IBX SDL index Fund | 44,04,333.12 | 48.82 | 44,04,333.12 | 45.69 |
| Total | | 48.82 | | 45.69 |

Government securities

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|------------------------------------|----------------------|-----------------|----------------------|-----------------|
| | Units* | Amount | Units* | Amount |
| Kerala State Development Loan | - | - | 1,00,000 | 10.09 |
| Karnataka State Development Loan | 14,90,300 | 151.55 | 14,90,300 | 151.55 |
| Tamilnadu State Development Loan | - | - | 1,00,000 | 10.27 |
| Punjab State Development Loan | 20,00,000.00 | 203.87 | 20,00,000.00 | 203.92 |
| Maharashtra State Development Loan | 40,00,000.00 | 394.44 | 40,00,000.00 | 393.76 |
| Central Government Securities | 1,15,00,000.00 | 1,105.96 | 1,15,00,000.00 | 1,105.03 |
| Total | | 1,855.82 | | 1,874.62 |

Other approved securities

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|--------------------------|----------------------|---------------|----------------------|---------------|
| | Units* | Amount | Units* | Amount |
| Investment in Unit Trust | 3,98,78,733 | 540.15 | 2,39,10,916 | 179.56 |
| Total | | 540.15 | | 179.56 |

Debt securities

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|--|----------------------|---------------|----------------------|---------------|
| | Units* | Amount | Units* | Amount |
| MLD - Shriram City Union Finance Limited | 13,80,000 | 138.00 | 13,80,000 | 138.00 |
| NCD - Muthoot Fincorp Limited | 60,000 | 60.00 | 60,000 | 60.00 |
| NCD - Seylan Bank | 5,17,425 | 14.35 | - | - |
| Investment in Commercial Paper | 1 | 124.83 | 1 | 100.21 |
| Total | | 337.18 | | 298.21 |

Equity instruments

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|--|----------------------|-----------------|----------------------|---------------|
| | Units* | Amount | Units* | Amount |
| Quoted | | | | |
| Union Bank of India | 454 | 0.07 | 454 | 0.03 |
| Muthoot Microfin | 11,62,707 | 232.31 | - | - |
| ESAF Small Finance Bank Limited | 1,87,17,244 | 1,014.47 | 1,87,17,244 | 772.65 |
| Nabil Bank Limited, Nepal (Refer Note 9.2) | 11,98,531 | 329.45 | 11,98,531 | 452.03 |
| Subtotal | | 1,576.30 | | 452.06 |

Notes

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 9: Investments (Contd..)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | Units* | Amount | Units* | Amount |
| Unquoted | | | | |
| Muthoot Forex Limited | 19,70,000 | 173.04 | 19,70,000 | 153.76 |
| Muthoot Securities Limited | 27,00,000 | 315.60 | 27,00,000 | 238.79 |
| CRIF Highmark Credit Information Service Private Limited | 19,26,531 | 419.03 | 19,26,531 | 258.43 |
| Subtotal | | 907.67 | | 1,423.63 |
| Total | | 2,483.97 | | 1,875.69 |

Investment in reverse re-purchase against treasury bills and bonds

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|------------------------------|----------------------|---------------|----------------------|---------------|
| | Units | Amount | Units | Amount |
| Investment in Treasury bills | 7 | 463.58 | 9 | 610.47 |
| Total | | 463.58 | | 610.47 |

Security Receipts

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|----------------------|-----------------|----------------------|----------|
| | Units | Amount | Units | Amount |
| Arcil-Retail Loan Portfolio-091-A-Trust | 59,56,797 | 1,395.20 | - | - |
| Total | | 1,395.20 | | - |

*The number of units are in whole numbers

9.2 : The Company holds 1,198,531 equity shares of Nepalese Rupee 100/- each in Nabil Bank Limited, Nepal as at March 31, 2024. The management does not have significant influence over the entity as specified in Ind AS-28 - Investments in Associates and Joint Ventures; and has elected to recognise and measure the investment at fair value through OCI as per the requirements of Ind AS 109 – Financial Instruments.

Note 10: Other financial assets

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Security deposits | 1,486.12 | 1,054.44 |
| Interest accrued on fixed deposits with banks and investment in TREPS (Refer Note 5.3) | 70.89 | 64.36 |
| Interest accrued on Investments | 18.63 | 6.64 |
| Interest only strip | 1,154.54 | 1,047.19 |
| Receivable towards assignment transactions | 831.45 | 907.34 |
| Other financial assets | 574.49 | 373.03 |
| Total | 4,136.12 | 3,453.00 |

Notes

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(Rupees in millions, except for share data and unless otherwise stated)

Note 11: Investment property

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Gross carrying amount | | |
| As at April 01, 2023/ April 01, 2022 | 84.15 | 95.49 |
| Additions during the year | 0.40 | 0.17 |
| Asset transferred to Investment property | - | - |
| Disposal during the year | - | (8.81) |
| Expense capitalised during the year | - | - |
| Exchange differences | 9.22 | (2.70) |
| As at March 31, 2024/ March 31, 2023 | 93.77 | 84.15 |
| Accumulated depreciation | | |
| As at April 01, 2023/ April 01, 2022 | 2.13 | 2.08 |
| Charge for the year | 0.32 | 0.30 |
| Disposal | - | (0.21) |
| Impairment for the year | - | - |
| Exchange differences | 0.25 | (0.04) |
| As at March 31, 2024/ March 31, 2023 | 2.70 | 2.13 |
| Net carrying amount | 91.07 | 82.02 |

The fair value of investment property is ₹ 135.58 millions (31 March 2023: ₹ 119.82 millions) as determined by valuations carried out by independent valuer.

Amounts recognised in Statement of Profit and Loss for Investment property

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Rental income from investment property | - | 0.01 |
| Direct operating expenses arising from investment property that generated rental income during the year | - | - |
| Direct operating expenses arising from investment property that did not generate rental income during the year | - | - |
| Profit from investment property before depreciation | - | 0.01 |
| Depreciation charge for the year | 0.32 | 0.30 |
| Profit/ (loss) from investment property after depreciation | (0.32) | (0.29) |

Note 12: Property, plant and equipment

| | Land | Leasehold improvements | Buildings | Furniture and Fixtures | Plant and Equipment* | Computer ** | Vehicles | Wind Mill | Total | Capital work-in-progress |
|-----------------------------|---------------|------------------------|-----------------|------------------------|----------------------|---------------|---------------|--------------|-----------------|--------------------------|
| Gross block- at cost | | | | | | | | | | |
| As at April 01, 2022 | 842.19 | 59.21 | 690.40 | 1,097.37 | 1,840.96 | 629.64 | 123.30 | 23.35 | 5,306.42 | 523.44 |
| Additions | - | 18.62 | 325.24 | 220.98 | 435.04 | 147.01 | 0.66 | - | 1,147.55 | 217.79 |
| Disposals | - | (18.26) | - | (4.41) | (20.04) | (0.05) | (3.00) | - | (45.76) | (66.96) |
| Exchange differences | - | - | - | (0.30) | (2.03) | (0.61) | (0.50) | - | (3.44) | - |
| As at March 31, 2023 | 842.19 | 59.57 | 1,015.64 | 1,313.64 | 2,253.93 | 775.99 | 120.46 | 23.35 | 6,404.77 | 674.27 |
| Additions | - | 8.84 | 736.38 | 305.74 | 508.65 | 214.06 | 24.44 | - | 1,798.11 | 313.44 |
| Revaluation | - | - | - | - | - | - | 12.07 | - | 12.07 | - |
| Disposals | - | (0.88) | (6.07) | (1.62) | (28.37) | (34.85) | (30.63) | - | (102.42) | (104.55) |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 12: Property, plant and equipment (Contd..)

| | Land | Leasehold improvements | Buildings | Furniture and Fixtures | Plant and Equipment* | Computer ** | Vehicles | Wind Mill | Total | Capital work-in-progress |
|---------------------------------|---------------|------------------------|-----------------|------------------------|----------------------|---------------|---------------|--------------|-----------------|--------------------------|
| Exchange differences | - | - | - | 1.74 | 4.79 | 2.46 | 1.77 | - | 10.76 | - |
| As at March 31, 2024 | 842.19 | 67.53 | 1,745.95 | 1,619.50 | 2,739.00 | 957.66 | 128.11 | 23.35 | 8,123.29 | 883.16 |
| Accumulated depreciation | | | | | | | | | | |
| As at April 01, 2022 | - | 34.43 | 248.62 | 566.15 | 1,069.66 | 480.84 | 81.61 | 8.19 | 2,489.50 | - |
| Charge for the year | - | 6.32 | 50.25 | 185.16 | 307.53 | 117.52 | 12.49 | 1.25 | 680.52 | - |
| Disposals | - | (13.49) | - | (2.75) | (17.11) | (0.03) | (2.53) | - | (35.91) | - |
| Exchange differences | - | - | - | (0.11) | (1.06) | (0.19) | (0.35) | - | (1.71) | - |
| As at March 31, 2023 | - | 27.26 | 298.87 | 748.45 | 1,359.02 | 598.14 | 91.22 | 9.44 | 3,132.40 | - |
| Charge for the year | - | 9.09 | 93.84 | 192.96 | 363.71 | 144.77 | 13.33 | 1.15 | 818.85 | - |
| Disposals | - | - | (2.18) | (1.55) | (24.91) | (32.87) | (28.02) | - | (89.53) | - |
| Exchange differences | - | - | - | 0.09 | 2.96 | 1.65 | 1.63 | - | 6.33 | - |
| As at March 31, 2024 | - | 36.35 | 390.53 | 939.95 | 1,700.78 | 711.69 | 78.16 | 10.59 | 3,868.05 | - |
| Net Block | | | | | | | | | | |
| As at March 31, 2023 | 842.19 | 32.31 | 716.77 | 565.19 | 894.91 | 177.85 | 29.24 | 13.91 | 3,272.37 | 674.27 |
| As at March 31, 2024 | 842.19 | 31.18 | 1,355.42 | 679.55 | 1,038.22 | 245.97 | 49.95 | 12.76 | 4,255.24 | 883.16 |

*Includes Office equipment

**Includes Server and networking

The Group has not revalued its Property, Plant and equipment (including Right-of-Use asset) during the year, except for subsidiary Asia Asset Finance PLC which has revalued its Vehicles.

12.1 Capital work-in-progress (CWIP) aging schedule

| Particulars | As at March 31, 2024 | | | | |
|--------------------------------|--------------------------------|-------------|-------------|-------------------|--------|
| | Amount in CWIP for a period of | | | | |
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| Projects in progress | 268.34 | 184.80 | 65.00 | 365.02 | 883.16 |
| Projects temporarily suspended | - | - | - | - | - |

| Particulars | As at March 31, 2023 | | | | |
|--------------------------------|--------------------------------|-------------|-------------|-------------------|--------|
| | Amount in CWIP for a period of | | | | |
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| Projects in progress | 217.79 | 71.71 | 97.41 | 287.36 | 674.27 |
| Projects temporarily suspended | - | - | - | - | - |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 13: Right to use assets

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------------|-------------------------|-------------------------|
| Opening carrying value | 142.23 | 147.80 |
| Addition during the year | 35.72 | 68.72 |
| Deductions | - | (0.47) |
| Exchange Gain/(Loss) | 3.86 | (2.27) |
| Depreciation for the year | (70.70) | (71.55) |
| Closing Carrying value | 111.11 | 142.23 |

Note 14: Other Intangible Assets

| | Computer software | Total | Intangible asset under developments |
|---------------------------------|----------------------|---------------|---|
| Gross block- at cost | | | |
| As at April 01, 2022 | 307.13 | 307.13 | 0.49 |
| Additions | 31.84 | 31.84 | 0.44 |
| Disposal | (5.40) | (5.40) | (0.49) |
| Exchange differences | (0.47) | (0.47) | - |
| As at March 31, 2023 | 333.10 | 333.10 | 0.44 |
| Additions | 29.54 | 29.54 | 3.65 |
| Disposal | - | - | (0.44) |
| Exchange differences | 2.12 | 2.12 | - |
| As at March 31, 2024 | 364.76 | 364.76 | 3.65 |
| Accumulated amortisation | | | |
| As at April 01, 2022 | 248.39 | 248.39 | - |
| Charge for the year | 29.24 | 29.24 | - |
| Exchange differences | (0.02) | (0.02) | - |
| Disposal | (3.36) | (3.36) | - |
| Impairment for the year | - | - | - |
| As at March 31, 2023 | 274.25 | 274.25 | - |
| Charge for the year | 31.19 | 31.19 | - |
| Exchange differences | 0.97 | 0.97 | - |
| Disposal | - | - | - |
| Impairment for the year | - | - | - |
| As at March 31, 2024 | 306.41 | 306.41 | - |
| Net Block | | | |
| As at March 31, 2023 | 58.85 | 58.85 | 0.44 |
| As at March 31, 2024 | 58.35 | 58.35 | 3.65 |

14.1 Intangible assets under development aging schedule

| Particulars | As at March 31, 2024 | | | | |
|--------------------------------|---|----------------|----------------|----------------------|-------|
| | Amount in intangible assets under development for a period of | | | | |
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| Projects in progress | 3.65 | - | - | - | 3.65 |
| Projects temporarily suspended | - | - | - | - | - |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 14: Other Intangible Assets (Contd..)

| Particulars | As at March 31, 2023 | | | | |
|--------------------------------|---|----------------|----------------|----------------------|-------|
| | Amount in intangible assets under development for a period of | | | | |
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| Projects in progress | 0.44 | - | - | - | 0.44 |
| Projects temporarily suspended | - | - | - | - | - |

Note 15: Other Non-financial assets

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Balances with government authorities | 245.14 | 120.33 |
| Prepaid expenses | 220.63 | 184.31 |
| Capital advances | 314.96 | 130.60 |
| Advance to supplier | 54.71 | 51.09 |
| Stock of gold | 4.25 | 4.25 |
| Balances receivable from government authorities | 98.66 | 173.70 |
| Insurance claim receivable | 96.77 | 17.43 |
| CSR Pre-spent account | 4.10 | 7.80 |
| Other Receivables | 220.87 | 244.50 |
| Total | 1,260.09 | 934.01 |

Note 16: Payables

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Trade Payables | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 7.68 | 7.20 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 1,381.23 | 871.23 |
| Total | 1,388.91 | 878.43 |

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Other Payables | | |
| (i) total outstanding dues of micro enterprises and small enterprises | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 1,280.77 | 1,119.71 |
| Total | 1,280.77 | 1,119.71 |

Notes

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 16: Payables (Contd..)

16.1 Trade Payables Ageing Schedule

| Particulars | As at March 31,2024 | | | | |
|-----------------------------|--|----------------|----------------|----------------------|----------|
| | Outstanding for following periods from due date of payment | | | | |
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| (i) MSME | 7.68 | - | - | - | 7.68 |
| (ii) Others | 1,249.27 | 31.13 | 11.32 | 89.51 | 1,381.23 |
| (iii) Disputed dues – MSME | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - |

| Particulars | As at March 31,2023 | | | | |
|-----------------------------|--|----------------|----------------|----------------------|--------|
| | Outstanding for following periods from due date of payment | | | | |
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| (i) MSME | 7.20 | - | - | - | 7.20 |
| (ii) Others | 748.86 | 20.58 | 14.44 | 87.35 | 871.23 |
| (iii) Disputed dues – MSME | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - |

Note 17: Debt Securities

| Particulars | As at March 31, 2024 | | | |
|--|-------------------------|---|--|-------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total |
| Secured Non-Convertible Debentures* Refer note 17.1, 17.2 & 17.3 (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances and receivables including gold loan receivables / Secured by pari passu charge on current assets, book debts , loans & advances and receivables including gold loan receivables) | 483.69 | - | - | 483.69 |
| Secured Non-Convertible Debentures -Listed ** Refer note 17.4 , 17.5 & 17.7 (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts , loans & advances and receivables including gold loan receivables / Secured by pari passu floating charge on current assets, book debts , loans & advances and receivables including gold loan receivables) | 1,49,088.92 | - | - | 1,49,088.92 |
| Secured Non-Convertible Debentures -Listed ** Refer note 17.6 & 17.8, (Secured by exclusive charge on identified Loan receivables) | 4,989.65 | - | - | 4,989.65 |
| Principle Protected Market Linked Secured Non Convertible Debentures- Listed** Refer note 17.9 (Secured by pari passu floating charge on current assets, book debts and Loans & advances and receivables including gold loan receivables) | 8,201.00 | - | - | 8,201.00 |

Notes

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 17: Debt Securities (Contd..)

| Particulars | As at March 31, 2024 | | | Total |
|---|----------------------|--------------------------------------|---|--------------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | |
| Secured Redeemable Non-Convertible Debentures - Listed & Separately Transferable Redeemable Principal Parts ** Refer note 17.10 (Secured by pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables) | 7,575.00 | - | - | 7,575.00 |
| Unsecured Redeemable Non-Convertible Debentures - Listed Refer note 17.11 | 4,423.94 | - | - | 4,423.94 |
| Total (A) | 1,74,762.20 | - | - | 1,74,762.20 |
| Debt securities in India | 1,74,468.51 | - | - | 1,74,468.51 |
| Debt securities outside India | 293.69 | - | - | 293.69 |
| Total (B) | 1,74,762.20 | - | - | 1,74,762.20 |

* Exclude unpaid (unclaimed) matured debentures of ₹90.29 million shown as part of Other Financial Liabilities in Note 21.

**Includes EIR impact of transaction cost, premium/discount on issue of non-convertible debentures; excludes unpaid (unclaimed) matured listed debentures of ₹55.76 millions shown as a part of Other financial liabilities in Note 21.

**The amortised cost of Debt Securities as at March 31, 2024 in Note 17 above does not include interest accrued but not due aggregating to ₹8,480.80 millions disclosed separately under Other financial liabilities in Note 21.

| Particulars | As at March 31, 2023 | | | Total |
|--|----------------------|--------------------------------------|---|-------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | |
| Secured Non-Convertible Debentures* Refer note 17.1, 17.2 & 17.3 (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances and receivables including gold loan receivables) | 1,390.73 | - | - | 1,390.73 |
| Secured Non-Convertible Debentures -Listed ** Refer note 17.4 , 17.5 & 17.7 (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts , loans & advances and receivables including gold loan receivables/Secured by pari passu floating charge on current assets, book debts , loans & advances and receivables including gold loan receivables) | 1,21,913.35 | - | - | 1,21,913.35 |
| Secured Non-Convertible Debentures -Listed ** Refer note 17.6 & 17.8 (Secured by exclusive charge on Loan receivables) | 6,965.71 | - | - | 6,965.71 |
| Principle Protected Market Linked Secured Non Convertible Debentures-Listed** Refer note 17.9 (Secured by paripassu floating charge on current assets, book debts and Loans & advances and receivables including gold loan receivables) | 8,201.00 | - | - | 8,201.00 |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 17: Debt Securities (Contd..)

| Particulars | As at March 31, 2023 | | | Total |
|---|----------------------|--------------------------------------|---|--------------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | |
| Secured Redeemable Non-Convertible Debentures - Listed & Separately Transferable Redeemable Principal Parts ** Refer note 17.10 (Secured by pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables) | 7,575.00 | - | - | 7,575.00 |
| Total (A) | 1,46,045.79 | - | - | 1,46,045.79 |
| Debt securities in India | 1,45,499.56 | - | - | 1,45,499.56 |
| Debt securities outside India | 546.23 | - | - | 546.23 |
| Total (B) | 1,46,045.79 | - | - | 1,46,045.79 |

* Exclude unpaid (unclaimed) matured debentures of ₹199.90 million shown as part of Other Financial Liabilities in Note 21.

**Includes EIR impact of transaction cost, premium/discount on issue of non-convertible debentures; excludes unpaid (unclaimed) matured listed debentures of ₹69.84 millions shown as a part of Other financial liabilities in Note 21.

**The amortised cost of Debt Securities as at March 31, 2023 in Note 17 above does not include interest accrued but not due aggregating to ₹7,874.88 millions disclosed separately under Other financial liabilities in Note 21.

17.1 Secured Redeemable Non-Convertible Debentures

The Company had privately placed Secured Redeemable Non- Convertible Debentures for a maturity period of 60-120 months with a principal amount outstanding of ₹90.29 millions (March 31,2023: ₹1,044.40 millions)

| Series | Date of allotment | Amount | Amount | Redemption Period from the date of allotment | Interest Rate % |
|--------|-------------------------|----------------------|----------------------|--|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| CT | 14.03.2014-31.03.2014 | - | 2.50 | 120 months | 10.50-12.50 |
| CS | 27.02.2014-14.03.2014 | 2.50 | 5.00 | 120 months | 10.50-12.50 |
| CR | 07.02.2014-27.02.2014 | - | 2.50 | 120 months | 10.50-12.50 |
| CQ | 04.02.2014-07.02.2014 | - | 3.00 | 120 months | 10.50-12.50 |
| CP | 20.01.2014-04.02.2014 | - | 43.00 | 120 months | 10.50-12.50 |
| CO | 10.01.2014-20.01.2014 | - | 96.50 | 120 months | 10.50-12.50 |
| CN | 03.01.2014-10.01.2014 | - | 56.00 | 120 months | 10.50-12.50 |
| CM | 24.12.2013-03.01.2014 | - | 27.50 | 120 months | 10.50-12.50 |
| CJ | 29.10.2013-18.11.2013 | 2.50 | 5.00 | 120 months | 10.50-12.50 |
| CI | 09.10.2013-29.10.2013 | - | 7.50 | 120 months | 10.50-12.50 |
| CH | 27.09.2013 - 09.10.2013 | - | 2.50 | 120 months | 10.50-12.50 |
| CG | 06.09.2013 - 27.09.2013 | - | 2.50 | 120 months | 10.50-12.50 |
| CF | 31.08.2013 - 06.09.2013 | - | 2.50 | 120 months | 10.50-12.50 |
| CE | 12.08.2013 - 31.08.2013 | - | 5.00 | 120 months | 10.50-12.50 |
| CC | 08.07.2013 - 31.07.2013 | - | 2.50 | 120 months | 10.50-12.50 |
| CB | 24.06.2013 - 07.07.2013 | 12.91 | 173.10 | 120 months | 10.50-12.50 |
| CA | 18.04.2013 - 23.06.2013 | 20.39 | 327.70 | 120 months | 10.50-12.50 |
| BZ | 01.03.2013 - 17.04.2013 | 17.03 | 179.48 | 120 months | 10.50-12.50 |
| BY | 18.01.2013 - 28.02.2013 | 13.90 | 65.51 | 120 months | 10.50-12.50 |
| BX | 26.11.2012 - 17.01.2013 | 3.50 | 4.25 | 60 months | 10.50-12.50 |
| BW | 01.10.2012 - 25.11.2012 | 6.08 | 6.52 | 60 months | 11.50-12.50 |
| BV | 17.08.2012 - 30.09.2012 | 2.86 | 3.80 | 60 months | 11.50-12.50 |
| BU | 01.07.2012 - 16.08.2012 | 1.61 | 1.67 | 60 months | 11.50-12.50 |
| BT | 21.05.2012 - 30.06.2012 | 0.82 | 1.03 | 60 months | 11.50-12.50 |

Notes

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(Rupees in millions, except for share data and unless otherwise stated)

Note 17: Debt Securities (Contd..)

| Series | Date of allotment | Amount | Amount | Redemption Period from the date of allotment | Interest Rate % |
|------------------|--|----------------------|----------------------|--|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| BS | 01.05.2012 - 20.05.2012 | 1.31 | 1.47 | 60 months | 11.50-12.50 |
| BR | 01.03.2012 - 30.04.2012 | 3.50 | 5.65 | 60 months | 11.50-12.50 |
| BQ | 23.01.2012 - 29.02.2012 | 0.27 | 2.00 | 60 months | 11.50-12.50 |
| BP | 01.12.2011 - 22.01.2012 | 0.45 | 2.13 | 60 months | 11.50-12.50 |
| BO | 19.09.2011 - 30.11.2011 | - | 2.80 | 60 months | 11.00-12.00 |
| BN | 01.07.2011 - 18.09.2011 | 0.66 | 2.49 | 60 months | 11.00-12.00 |
| BM | 01.04.2011 - 30.06.2011 | - | 1.30 | 60 months | 11.00-12.00 |
| Sub Total | | 90.29 | 1,044.40 | | |
| | Less: Unpaid (Unclaimed) matured debentures shown as a part of Other financial liabilities | 90.29 | 199.90 | | |
| Total | | - | 844.50 | | |

17.2 Secured Redeemable Non-Convertible Debentures

The principal amount outstanding of Secured Redeemable Non-Convertible Debentures privately placed by Muthoot Money Limited stood at ₹190.00 millions (March 31,2023: NIL)

| Series | Date of allotment | Amount | Amount | Redemption Period from the date of allotment | Interest Rate % |
|------------------|-----------------------------|----------------------|----------------------|--|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| 1 | 15.02.2024 | 100.00 | - | 3 Years | 8.50 |
| 2 | 05.03.2024 | 170.00 | - | 2 Years | 8.50 |
| 3 | 23.03.2024 | 170.00 | - | 2 Years | 8.50 |
| Sub Total | | 440.00 | - | | |
| | Less: Intra Group exposures | 250.00 | - | | |
| Total | | 190.00 | - | | |

17.3 Secured Redeemable Non-Convertible Debentures

Asia Assets Finance

| Series | Date of allotment | Amount | Amount | Redemption Period from the date of allotment | Interest rate % |
|--------------------|-------------------|----------------------|----------------------|--|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| Type A | 05.10.2020 | - | 120.40 | 3 Years | 10.28 |
| Type B | 05.10.2020 | - | 154.19 | 3 Years | 10.76 |
| Debenture -Type A2 | 20.08.2021 | 29.46 | 26.42 | 3 Years | 8.76 |
| Debenture -Type B2 | 20.08.2021 | 93.10 | 84.23 | 3 Years | 11.89 |
| Debenture - Type C | 20.08.2021 | 0.46 | 0.41 | 3 Years | 9.26 |
| Debenture - Type D | 20.08.2021 | 170.67 | 160.58 | 3 Years | 9.43 |
| Total | | 293.69 | 546.23 | | |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 17: Debt Securities (Contd..)

17.4 Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue by the Company stood at ₹50,158.95 millions (March 31,2023: ₹72,818.34 millions).

| Series | Date of allotment | Amount | Amount | Redemption Period from the date of allotment | Interest rate % |
|------------------|-------------------|----------------------|----------------------|--|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| PL 26 | 05.05.2022 | 237.24 | 237.24 | 120 Months | 7.50-8.00 |
| PL 25 | 20.04.2021 | 2,290.47 | 2,290.47 | 120 Months | 8.00-8.25 |
| PL 22 | 27.12.2019 | 445.96 | 445.96 | 90 Months | 9.67 |
| PL 21 | 01.11.2019 | 432.00 | 432.00 | 90 Months | 9.67 |
| PL 20 | 14.06.2019 | 322.43 | 322.43 | 90 Months | 9.67 |
| PL 27 | 23.06.2022 | 356.03 | 356.03 | 84 Months | 7.50-8.00 |
| PL 26 | 05.05.2022 | 86.18 | 86.18 | 84 Months | 7.25-7.75 |
| PL 30 | 10.03.2023 | 740.73 | 740.73 | 61 Months | 7.85-8.60 |
| PL 31 | 03.05.2023 | 720.65 | - | 61 Months | 7.85-8.60 |
| PL 29 | 23.12.2022 | 643.74 | 643.74 | 60 Months | 7.50-8.25 |
| PL 28 | 03.11.2022 | 997.52 | 997.52 | 60 Months | 7.25-8.00 |
| PL 27 | 23.06.2022 | 666.67 | 666.67 | 60 Months | 7.00-7.75 |
| PL 26 | 05.05.2022 | 1,184.15 | 1,184.15 | 60 Months | 6.75-7.50 |
| PL 25 | 20.04.2021 | 4,637.49 | 4,637.49 | 60 Months | 7.35-7.85 |
| PL 24 | 11.01.2021 | 1,433.72 | 1,433.72 | 60 Months | 7.10-7.75 |
| PL 23 | 05.11.2020 | 1,425.54 | 1,425.54 | 60 Months | 7.50-8.00 |
| PL 22 | 27.12.2019 | 1,488.68 | 1,488.68 | 60 Months | 9.75-10.00 |
| PL 21 | 01.11.2019 | 1,574.40 | 1,574.40 | 60 Months | 9.75-10.00 |
| PL 20 | 14.06.2019 | 3,061.02 | 3,061.02 | 60 Months | 9.75-10.00 |
| PL 19 | 20.03.2019 | - | 2,491.39 | 60 Months | 9.75-10.00 |
| PL 18 | 19.04.2018 | - | 9,839.02 | 60 Months | 8.75-9.00 |
| PL 32 | 04.10.2023 | 2,105.60 | - | 60 Months | 7.75-9.00 |
| PL 33 | 25.01.2024 | 1,510.42 | - | 60 Months | 8.25-9.00 |
| PL 25 | 20.04.2021 | 6,223.12 | 6,223.12 | 38 Months | 6.85-7.35 |
| PL 24 | 11.01.2021 | - | 1,496.14 | 38 Months | 6.75-7.40 |
| PL 23 | 05.11.2020 | - | 18,574.46 | 38 Months | 7.15-7.65 |
| PL 30 | 10.03.2023 | 1,495.71 | 1,495.71 | 37 Months | 7.75-8.50 |
| PL 31 | 03.05.2023 | 854.98 | - | 37 Months | 7.75-8.50 |
| PL 29 | 23.12.2022 | 725.42 | 725.42 | 36 Months | 7.35-8.10 |
| PL 28 | 03.11.2022 | 1,270.23 | 1,270.23 | 36 Months | 7.00-7.75 |
| PL 27 | 23.06.2022 | 1,629.13 | 1,629.13 | 36 Months | 6.75-7.50 |
| PL 26 | 05.05.2022 | 2,269.51 | 2,269.51 | 36 Months | 6.50-7.25 |
| PL 32 | 04.10.2023 | 4,366.36 | - | 36 Months | 7.75-9.00 |
| PL 33 | 25.01.2024 | 2,810.63 | - | 36 Months | 8.25-9.00 |
| PL 25 | 20.04.2021 | - | 3,848.91 | 26 Months | 6.60-6.85 |
| PL 30 | 10.03.2023 | 340.06 | 340.06 | 25 Months | 7.75-8.25 |
| PL 31 | 03.05.2023 | 210.41 | - | 25 Months | 7.75-8.25 |
| PL 29 | 23.12.2022 | 181.85 | 181.85 | 24 Months | 7.25-7.75 |
| PL 28 | 03.11.2022 | 409.42 | 409.42 | 24 Months | 7.00-7.50 |
| PL 32 | 04.10.2023 | 528.04 | - | 24 Months | 7.75-8.75 |
| PL 33 | 25.01.2024 | 483.44 | - | 24 Months | 8.25-8.75 |
| Sub Total | | 50,158.95 | 72,818.34 | | |
| Less: EIR impact | | 210.78 | 159.94 | | |
| Total | | 49,948.17 | 72,658.40 | | |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 17: Debt Securities (Contd..)

17.5 Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount outstanding of Secured Redeemable Non-Convertible Listed Debentures privately placed by the company stood at ₹97,955.00 millions (March 31,2023: ₹48,100.00 millions)

| Series | Date of allotment | Amount | Amount | Redemption Period from the date of allotment | Interest rate % |
|------------------------|-------------------|----------------------|----------------------|--|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| 18 | 31.05.2021 | 2,150.00 | 2,150.00 | 9 year & 364 days | 7.90 |
| 28 | 27.07.2023 | 1,100.00 | - | 5 years & 32 days | 8.40 |
| 26 | 24.04.2023 | 7,000.00 | - | 5 years | 8.50 |
| 28 | 27.07.2023 | 7,680.00 | - | 5 years | 8.40 |
| 30 | 20.12.2023 | 10,000.00 | - | 5 years | 8.85 |
| 31 | 30.01.2024 | 7,900.00 | - | 5 years | 8.85 |
| 9 | 18.06.2020 | 1,250.00 | 1,250.00 | 5 years | 9.50 |
| 30 | 20.12.2023 | 10,000.00 | - | 3 years & 151 days | 8.78 |
| 25 | 24.02.2023 | 1,600.00 | 1,600.00 | 3year & 90 days | 8.65 |
| 27 | 03.05.2023 | 3,025.00 | - | 3 year & 89 days | 8.43 |
| 32 | 26.03.2024 | 6,600.00 | - | 3 year & 83 days | 8.90 |
| 23 | 22.12.2022 | 1,950.00 | 1,950.00 | 3year & 15 days | 8.30 |
| 22 | 16.09.2022 | 2,400.00 | 2,400.00 | 3year & 14 days | 7.75 |
| 24 | 19.01.2023 | 10,000.00 | 10,000.00 | 3 year & 10 days | 8.50 |
| 20 | 17.02.2022 | 5,000.00 | 5,000.00 | 3 year & 10 days | 6.87 |
| 29 | 07.12.2023 | 10,000.00 | - | 3 year | 8.85 |
| 19 | 26.08.2021 | 4,000.00 | 4,000.00 | 3 year | 5.35 |
| 16 | 16.10.2020 | - | 4,600.00 | 3 year | 7.50 |
| 12 | 15.07.2020 | - | 1,000.00 | 3 year | 8.40 |
| 8 | 02.06.2020 | - | 5,000.00 | 3 year | 9.05 |
| 17 | 09.03.2021 | - | 1,750.00 | 2 year & 49 days | 6.65 |
| 7 | 14.05.2020 | - | 1,000.00 | 2 year & 363 days | 8.90 |
| 32 | 26.03.2024 | 1,900.00 | - | 2 year & 362 days | 8.75 |
| 25 | 24.02.2023 | 4,400.00 | 4,400.00 | 2 year & 182days | 8.60 |
| 21 | 24.02.2022 | - | 2,000.00 | 1 year & 364 days | 6.17 |
| Sub Total | | 97,955.00 | 48,100.00 | | |
| (Add)/Less: EIR impact | | (35.53) | (4.73) | | |
| Total | | 97,990.53 | 48,104.73 | | |

17.6 Secured Redeemable Non-Convertible Debentures - Listed

The principal amount of outstanding Rated Secured Redeemable Non-Convertible Debentures privately placed by Belstar Microfinance Limited stood at ₹3,000.00 millions (March 31,2023: ₹6,250.00 millions)

| Particulars | Date of allotment | Amount | Amount | Date of redemption | Interest rate % |
|--|-------------------|----------------------|----------------------|--------------------|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| 10.58% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures | 24.06.2020 | - | 500.00 | 21-Apr-23 | 10.58 |
| 11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures | 16.06.2020 | - | 250.00 | 16-May-23 | 11.00 |
| 11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures | 17.06.2020 | - | 200.00 | 17-Jun-23 | 11.00 |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 17: Debt Securities (Contd..)

| Particulars | Date of allotment | Amount | Amount | Date of redemption | Interest rate % |
|---|-------------------------|----------------------|----------------------|--------------------|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| 11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures | 30.06.2020 | - | 700.00 | 30-Jun-23 | 11.00 |
| 11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures | 09.07.2020 & 30.09.2020 | - | 350.00 | 07-Jul-23 | 11.00 |
| 8.50% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures | 28.02.2022 | - | 1,250.00 | 28-Feb-24 | 8.50 |
| 9.35% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures | 31.10.2022 | 3,000.00 | 3,000.00 | 31-Oct-24 | 9.35 |
| Sub Total | | 3,000.00 | 6,250.00 | | |
| Less: EIR impact | | 10.35 | 34.29 | | |
| Total | | 2,989.65 | 6,215.71 | | |

17.7 Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue by Muthoot Homefin (India) Limited (MHIL) stood at ₹1,150.22 millions (March 31, 2023: ₹1,150.22 million)

| Series | Date of allotment | Amount | Amount | Redemption Period from the date of allotment | Interest rate % |
|--------------|-------------------|----------------------|----------------------|--|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| III | 13.05.2019 | 457.97 | 457.97 | 60 Months | 9.00-10.00 |
| VI | 13.05.2019 | 420.60 | 420.60 | 60 Months | 9.00-10.00 |
| IX | 13.05.2019 | 89.78 | 89.78 | 60 Months | NA |
| X | 13.05.2019 | 181.87 | 181.87 | 90 Months | NA |
| Total | | 1,150.22 | 1,150.22 | | |

17.8 Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures privately placed by Muthoot Homefin (India) Limited (MHIL) stood at ₹2,000 millions (March 31, 2023: 750 millions).

| Series | Date of allotment | Amount | Amount | Redemption Period from the date of allotment | Interest rate % |
|--------------|-------------------|----------------------|----------------------|--|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| XI | 17.06.2020 | - | 250.00 | 36 Months | 8.00-9.00 |
| XII | 20.09.2022 | 500.00 | 500.00 | 120 Months | 8.00-9.00 |
| XIII | 30.05.2023 | 1,500.00 | - | 120 Months | 8.00-9.00 |
| Total | | 2,000.00 | 750.00 | | |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 17: Debt Securities (Contd..)

17.9 Principal Protected Market Linked Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount of outstanding Principal Protected Market Linked Secured Redeemable Non-Convertible Listed Debentures privately placed by the Company stood at ₹8,201.00 millions (March 31,2023: ₹8,201.00 millions)

| Series | Date of allotment | Amount | Amount | Redemption Period from the date of allotment | Interest rate % |
|--------|--------------------------------------|----------------------|----------------------|--|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| 7 | 11.01.2023 | 1,033.00 | 1,033.00 | 1155 Days | 8.14 |
| 6 | 20.09.2022 | 5,000.00 | 5,000.00 | 1157 Days | 7.60 |
| 5 | 24.03.2022 | 2,168.00 | 2,168.00 | 3 Year & 60 Days | 7.00 |
| | Sub Total | 8,201.00 | 8,201.00 | | |
| | Less: EIR impact of transaction cost | - | - | | |
| | Total | 8,201.00 | 8,201.00 | | |

17.10 Secured Redeemable Non-Convertible Debentures - Private Placement & Listed & Separately Transferable Redeemable Principal Parts (STRPP)

The principal amount of outstanding STRPP Secured Redeemable Non-Convertible Listed Debentures privately placed by the Company stood at ₹7,575.00 millions (March 31,2023: ₹7,575.00 millions)

| Series | Face value per STRPP | Paid-up value per STRPP | First & Final Call Amount per STRPP & Date | Date of allotment | Amount | Amount | Redemption Period from the date of allotment | Interest rate % |
|------------|----------------------|-------------------------|---|-------------------|----------------------|----------------------|--|-----------------|
| | | | | | As at March 31, 2024 | As at March 31, 2023 | | |
| STRPP - 1A | 1,00,000.00 | 1,00,000.00 | NA | 15.03.2023 | 5,000.00 | 5,000 | 2year+9months | 8.65 |
| STRPP - 1B | 1,00,000.00 | 1,000.00 | 99,000 on December 15, 2025 at the option of NCD Holder | 15.03.2023 | 50.00 | 50 | 4years, Put option on December 15, 2025 | 8.65 |
| STRPP - 2A | 1,00,000.00 | 1,00,000.00 | NA | 23.03.2023 | 2,500.00 | 2,500 | 3years | 8.65 |
| STRPP - 2B | 1,00,000.00 | 1,000.00 | 99,000 on March 23, 2026 at the option of NCD Holder | 23.03.2023 | 25.00 | 25 | 4year+184days, Put option on March 23, 2026 | 8.65 |
| | | | | Sub Total | 7,575.00 | 7,575.00 | | |
| | | | | Less: EIR impact | - | - | | |
| | | | | Total | 7,575.00 | 7,575 | | |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 17: Debt Securities (Contd..)

17.11 Unsecured Redeemable Non-Convertible Debentures - Listed

The principal amount of outstanding Rated Unsecured Redeemable Non-Convertible Debentures privately placed by Belstar Microfinance Limited stood at ₹4,457.50 millions (March 31,2023: NIL)

| Series | Date of allotment | Amount | Amount | Redemption Period from the date of allotment | Interest rate % |
|---|-------------------|----------------------|----------------------|--|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| 10% Senior, unsecured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures | 01.08.2023 | 1,627.50 | - | 01-Aug-25 | 10.00 |
| 10% Senior, unsecured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures | 15.09.2023 | 2,830.00 | - | 31-Mar-26 | 10.00 |
| Sub Total | | 4,457.50 | - | | |
| Less: EIR impact | | 33.56 | - | | |
| Total | | 4,423.94 | - | | |

Note 18: Borrowings (other than debt securities)

| Particulars | As at March 31, 2024 | | | |
|---|----------------------|--------------------------------------|---|-------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total |
| (a) Term loan | | | | |
| (i) from banks* | | | | |
| Term Loans (Secured by paripassu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables) (Terms of Repayment: ₹857.14 millions in 2 half yearly installments, ₹90,997.71 millions in 1-2-3-4 quarterly installments and ₹2,000.00 millions in bullet payment during FY 2024-25, ₹63,614.74 millions in 1-2-3-4 quarterly installments during FY 2025-26, ₹33,496.46 millions in 1-2-3-4 quarterly installments during FY 2026-27, ₹18,426.12 millions in 1-2-3-4 quarterly installments during FY 2027-28, ₹7,059.79 millions in 1-2-3 quarterly installments during FY 2028-29. Rate of Interest: 8.25-9.35% p.a.) | 2,16,336.17 | - | - | 2,16,336.17 |
| Term Loan (Secured by way of specific charge on receivables created out of the proceeds of the loan) (Terms of Repayment: ₹ 20,613.46 millions in 12 monthly installment, ₹ 38,933.37 millions in 1-2-3-4 quartely installment. Rate of Interest 8.00 % -12.00 % p.a) | 59,546.83 | - | - | 59,546.83 |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 18: Borrowings (other than debt securities) (Contd..)

| Particulars | As at March 31, 2024 | | | Total |
|--|----------------------|--------------------------------------|---|----------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | |
| Term Loan (Secured by pari passu floating charge on housing loan receivables, credit and current assets) (Terms of Repayment: ₹169.65 millions in 12 monthly installments, ₹1180.53 millions in 1-2-3-4 quarterly installments, ₹292.17 millions in 2 half yearly installments & ₹166.67 millions in yearly installments during FY 2024-25, ₹169.05 millions in 12 monthly installments, ₹1271.23 millions in 1-2-3-4 quarterly installments, ₹249.41 millions in 2 half yearly installments & ₹166.17 millions in yearly installments during FY 2025-26, ₹169.05 millions in 12 monthly installments, ₹1235.52 millions in 1-2-3-4 quarterly installments & ₹83.33 millions in 2 half yearly installments during FY 2026-27, ₹84.52 millions in 12 monthly installments, ₹1235.52 millions in 1-2-3-4 quarterly installments & ₹83.33 millions in 2 half yearly installments during FY 2027-28, ₹899.70 millions in 1-2-3-4 quarterly installments during FY 2028-29 and ₹850.96 millions payable in 1-2-3-4 quarterly installments in 35 installments in 5 - 10 years. Rate of Interest : 7.00 % - 9.00% p.a) | 8,294.89 | - | - | 8,294.89 |
| Term Loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan) (Terms of Repayment: 320.96 millions in 12 monthly installments during FY 2024-25, 173.38 millions in 12 monthly installments during FY 2025-26. Rate of interest 18.42%) | 494.61 | - | - | 494.61 |
| (ii) from financial institutions | | | | |
| Term Loan (Secured by specific charge on vehicles) (Terms of Repayment: ₹1.48 millions during FY 2024-25 in 7 monthly installments Rate of Interest: 8.90% p.a.) | 1.48 | - | - | 1.48 |
| Term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables) (Terms of Repayment: ₹875 millions in 1-2-3-4 quarterly installments during FY 2024-25 and ₹656.25 millions in 1-2-3 quarterly installments during FY 2025-26. Rate of Interest: 9.10% p.a.) | 1,530.99 | - | - | 1,530.99 |
| Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan) (Terms of Repayment: ₹1,188.09 millions in 12 monthly installment, ₹781.36 millions in 1-2-3-4 quarterly installment. Rate of Interest 8.00 % -12.00 % p.a) | 1,969.45 | - | - | 1,969.45 |
| (iii) Pass through certificates payable | - | - | - | - |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 18: Borrowings (other than debt securities) (Contd..)

| Particulars | As at March 31, 2024 | | | Total |
|--|----------------------|--------------------------------------|---|--------------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | |
| (iv) From National Housing Bank | 1,702.34 | - | - | 1,702.34 |
| (Terms of Repayment : for FY 2024-25, ₹211.40 millions in quarterly installments, for FY 2025-26, ₹281.87 millions in quarterly installments for FY 2026-27, ₹281.87 millions in quarterly installments, for FY 2027-28, ₹281.87 millions in quarterly installments, for FY 2028-29, ₹267.11 millions in quarterly installments and ₹378.22 millions payable in 61 installments in 5 - 10 years. Rate of interest 7.00 % - 8.00 %) | | | | |
| (b) Loans from related party | | | | |
| Loan from Directors and Relatives (Unsecured) | 8,204.78 | - | - | 8,204.78 |
| (Terms of Repayment: Repayable on demand- Rate of Interest: 8%-8.50% p.a.) | | | | |
| (c) Securitised Loans | 1,183.83 | - | - | 1,183.83 |
| (Secured by lease and hire purchase assets and receivables) | | | | |
| (Terms of Repayment: 1,041.38 millions in 12 monthly installments during FY 2024-25, 142.59 millions in 12 monthly installments during FY 2024-25. Rate of interest 13.62 %) | | | | |
| (d) Loans repayable on demand | | | | |
| (i) from banks * | | | | |
| Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks) | 1,498.53 | - | - | 1,498.53 |
| Cash Credit/ Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables) | 1,51,583.25 | - | - | 1,51,583.25 |
| (ii) from financial institutions * | | | | |
| Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables) | 1,999.58 | - | - | 1,999.58 |
| (e) External Commercial Borrowings - | | | | |
| (i) Senior Secured Notes - US Dollar denominated * | - | - | - | - |
| (Secured by paripassu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables) | | | | |
| (f) Commercial paper - Listed | 46,172.80 | - | - | 46,172.80 |
| (Unsecured and repayable within 1 year) | | | | |
| Total (A) | 5,00,519.53 | - | - | 5,00,519.53 |
| Borrowings in India | 4,98,827.88 | - | - | 4,98,827.88 |
| Borrowings outside India | 1,691.65 | - | - | 1,691.65 |
| Total (B) | 5,00,519.53 | - | - | 5,00,519.53 |

*Includes EIR impact of transaction cost

**The amortised cost of Borrowings (other than debt securities) in Note 18 above does not include interest accrued but not due aggregating to ₹3,781.39 millions disclosed separately under Other financial liabilities in Note 21.

Where the company has borrowed funds from banks and financial institutions on the basis of security of current assets, it has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns or statements are in agreement with books of accounts.

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Note 18: Borrowings (other than debt securities) (Contd..)

| Particulars | As at March 31, 2023 | | | Total |
|--|----------------------|--------------------------------------|---|-------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | |
| (a) Term loan | | | | |
| (i) from banks* | | | | |
| Term Loans (Secured by paripassu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables) | 1,59,381.46 | - | - | 1,59,381.46 |
| (Terms of Repayment: ₹857.14 millions in 2 half yearly installments and ₹70,763.33 millions in 1-2-3-4 quarterly installments during FY 2023-24, ₹857.14 millions in 2 half yearly installments, ₹52,849.53 millions in 1-2-3-4 quarterly installments and ₹2,000.00 millions in bullet payment during FY 2024-25, ₹21,742.57 millions in 1-2-3-4 quarterly installments during FY 2025-26, ₹7,169.96 millions in 1-3-4 quarterly installments during FY 2026-27, ₹3,216.01 millions in 1-3-4 quarterly installments during FY 2027-28. Rate of Interest: 7.50-9.55 % p.a.) | | | | |
| Term Loan (Secured by way of specific charge on receivables created out of the proceeds of the loan) | 40,085.32 | - | - | 40,085.32 |
| (Terms of Repayment: ₹ 18,978.85 millions in 12 monthly installment, ₹ 21,106.47 millions in 1-2-3-4 quarterly installment. Rate of Interest 8.00 % -12.00 % p.a) | | | | |
| Term Loan (Secured by paripassu floating charge on housing loan receivables, credit and current assets) | 2,819.39 | - | - | 2,819.39 |
| (Terms of Repayment: ₹169.05 millions in 12 monthly installments, ₹189.08 millions in 1-2-3-4 quarterly installments, ₹417.07 millions in 2 half yearly installments & ₹166.67 millions in yearly installments during FY 2023-24, ₹169.05 millions in 12 monthly installments, ₹189.02 millions in 1-2-3-4 quarterly installments, ₹313.00 millions in 2 half yearly installments & ₹166.67 millions in yearly installments during FY 2024-25, ₹169.05 millions in 12 monthly installments, ₹ 35.71 millions in 1-2-3-4 quarterly installments, ₹249.23 millions in 2 half yearly installments & ₹166.20 millions in yearly installments during FY 2025-26, ₹169.05 millions in 12 monthly installments, ₹83.33 millions in 2 half yearly installments during FY 2026-27, and ₹ 84.52 millions in 12 monthly installments, ₹82.70 millions in 2 half yearly installments during FY 2027-28. Rate of Interest : 8.00 % - 9.00% p.a) | | | | |
| Term Loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan) | 293.52 | - | - | 293.52 |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 18: Borrowings (other than debt securities) (Contd..)

| Particulars | As at March 31, 2023 | | | Total |
|--|----------------------|--------------------------------------|---|----------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | |
| (Terms of Repayment: ₹133.13 millions in 12 monthly installments during FY 2023-24, ₹124.36 millions in 12 monthly installments during FY 2024-25 and ₹36.03 millions in 12 monthly installments during FY 2025-26 . Rate of interest 24.90%) | | | | |
| (ii) from financial institutions | | | | |
| Term Loan (Secured by specific charge on vehicles) | 5.38 | - | - | 5.38 |
| (Terms of Repayment: ₹3.90 millions during FY 2023-24 in 6-8-12 monthly installments, ₹1.48 millions during FY 2024-25 in 7 monthly installments. Rate of Interest: 8.90-9.90% p.a.) | | | | |
| Term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables) | 1,749.57 | - | - | 1,749.57 |
| (Terms of Repayment: ₹218.75 millions in 1 quarterly installment during FY 2023-24, ₹875 millions in 4 quarterly installments during FY 2024-25, ₹656.25 millions in 3 quarterly installments during FY 2025-26. Rate of Interest: 8.25% p.a.) | | | | |
| Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan) | 309.47 | - | - | 309.47 |
| (Terms of Repayment: ₹ 193.25 millions in 12 monthly installment, ₹ 116.22 millions in 1-2-3-4 quartely installment. Rate of Interest 8.00 % -12.00 % p.a) | | | | |
| (iii) Pass through certificates payable | - | - | - | - |
| (iv) From National Housing Bank | 1,882.31 | - | - | 1,882.31 |
| (Terms of Repayment : for FY 2023-24, ₹197.46 millions in quarterly installments, for FY 2024-25, ₹263.26 millions in quarterly installments for FY 2025-26, ₹263.26 millions in quarterly installments, for FY 2026-27, ₹263.26 millions in quarterly installments and ₹895.09 millions payable in 38 installments in 5 - 10 years. Rate of interest 7.00 % - 8.00 %) | | | | |
| (b) Loans from related party | | | | |
| Loan from Directors and Relatives (Unsecured) | 6,150.14 | - | - | 6,150.14 |
| (Terms of Repayment: Repayable on demand- Rate of Interest: 8% p.a.) | | | | |
| (c) Securitised Loans | 1,220.27 | - | - | 1,220.27 |
| Secured by lease and hire purchase assets and receivables) | | | | |
| (Terms of Repayment: ₹782.02 millions in 12 monthly installments during FY 2023-24, ₹438.25 millions in 12 monthly installments during FY 2024-25 . Rate of interest 23.28%) | | | | |
| (d) Loans repayable on demand | | | | |
| (i) from banks (OD & CC) | | | | |
| (i) from banks * | | | | |
| Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks) | 365.20 | - | - | 365.20 |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 18: Borrowings (other than debt securities) (Contd..)

| Particulars | As at March 31, 2023 | | | Total |
|---|----------------------|--------------------------------------|---|--------------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | |
| Cash Credit/ Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables) | 1,33,006.60 | - | - | 1,33,006.60 |
| (ii) from financial institutions * | | | | |
| Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables) | 1,999.51 | - | - | 1,999.51 |
| (e) External Commercial Borrowings - | | | | |
| (i) Senior Secured Notes - US Dollar denominated * | 45,170.78 | - | - | 45,170.78 |
| (Secured by paripassu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables) | | | | |
| (Terms of Repayment: ₹45,193.50 millions (USD 550 million repayable on 02 September 2023-Rate of Interest: 4.40% p.a)) | | | | |
| (f) Commercial paper - Listed | 11,535.66 | - | - | 11,535.66 |
| (Unsecured and repayable within 1 year) | | | | |
| Total (A) | 4,05,974.58 | - | - | 4,05,974.58 |
| Borrowings in India | 3,59,289.07 | - | - | 3,59,289.07 |
| Borrowings outside India | 46,685.51 | - | - | 46,685.51 |
| Total (B) | 4,05,974.58 | - | - | 4,05,974.58 |

*Includes EIR impact of transaction cost

**The amortised cost of Borrowings (other than debt securities) in Note 18 above does not include interest accrued but not due aggregating to ₹1,030.80 millions disclosed separately under Other financial liabilities in Note 21.

Where the company has borrowed funds from banks and financial institutions on the basis of security of current assets, it has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns or statements are in agreement with books of accounts.

Note 19: Deposits

| Particulars | As at March 31, 2024 | | | Total |
|------------------------|----------------------|--------------------------------------|---|-----------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | |
| Deposits | | | | |
| (i) Public deposits | 2,957.98 | - | - | 2,957.98 |
| (ii) From Banks | - | - | - | - |
| (iii) From Others | 1,060.28 | - | - | 1,060.28 |
| Total (A) | 4,018.26 | - | - | 4,018.26 |
| Deposits in India | - | - | - | - |
| Deposits outside India | 4,018.26 | - | - | 4,018.26 |
| Total (B) | 4,018.26 | - | - | 4,018.26 |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 19: Deposits (Contd..)

| Particulars | As at March 31, 2023 | | | Total |
|------------------------|----------------------|--------------------------------------|---|-----------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | |
| Deposits | | | | |
| (i) Public deposits | 3,314.76 | - | - | 3,314.76 |
| (ii) From Banks | - | - | - | - |
| (iii) From Others | - | - | - | - |
| Total (A) | 3,314.76 | - | - | 3,314.76 |
| Deposits in India | - | - | - | - |
| Deposits outside India | 3,314.76 | - | - | 3,314.76 |
| Total (B) | 3,314.76 | - | - | 3,314.76 |

19.1 Due to customers (Fixed Deposits)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Redeemable from the Balance Sheet date | | |
| 36-60 months | 178.88 | 132.32 |
| 12-36 months | 686.93 | 334.40 |
| Upto 12 months | 3,152.45 | 2,848.04 |
| Total | 4,018.26 | 3,314.76 |

Note 20: Subordinated Liabilities

| Particulars | As at March 31, 2024 | | | Total |
|--|----------------------|--------------------------------------|---|-----------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | |
| Subordinated Debt* Refer note 20.1 | - | - | - | - |
| Subordinated Debt - Listed** Refer note 20.2 & 20.3 | 998.21 | - | - | 998.21 |
| Subordinated Debt Others Refer note 20.4 | 2,062.02 | - | - | 2,062.02 |
| Subordinated Loan Refer note 20.5 | 249.50 | - | - | 249.50 |
| Total (A) | 3,309.73 | - | - | 3,309.73 |
| Subordinated Liabilities in India | 3,309.73 | - | - | 3,309.73 |
| Subordinated Liabilities outside India | - | - | - | - |
| Total (B) | 3,309.73 | - | - | 3,309.73 |

*Excludes unpaid (unclaimed) matured debentures of ₹7.49 millions shown as a part of Other financial liabilities in Note 21.

**Includes EIR impact of transaction cost; excludes unpaid (unclaimed) matured listed debentures of ₹4.62 millions shown as a part of Other financial liabilities in Note 21.

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(Rupees in millions, except for share data and unless otherwise stated)

Note 20: Subordinated Liabilities (Contd..)

The amortised cost of Subordinated Liabilities as at March 31, 2024 in Note 20 above does not include interest accrued but not due aggregating to ₹429.84 millions disclosed separately under Other financial liabilities in Note 21.

| Particulars | As at March 31, 2023 | | | Total |
|---|----------------------|--------------------------------------|---|-----------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | |
| Subordinated Debt* Refer note 20.1 | - | - | - | - |
| Subordinated Debt - Listed** Refer note 20.2 ,20.3& 20.4 | 1,709.39 | - | - | 1,709.39 |
| Subordinated Debt Others Refer note 20.5 | 587.94 | - | - | 587.94 |
| Subordinated Loan Refer note 20.6 | 249.22 | - | - | 249.22 |
| Total (A) | 2,546.55 | - | - | 2,546.55 |
| Subordinated Liabilities in India | 2,546.55 | - | - | 2,546.55 |
| Subordinated Liabilities outside India | - | - | - | - |
| Total (B) | 2,546.55 | - | - | 2,546.55 |

*Excludes unpaid (unclaimed) matured debentures of ₹11.98 millions shown as a part of Other financial liabilities in Note 21.

**Includes EIR impact of transaction cost; excludes unpaid (unclaimed) matured listed debentures of ₹4.96 millions shown as a part of Other financial liabilities in Note 21.

The amortised cost of Subordinated Liabilities as at March 31, 2023 in Note 20 above does not include interest accrued but not due aggregating to ₹789.17 millions disclosed separately under Other financial liabilities in Note 21.

20.1 Subordinated Debt

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital under the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. The principal amount of outstanding privately placed subordinated debt issued by the Company stood at ₹7.49 millions (March 31,2023: ₹11.98 millions)

| Series | Date of allotment | Amount | Amount | Redemption Period from the date of allotment | Interest Rate % |
|--|-------------------------|----------------------|----------------------|--|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| XII | 01.04.2013 - 07.07.2013 | 1.87 | 2.82 | 66 months | 12.67 |
| XI | 01.10.2012 - 31.03.2013 | 3.23 | 4.14 | 66 months | 12.67-13.39 |
| X | 01.04.2012 - 30.09.2012 | 1.41 | 1.58 | 66 months | 12.67-13.39 |
| IX | 01.11.2011 - 31.03.2012 | 0.79 | 0.92 | 66 months | 12.67-13.39 |
| VIII | 01.07.2011 - 31.10.2011 | 0.19 | 1.00 | 66 months | 12.67 |
| VII | 01.04.2011 - 30.06.2011 | - | 0.48 | 66 months | 12.67 |
| VII | 08.02.2011 - 31.03.2011 | - | 0.08 | 66 months | 12.67 |
| VII | 01.01.2011 - 07.02.2011 | - | 0.43 | 72 months | 11.61 |
| VI | 01.07.2010 - 31.12.2010 | - | 0.37 | 72 months | 11.61 |
| V | 01.01.2010 - 30.06.2010 | - | 0.16 | 72 months | 11.61 |
| Sub Total | | 7.49 | 11.98 | | |
| Less: Unpaid (Unclaimed) matured debentures shown as a part of Other financial liabilities | | 7.49 | 11.98 | | |
| Total | | - | - | | |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 20: Subordinated Liabilities (Contd..)

20.2 Subordinated Debt -Public & Listed

The principal amount of outstanding Unsecured Redeemable Non- Convertible Listed Debentures issued by the Company as Subordinated Debt which qualifies as Tier II capital under the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued through Public Issue stood at ₹504.92 millions (March 31, 2023: ₹971.32 millions).

| Series | Date of allotment | Amount | Amount | Redemption Period from the date of allotment | Interest Rate % |
|------------------|--------------------------------------|----------------------|----------------------|--|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| PL 17 | 24.04.2017 | 187.16 | 187.17 | 96 Months | 9.06 |
| PL 16 | 30.01.2017 | 317.76 | 317.76 | 96 Months | 9.06 |
| PL 15 | 12.05.2016 | - | 236.00 | 90 Months | 9.67 |
| PL 14 | 20.01.2016 | - | 230.39 | 87 Months | 10.02 |
| Sub Total | | 504.92 | 971.32 | | |
| | Less: EIR impact of transaction cost | 1.97 | 4.29 | | |
| Total | | 502.95 | 967.03 | | |

20.3 Subordinated Liabilities - Debentures - Listed

The principal amount of outstanding Unsecured Redeemable Non Convertible Debentures issued by Belstar Microfinance Limited (BML) as Subordinated Debt which qualifies as Tier II capital under the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 stood at ₹500.00 millions (March 31, 2023: ₹750.00 millions)

| Particulars | Date of allotment | Amount | Amount | Date of Redemption | Nominal value per debenture # | Total number of debentures # |
|--|--------------------------------------|----------------------|----------------------|--------------------|-------------------------------|------------------------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | | |
| 14.50% Unsecured, Redeemable, Rated, listed, Subordinated, Taxable, Non-Convertible Debentures | 29.09.2020 | 500.00 | 500.00 | 30.09.2027 | 10,00,000.00 | 500.00 |
| 11.5% Unsecured, Redeemable, Rated, listed, Subordinated, Taxable, Non-Convertible Debentures | 31.03.2017 | - | 250.00 | 31.05.2023 | 1,000.00 | 2,50,000.00 |
| Sub Total | | 500.00 | 750.00 | | | |
| | Less: EIR impact of transaction cost | 4.74 | 7.64 | | | |
| Total | | 495.26 | 742.36 | | | |

Nominal value per debenture and total number of debentures are in full numbers.

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(Rupees in millions, except for share data and unless otherwise stated)

Note 20: Subordinated Liabilities (Contd..)

20.4 Subordinated Liabilities - Debentures - Unlisted

The principal amount of outstanding Unsecured Redeemable Non Convertible Debentures issued by Belstar Microfinance Limited (BML) as Subordinated Debt which qualifies as Tier II capital under the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 stood at ₹2090 millions (March 31, 2023: ₹590 millions)

| Particulars | Date of allotment | Amount | Amount | Date of Redemption | Nominal value per debenture # | Total number of debentures # |
|--|-------------------|----------------------|----------------------|--------------------|-------------------------------|------------------------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | | |
| Subordinated Debt (Tier II Capital) | | | | | | |
| 14.50% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable, Non-Convertible Debentures | 03.12.2019 | 240.00 | 240.00 | 03.12.2025 | 1,00,000.00 | 2,400.00 |
| 14.50% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable, Non-Convertible Debentures | 30.03.2020 | 150.00 | 150.00 | 15.05.2026 | 1,00,000.00 | 1,500.00 |
| 14% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable, Non-Convertible Debentures | 11.09.2020 | 200.00 | 200.00 | 11.09.2025 | 10,00,000.00 | 200.00 |
| 11.00% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable, Non-Convertible Debentures | 19.06.2023 | 1,500.00 | - | 19.07.2029 | 1,00,000.00 | 15,000.00 |
| Sub Total | | 2,090.00 | 590.00 | | | |
| Less: EIR impact of transaction cost | | 27.98 | 2.06 | | | |
| Total | | 2,062.02 | 587.94 | | | |

Nominal value per debenture and total number of debentures are in full numbers.

20.5 Subordinated Liabilities - Loan

Belstar Microfinance Limited

| Particulars | Date of allotment | Amount | Amount | Date of Redemption | Interest rate % |
|--------------------------------------|-------------------|----------------------|----------------------|--------------------|-----------------|
| | | As at March 31, 2024 | As at March 31, 2023 | | |
| 14.50% Unsecured, Subordinated loan | 23.12.20219 | 250.00 | 250.00 | 23.12.2025 | 14.50 |
| Sub Total | | 250.00 | 250.00 | | |
| Less: EIR impact of transaction cost | | 0.50 | 0.78 | | |
| Total | | 249.50 | 249.22 | | |

Note 21: Other Financial liabilities

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Interest accrued but not due on borrowings | 12,692.03 | 9,694.85 |
| Unpaid (Unclaimed) dividends | 9.54 | 9.23 |
| Unpaid (Unclaimed) matured Non Convertible Debentures and interest accrued thereon | 125.96 | 264.02 |
| Payable towards assignment transactions | - | 2,003.20 |
| Unpaid (Unclaimed) matured Listed Non convertible Debentures and interest accrued thereon | 60.38 | 74.81 |

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Note 21: Other Financial liabilities (Contd..)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Direct assignment portfolio collection payable | 2,342.23 | 103.87 |
| Security deposits received | 15.67 | 15.63 |
| Auction surplus refundable | 38.91 | 39.91 |
| ARC Payable | 170.20 | - |
| Margin Money on Business Transactions | 77.57 | 58.69 |
| Others | 482.41 | 374.55 |
| Total | 16,014.90 | 12,638.76 |

Note 22: Provisions

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Provision in excess of ECL (Refer Note 22.1) | 2,996.50 | 2,953.76 |
| Provision for undrawn commitments | 14.74 | 6.88 |
| Provision for employee benefits | | |
| - Gratuity | 81.11 | 93.87 |
| - Compensated absences | 377.00 | 386.51 |
| - Others | 131.33 | 63.99 |
| Provision for unspent expenditure on Corporate Social Responsibility (Refer Note 22.2) | - | 22.83 |
| Provisions for other losses (Refer Note 22.2) | 132.59 | 91.08 |
| Total | 3,733.27 | 3,618.92 |

22.1 Provision in excess of ECL represents the provision created on loan assets (including in prior years), which is in excess of the amounts determined and adjusted against such assets as impairment loss on application of expected credit loss method as per Ind AS 109 ('Financial Instruments'), and retained in the books of account as a matter of prudence.

22.2 The movement in provisions for unspent expenditure on Corporate Social Responsibility and other losses during 2023-24 and 2022-23 is as follows:

| Particulars | Provision for unspent expenditure on Corporate Social Responsibility | Provisions for other losses |
|-----------------------------|--|--------------------------------|
| As at April 01, 2022 | 66.83 | 86.40 |
| Additions | - | 10.36 |
| Reversed | - | (4.55) |
| Utilised | (44.00) | (1.13) |
| As at March 31, 2023 | 22.83 | 91.08 |
| Additions | - | 46.14 |
| Reversed | - | - |
| Utilised | (22.83) | (4.63) |
| As at March 31, 2024 | - | 132.59 |

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Note 23: Other Non-financial liabilities

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|------------------------------------|-------------------------|-------------------------|
| Statutory dues payable | 855.42 | 577.95 |
| Insurance premium payable | 5.67 | 2.15 |
| Advance interest received on loans | 6.73 | 8.04 |
| Other non financial liabilities | 274.34 | 193.44 |
| Total | 1,142.16 | 781.58 |

Note 24: Equity share capital

24.1 The reconciliation of equity shares outstanding at the beginning and at the end of the period

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Authorised | | |
| 450,000,000 (March 31, 2023: 450,000,000) Equity shares of ₹10/- each | 4,500.00 | 4,500.00 |
| 5,000,000 (March 31, 2023: 5,000,000) Preference shares of ₹1000/- each | 5,000.00 | 5,000.00 |
| Issued, subscribed and fully paid up | | |
| 401,461,676 (March 31, 2023: 401,448,231) Equity shares of ₹10/- each fully paid up | 4,014.62 | 4,014.48 |
| Total Equity | 4,014.62 | 4,014.48 |

24.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting. The Company declares and pays dividends in Indian rupees. The interim dividend is declared and approved by Board of Directors.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

24.3 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

| Particulars | In Numbers | Amount |
|---|---------------------|-----------------|
| As at April 01, 2022 | 40,13,45,266 | 4,013.45 |
| Shares issued in exercise of Employee Stock Options during the year | 1,02,965 | 1.03 |
| As at March 31, 2023 | 40,14,48,231 | 4,014.48 |
| Shares issued in exercise of Employee Stock Options during the year | 13,445 | 0.14 |
| As at March 31, 2024 | 40,14,61,676 | 4,014.62 |

24.4 Shareholding of Promoters

| Name of Promoter | As at March 31, 2024 | | | As at March 31, 2023 | | |
|--------------------------|----------------------|------------------------|--|----------------------|------------------------|--|
| | No. of shares held | % holding in the class | % change in shareholding during the year | No. of shares held | % holding in the class | % change in shareholding during the year |
| George Alexander Muthoot | 2,36,30,900 | 5.89% | Nil | 2,36,30,900 | 5.89% | Nil |
| George Jacob Muthoot | 4,36,30,900 | 10.87% | Nil | 4,36,30,900 | 10.87% | Nil |
| George Thomas Muthoot | 4,36,30,900 | 10.87% | Nil | 4,36,30,900 | 10.87% | Nil |

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Note 24: Equity share capital (Contd..)

24.5 Details Equity shareholders holding more than 5% shares in the company

| Name of Equity Shareholder | As at March 31, 2024 | | As at March 31, 2023 | |
|----------------------------|----------------------|------------------------|----------------------|------------------------|
| | No. of shares held | % holding in the class | No. of shares held | % holding in the class |
| Sara George | 2,90,36,548 | 7.23% | 2,90,36,548 | 7.23% |
| George Alexander Muthoot | 2,36,30,900 | 5.89% | 2,36,30,900 | 5.89% |
| George Jacob Muthoot | 4,36,30,900 | 10.87% | 4,36,30,900 | 10.87% |
| George Thomas Muthoot | 4,36,30,900 | 10.87% | 4,36,30,900 | 10.87% |
| Susan Thomas | 2,99,85,068 | 7.47% | 2,99,85,068 | 7.47% |
| Alexander George | 2,22,89,710 | 5.55% | 2,22,89,710 | 5.55% |
| George M George | 2,22,89,710 | 5.55% | 2,22,89,710 | 5.55% |
| SBI Mutual Fund | 3,52,84,168 | 8.79% | 2,66,83,492 | 6.65% |

24.6 Disclosure as to aggregate number and class of shares allotted as pursuant to contract(s) without payment being received in cash, fully paid up by way of bonus shares and shares bought back

| Particulars | Fully paid up pursuant to contract(s) without payment being received in cash | Fully paid up by way of bonus shares | Shares bought back |
|------------------------|--|--------------------------------------|--------------------|
| Equity Shares : | | | |
| 2023-2024 | Nil | Nil | Nil |
| 2022-2023 | Nil | Nil | Nil |
| 2021-2022 | Nil | Nil | Nil |
| 2020-2021 | Nil | Nil | Nil |
| 2019-2020 | Nil | Nil | Nil |

24.7 Shares reserved for issue under Employee Stock Option Scheme

The Company has reserved 38,990 equity shares (March 31, 2023: 63,485) for issue under the Employee Stock Option Scheme 2013.

Note 25: Other equity

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Statutory reserve | | |
| Balance at the beginning of the year | 49,499.95 | 42,377.74 |
| Add: Transfer from Retained earnings | 8,593.59 | 7,122.21 |
| Balance at the end of the year | 58,093.54 | 49,499.95 |
| Securities Premium | | |
| Balance at the beginning of the year | 15,100.29 | 15,063.70 |
| Add: Securities premium on share options exercised during the year | 5.67 | 36.59 |
| Balance at the end of the year | 15,105.96 | 15,100.29 |
| Debenture Redemption Reserve | | |
| Balance at the beginning of the year | 35,123.97 | 35,123.97 |
| Add: Amount transferred from Retained earnings | - | - |
| Balance at the end of the year | 35,123.97 | 35,123.97 |

Notes

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(Rupees in millions, except for share data and unless otherwise stated)

Note 25: Other equity (Contd..)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| General Reserve | | |
| Balance at the beginning of the year | 2,676.33 | 2,676.33 |
| Add: Amount transferred from Retained earnings | - | - |
| Balance at the end of the year | 2,676.33 | 2,676.33 |
| Share option outstanding account | | |
| Balance at the beginning of the year | 20.12 | 61.74 |
| Less: Transfer To Securities premium on account of options exercised | (5.13) | (32.46) |
| Less: Deduction on allotment during the year | (3.83) | (9.16) |
| Balance at the end of the year | 11.16 | 20.12 |
| Capital reserve | | |
| Balance at the beginning of the year | 0.66 | 0.66 |
| Add: Amount transferred from Retained earnings | - | - |
| Balance at the end of the year | 0.66 | 0.66 |
| Capital Redemption reserve | | |
| Balance at the beginning of the year | 500.00 | 500.00 |
| Add: Amount transferred from Retained earnings | - | - |
| Balance at the end of the year | 500.00 | 500.00 |
| Retained Earnings | | |
| Balance at the beginning of the year | 1,09,952.62 | 88,710.09 |
| Add: Profit for the year | 43,242.88 | 36,122.98 |
| Add : Transfers from ESOP Reserves | 3.83 | 9.16 |
| Add: Adjustments to Non Controlling Interest | (684.21) | 259.51 |
| Less: Appropriation | | |
| Dividend on equity shares | (8,831.86) | (8,026.91) |
| Transfer to/(from) debenture redemption reserve | - | - |
| Transfer to Statutory Reserve | (8,593.59) | (7,122.21) |
| Capital Redemption Reserve | - | - |
| Total appropriations | (17,425.45) | (15,149.12) |
| Balance at the end of the year | 1,35,089.67 | 1,09,952.62 |
| Other Comprehensive Income | | |
| Balance at the beginning of the year | (230.91) | (670.45) |
| Add/Less: Other comprehensive income for the year | 680.66 | 439.54 |
| Add: Other Additions/ Deductions during the year | 6.42 | - |
| Balance at the end of the year | 456.17 | (230.91) |
| Total | 2,47,057.45 | 2,12,643.04 |

25.1 Nature and purpose of reserve

(a) Statutory reserve

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly an amount representing 20% of Profit for the period is transferred to the fund for the year.

(b) Securities Premium

This Reserve represents the premium on issue of equity shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

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(Rupees in millions, except for share data and unless otherwise stated)

Note 25: Other equity (Contd..)

(c) Debenture Redemption Reserve

Pursuant to Rule 18(7)(b)(iii) of the Companies (Share Capital and Debentures) Rules, 2014, as amended vide the Companies (Share Capital and Debentures) Amendment Rules, August 16, 2019, the Company, being an NBFC registered with the Reserve Bank of India under Section 45 IA of the RBI Act, 1934, is not required to create a Debenture Redemption Reserve, in respect of public issue of debentures and debentures issued by it on a private placement basis.

(d) General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. 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.

(e) Share Options outstanding account

The fair value of equity settled share based payments transactions is recognised in the Statement of Profit and Loss with corresponding credit to Share option outstanding account.

(f) Retained earnings

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

(g) Capital Redemption Reserve

The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Group may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

(h) Capital Reserve

A capital reserve is used for contingencies or to offset capital losses. It is derived from the accumulated capital surplus created out of capital profit.

(i) Other Comprehensive Income

Equity instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Effective portion of Cash Flow Hedges and Cost of Hedging Reserve

Effective portion of cash flow hedges represents the cumulative gains/(losses) arising on changes in fair value of the derivative instruments designated as cash flow hedges through OCI. The amount recognized as effective portion of Cash flow hedge is reclassified to profit or loss when the hedged item affects profit or loss. The company designates the spot element of foreign currency forward contracts as hedging instruments. The changes in the fair value of forward element of the forward contract on reporting date is deferred and retained in the cost of hedging reserve.

Revaluation Surplus

When carrying amount of an item of property, plant and equipment is increased as a result of a revaluation, the increase shall be recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. When carrying amount of an item of property, plant and equipment is decreased as a result of a revaluation, the decrease shall

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(Rupees in millions, except for share data and unless otherwise stated)

Note 25: Other equity (Contd..)

be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus. The revaluation surplus included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised. Transfers from revaluation surplus to retained earnings are not made through profit or loss.

Remeasurement of defined benefit plans

It represents the gain/(loss) on remeasurement of Defined Benefit Obligation and of Plan assets

Gain/ (loss) from translating financial statements of foreign operations

The Group is required to convert the financial statements of its foreign operations into its functional currency, which is the Indian Rupee. This translation process involves using the exchange rates at the end of the reporting period for assets and liabilities and the exchange rates at the transaction dates for income and expenses. The resulting exchange differences from this translation are not recognized in the Statement of Profit and Loss. Instead, they are recorded separately as a component of other equity known as the Foreign Currency Translation Reserve (FCTR).

However, there are two exceptions to this approach. Firstly, if the exchange differences pertain to a non-controlling interest (NCI) in a subsidiary, the Group allocates the relevant portion of these differences to the NCI. Secondly, if the Group disposes of a foreign operation, either wholly or partially, the cumulative amount of exchange differences in the FCTR is transferred to the Statement of Profit and Loss. This transfer becomes a part of the gain or loss on disposal.

25.2 Dividend proposed to be distributed to equity shareholders for the period

Dividend proposed to be distributed to equity shareholders for the period (not recognised as liability)

Interim dividend for 2023-24 @ ₹24/- per equity share 9,635.08

Date of declaration of interim dividend for the period May 30, 2024

Note 26: Interest income

| Particulars | Year ended March 31, 2024 | | | Year ended March 31, 2023 | | |
|----------------------|---|---|---|---|---|---|
| | On Financial asset measured at fair value through OCI | On Financial asset measured at amortised cost | Interest income on financial assets classified at fair value through profit or loss | On Financial asset measured at fair value through OCI | On Financial asset measured at amortised cost | Interest income on financial assets classified at fair value through profit or loss |
| Interest on Loans | | | | | | |
| Gold Loan | - | 1,20,645.85 | - | - | 1,01,460.63 | - |
| Corporate Loans | - | 145.01 | - | - | 80.36 | - |
| Personal Loan | - | 1,416.24 | - | - | 784.70 | - |
| Staff Loan | - | 9.23 | - | - | 3.90 | - |
| Housing Loans | - | 1,761.18 | - | - | 1,322.97 | - |
| Mortgage loans | - | 82.99 | - | - | 38.04 | - |
| Pledge loans | - | 17.10 | - | - | 10.75 | - |
| Business Loans | - | 448.72 | - | - | 225.08 | - |
| Vehicle Loan | - | 278.87 | - | - | 213.01 | - |
| Microfinance loans | - | 16,333.02 | - | - | 8,539.83 | - |
| Insta Personal Loans | - | 722.87 | - | - | 49.21 | - |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 26: Interest income (Contd..)

| Particulars | Year ended March 31, 2024 | | | Year ended March 31, 2023 | | |
|----------------------------------|---|---|---|---|---|---|
| | On Financial asset measured at fair value through OCI | On Financial asset measured at amortised cost | Interest income on financial assets classified at fair value through profit or loss | On Financial asset measured at fair value through OCI | On Financial asset measured at amortised cost | Interest income on financial assets classified at fair value through profit or loss |
| Business Loans - SME | - | 132.16 | - | - | 0.03 | - |
| Loan Against Property | - | 0.01 | - | - | - | - |
| Other loans | - | 15.90 | - | - | 32.14 | - |
| Interest on hire purchase | - | 0.90 | - | - | 0.66 | - |
| Interest on leases | - | - | - | - | 32.68 | - |
| Interest income from investments | - | 2,236.28 | - | - | 1,746.34 | - |
| Interest on deposits with banks | - | 845.37 | - | - | 812.60 | - |
| Interest on treasury bills | - | 149.26 | - | - | 97.09 | - |
| Interest Income on Unit Trust | - | 78.84 | - | - | 9.45 | - |
| Other interest income | - | 137.21 | - | - | 95.88 | - |
| Total | - | 1,45,457.01 | - | - | 1,15,555.35 | - |

Note 27: Net gain/ (loss) on fair value changes

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---------------------------|---------------------------|
| (A) Net gain on financial instruments at fair value through profit or loss | | |
| (i) On trading portfolio | | |
| - Investments | 1,022.58 | 716.51 |
| - Others | - | - |
| Net gain/ (loss) on fair value changes | - | - |
| (ii) On financial instruments designated at fair value through profit or loss | (276.52) | -192.38 |
| (B) Gain on fair valuation of equity shares | (106.00) | 0.01 |
| Total Net gain/ (loss) on fair value changes (C) | 640.06 | 524.14 |
| Fair Value changes: | | |
| - Realised | 1,022.58 | 716.51 |
| - Unrealised | (382.52) | (192.37) |
| Total Net gain/ (loss) on fair value changes | 640.06 | 524.14 |

Note 28: Sale of services

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---------------------------------------|---------------------------|---------------------------|
| Income from Money Transfer business | 82.60 | 87.46 |
| Income from Power Generation Windmill | 6.27 | 3.24 |
| Total | 88.87 | 90.70 |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 29: Other Income

| Particulars | Year ended | Year ended |
|---|-----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Gains from disposal of property, plant and equipment, investment property and real estate inventories | 7.50 | 10.66 |
| Bad debt recovered | 712.30 | 430.05 |
| Rental income | 3.57 | 3.10 |
| Others | 287.48 | 329.61 |
| Total | 1,010.85 | 773.42 |

Note 30: Finance Costs

| Particulars | Year ended March 31, 2024 | | Year ended March 31, 2023 | |
|--|--|---|--|---|
| | On financial liabilities measured at fair value through profit or loss | On financial liabilities measured at amortised cost | On financial liabilities measured at fair value through profit or loss | On financial liabilities measured at amortised cost |
| | (a) Interest on deposits | - | 691.15 | - |
| (b) Interest on borrowing (other than debt securities) | - | 39,961.98 | - | 30,559.24 |
| (c) Interest on debt securities | - | 12,885.13 | - | 10,573.87 |
| (d) Interest on subordinate liabilities | - | 479.00 | - | 434.95 |
| (e) Interest on lease liabilities | - | 19.62 | - | 18.46 |
| (f) Other interest expense | - | 263.90 | - | 10.37 |
| Total | - | 54,300.78 | - | 42,091.78 |

Note 31: Impairment on financial instruments

| Particulars | Year ended March 31, 2024 | | Year ended March 31, 2023 | |
|-----------------------------------|---|---|---|---|
| | On financial instruments measured at fair value through OCI | On financial instruments measured at amortised cost | On financial instruments measured at fair value through OCI | On financial instruments measured at amortised cost |
| | Loans | - | 3,162.76 | - |
| Bad Debts Written Off | - | 2,267.94 | - | 1,233.04 |
| Investments Written Off | - | 42.80 | - | 115.94 |
| Other Assets | - | - | - | - |
| - Undrawn commitments | - | 7.86 | - | -12.71 |
| - Other Assets | - | 41.50 | - | 9.53 |
| Provision for Interest only Strip | - | 15.35 | - | 7.76 |
| Total | - | 5,538.21 | - | 2,432.32 |

Notes

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(Rupees in millions, except for share data and unless otherwise stated)

Note 32: Employee Benefits Expenses

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Salaries and Wages | 16,999.40 | 13,831.22 |
| Contributions to Provident and Other Funds | 998.11 | 870.54 |
| Staff Welfare Expenses | 284.55 | 180.92 |
| Total | 18,282.06 | 14,882.68 |

Note 33: Depreciation, amortization and impairment

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-------------------------------------|------------------------------|------------------------------|
| Depreciation of Tangible Assets | 818.85 | 680.52 |
| Depreciation of Investment Property | 0.32 | 0.30 |
| Amortization of Intangible Assets | 31.19 | 29.24 |
| Depreciation on Right to Use Assets | 70.70 | 71.55 |
| Total | 921.06 | 781.61 |

Note 34: Other Expenses

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Rent | 2,949.41 | 2,621.18 |
| Rates & Taxes | 548.07 | 651.94 |
| Energy Costs | 523.78 | 430.57 |
| Repairs and Maintenance | 678.54 | 550.23 |
| Communication Costs | 540.72 | 488.06 |
| Printing and Stationery | 284.79 | 243.13 |
| Advertisement & Publicity | 1,454.61 | 1,613.03 |
| Directors' Sitting Fee | 17.98 | 14.83 |
| Commission to Non-Executive Directors | 10.50 | 10.15 |
| Auditors' fees and expenses (Refer note 34.1) | 17.09 | 15.99 |
| Legal & Professional Charges | 1,051.81 | 601.81 |
| Insurance | 183.86 | 136.72 |
| Internal Audit and Inspection Expenses | 140.98 | 146.65 |
| Vehicle Hire & Maintenance | 12.59 | 11.69 |
| Travelling and Conveyance | 787.28 | 690.35 |
| Business Promotion Expenses | 1,241.75 | 221.33 |
| Bank Charges | 214.89 | 156.60 |
| Donation to Political Parties | 1.10 | 5.58 |
| Business Support Charges | 69.33 | 57.54 |
| Loss on Sale of property, plant and equipment | 1.11 | 21.16 |
| Membership and subscription | 8.35 | 9.52 |
| Software Maintenance Charges | 155.45 | 70.99 |
| Cloud Charges | 36.42 | 50.83 |
| Establishment Charges | 14.72 | 10.33 |
| Miscellaneous expense | 642.67 | 518.49 |
| Expenditure on Corporate Social Responsibility (Refer note 34.2) | 1,032.47 | 985.26 |
| Total | 12,620.27 | 10,333.96 |

Notes

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(Rupees in millions, except for share data and unless otherwise stated)

Note 34: Other Expenses (Contd..)

Note 34.1 Auditors' fees and expenses:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| As Auditors' (including limited review) | 15.16 | 13.85 |
| For Other Services | 1.79 | 2.13 |
| For Reimbursement of Expenses | 0.14 | 0.01 |
| Total | 17.09 | 15.99 |

Note 34.2 Expenditure on Corporate Social Responsibility:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| a) Gross amount required to be spent by the Group during the year | 1,030.03 | 984.51 |
| b) Amount spent during the period | | |
| i) Construction/acquisition of any asset | | |
| - In Cash | - | - |
| - Yet to be paid in cash | - | - |
| ii) On purpose other than (i) above - | | |
| - In Cash | 1,032.47 | 985.26 |
| - Yet to be paid in cash | - | - |
| Total | 1,032.47 | 985.26 |

Note 35: Income Tax

The components of income tax expense for the year ended March 31, 2024 and year ended March 31, 2023 are:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Current tax | 15,807.24 | 12,341.19 |
| Adjustment in respect of current income tax of prior years | (5.84) | (105.52) |
| Deferred tax relating to origination and reversal of temporary differences | (512.30) | 294.47 |
| Income tax expense reported in statement of Profit and Loss | 15,289.10 | 12,530.14 |
| OCI Section | | |
| Current tax related to items recognised in OCI during the period: | | |
| - Remeasurement of defined benefit plans | 16.58 | 12.32 |
| Deferred tax related to items recognised in OCI during the period: | | |
| - Remeasurement of defined benefit plans | (3.69) | (0.86) |
| - Fair value changes on equity instruments through other comprehensive income | 94.62 | (21.35) |
| - Change in Value of forward elements of forward contract | 120.99 | 99.78 |
| - Effective portion of gain on hedging instruments in cash flow hedges | (21.99) | 61.66 |
| - Surplus reserve from property plant and equipment | 3.40 | - |
| Income tax charged to OCI | 209.91 | 151.55 |

In accordance with the provisions of Section 115BAA of the Income Tax Act, 1961, the companies in the Group incorporated in India have opted to pay income tax at a reduced rate of 22% (plus surcharge @ 10% and cess @ 4%).

Notes

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(Rupees in millions, except for share data and unless otherwise stated)

Note 35: Income Tax (Contd..)

Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differs from the tax charge that would apply if all profits had been charged at tax rate applicable to the companies in the Group. A reconciliation between the tax expense and the accounting profit multiplied by substantively enacted tax rate for the year ended March 31, 2024 and year ended March 31, 2023 is, as follows:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Accounting profit before tax | 59,965.04 | 49,227.80 |
| At India's statutory income tax rate of 25.168% (2023: 25.168%) | 15,076.40 | 12,389.65 |
| Effect of unrecognised deferred tax assets | 5.53 | (0.02) |
| Effect of derecognition of previously recognised deferred tax assets | 16.00 | (0.86) |
| Effect of income that is exempt from taxation | 5.71 | 6.98 |
| Income of Subsidiaries taxed at diff tax rates (net) | (15.79) | (6.21) |
| Adjustments in respect of current income tax of previous year | 11.37 | (94.95) |
| Expenses disallowed in Income Tax Act | 257.86 | 249.13 |
| Interest on income tax grouped under Current tax charge | 15.69 | 30.72 |
| Others | (83.67) | (44.31) |
| Income tax expense reported in the Statement of Profit and Loss | 15,289.10 | 12,530.14 |

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

| Deferred Tax Assets/(Liabilities) | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Fixed asset: Timing difference on account of Depreciation and Amortisation | 337.93 | 308.69 |
| ROU Asset : Timing difference on account of depreciation and amortisation | 5.53 | 1.41 |
| On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961 | 1,118.28 | 552.06 |
| On Fair Value Changes of derivative liability not adjusted under Income Tax Act, 1961 | 29.63 | 135.20 |
| On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961 | (144.46) | (109.95) |
| Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961 | (217.56) | (148.83) |
| Impact due to gain/loss on fair value of securitisation | (268.35) | (248.81) |
| Impact of expenditure charged to the Statement of Profit and Loss in the current year but claimed as expense for tax purpose on payment basis. | 6.04 | 2.98 |
| Tax Losses relating to foreign subsidiary | 8.03 | 0.05 |
| Transitional adjustment | 18.48 | 51.00 |
| Statutory reserve as per NHB | (76.85) | (67.54) |
| Interest Spread on assignment | (155.16) | (177.34) |
| On Other Provisions | 146.63 | 189.20 |
| Net deferred tax assets / (liabilities) | 808.16 | 488.12 |
| Deferred tax Assets (Net as per Balance Sheet) | 975.78 | 640.98 |
| Deferred tax Liabilities (Net as per Balance Sheet) | 167.62 | 152.86 |
| Net deferred tax assets / (liabilities) | 808.16 | 488.12 |

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Note 35: Income Tax (Contd..)

Reconciliation of deferred tax assets/(liabilities): -

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Opening balance | 488.12 | 923.38 |
| Tax income/(expense) during the period recognised in profit or loss | 513.80 | (294.47) |
| Tax income/(expense) during the period recognised in OCI | (194.81) | (139.23) |
| Exchange differences | 1.06 | (1.56) |
| Closing balance | 808.16 | 488.12 |

Note 36: Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Parent Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Parent Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Net profit attributable to ordinary equity holders | 43,242.88 | 36,122.98 |
| Weighted average number of equity shares for basic earnings per share | 40,14,53,679 | 40,13,97,883 |
| Effect of dilution | 37,469 | 60,216 |
| Weighted average number of equity shares for diluted earnings per share | 40,14,91,148 | 40,14,58,099 |
| Earnings per equity share | | |
| Basic earnings per share ₹ | 107.72 | 89.99 |
| Diluted earnings per share ₹ | 107.71 | 89.98 |

Note 37: Segment Information

The Group is engaged primarily in the business of Financing, where operating results are regularly reviewed by the respective entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".

Note 38: Retirement Benefit Plan

Defined Contribution Plan

The Group makes contributions to Provident Fund which are defined contribution plan for qualifying employees.

Defined Benefit Plan

The Company and five subsidiaries (AAF, BML, MHIL, MML and MIBPL) have defined benefit gratuity plans. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the Group at 15 days salary (last drawn salary) for each completed year of service.

Gratuity schemes are funded by Insurance companies except in the case of AAF.

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Note 38: Retirement Benefit Plan (Contd..)

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 liability/(assets) recognised in the Balance Sheet

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Present value of funded obligations | 1,566.75 | 1,426.10 |
| Fair value of planned assets | (1,487.16) | (1,332.23) |
| Defined Benefit obligation/(asset) | 79.59 | 93.87 |

Muthoot Money Limited : Net liability/(assets) recognised in the Balance Sheet

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Present value of funded obligations | 5.69 | 2.31 |
| Fair value of planned assets | (4.17) | (3.88) |
| Defined Benefit obligation/(asset) | 1.52 | (1.57) |

Net benefit expense recognised in Statement of Profit and Loss

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Current service cost | 192.80 | 182.46 |
| Past service cost | 1.56 | - |
| Net Interest on net defined benefit liability/ (asset) | 7.68 | 10.52 |
| Net benefit expense | 202.04 | 192.98 |

Details of changes in present value of defined benefit obligations as follows:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Present value of defined benefit obligation at the beginning of the year | 1,428.41 | 1,417.20 |
| Current service cost | 192.80 | 182.46 |
| Past Service Cost | 1.56 | - |
| Interest cost on benefit obligation | 102.56 | 88.23 |
| <i>Re-measurements:</i> | | |
| a. Actuarial loss/(gain) arising from changes in demographic assumptions | (0.98) | - |
| b. Actuarial loss/ (gain) arising from changes in financial assumptions | 4.67 | (67.43) |
| c. Actuarial loss/ (gain) arising from experience over the past years | 14.43 | 3.34 |
| Benefits paid | (172.18) | (195.35) |
| FCTR Adjustments | 1.17 | (0.04) |
| Present value of Defined Benefit obligation at the end of the year | 1,572.44 | 1,428.41 |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 38: Retirement Benefit Plan (Contd..)

Details of changes in fair value of plan assets are as follows: -

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Fair value of plan assets at the beginning of the year | 1,336.11 | 1,271.53 |
| Interest income on plan assets | 94.89 | 77.71 |
| Employer contributions | 159.85 | 206.14 |
| Benefits paid | (170.23) | (194.30) |
| <i>Re-measurements:</i> | | |
| a. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset) | 70.71 | (24.97) |
| Fair value of plan assets as at the end of the year | 1,491.33 | 1,336.11 |
| Actual return on plan assets | 165.60 | 52.74 |
| Expected employer contribution for the coming year | 190.31 | 175.99 |

Remeasurement (gain)/ loss in Other Comprehensive Income (OCI)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| <i>Remeasurements on defined benefit obligation</i> | | |
| a. Actuarial loss/(gain) arising from changes in demographic assumptions | 0.98 | - |
| b. Actuarial loss/ (gain) arising from changes in financial assumptions | (4.67) | 67.43 |
| c. Actuarial loss/ (gain) arising from experience over the past years | (14.43) | (1.34) |
| <i>Remeasurements on plan assets</i> | | |
| Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset) | 70.71 | (24.97) |
| Actuarial gain /(loss) (through OCI) | 52.59 | 41.12 |

As at March 31, 2024 and March 31, 2023, plan assets of the Group, where applicable, were primarily invested in insurer managed funds.

The principal assumptions used in determining gratuity obligations for the Group's plans are shown below:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Salary Growth Rate | 5.00% - 10.00% P.a | 7.00% - 15.00% P.a |
| Discount Rate | 6.90% - 12.40% | 7.10% - 15.00% |
| Withdrawal Rate | 15.00% - 38.00% p.a. | 15.00% - 38.00% p.a. |
| Mortality | IALM 2012-14 Ult. | IALM 2012-14 Ult. |
| Interest rate on net DBO/ (Assets) | 7.10% - 7.30% p.a. | 4.60% - 6.20% p.a. |
| Expected weighted average remaining working life | 2 - 5 Years | 2 - 5 Years |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 38: Retirement Benefit Plan (Contd..)

A quantitative sensitivity analysis for significant assumption As at March 31, 2024 and March 31, 2023 of the Parent Company, MHIL ,MML and MIBPL are as below:

| Assumptions | Sensitivity Level | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------|--|-------------------------|-------------------------|
| Discount Rate | Increase by 1% | (72.31) | (67.12) |
| Discount Rate | Decrease by 1% | 79.89 | 74.20 |
| Further Salary Increase | Increase by 1% | 79.12 | 73.54 |
| Further Salary Increase | Decrease by 1% | (72.96) | (67.80) |
| Employee turnover | Increase by 1% | (3.93) | (2.74) |
| Employee turnover | Decrease by 1% | 4.02 | 2.77 |
| Mortality Rate | Increase in expected lifetime by 1 year | Negligible change | 0.06 |
| Mortality Rate | Increase in expected lifetime by 3 years | Negligible change | 0.15 |

A quantitative sensitivity analysis for significant assumption As at March 31, 2024 and March 31, 2023 of BML are as below:

| Assumptions | Sensitivity Level | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------|-------------------|-------------------------|-------------------------|
| Discount Rate | Increase by 0.50% | (1.46) | (1.07) |
| Discount Rate | Decrease by 0.50% | 1.50 | 1.10 |
| Further Salary Increase | Increase by 1% | 2.91 | 2.14 |
| Further Salary Increase | Decrease by 1% | (2.80) | (2.06) |
| Employee turnover | Increase by 5% | (5.31) | - |
| Employee turnover | Decrease by 5% | 6.39 | - |

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses. The weighted average duration of the defined benefit obligation As at March 31, 2024 is 5 years for the Company & BML, 4.5 years for MIBPL, 4.3 years for AAF and 2 years for MML & MHIL (As at 31, March 2023; 5 Years for the company, BML & MIBPL, 4.8 years for AAF and 2 years for MML & MHIL). 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.

A quantitative sensitivity analysis for significant assumption As at March 31, 2024 and March 31, 2023 of AAF are as below:

| Assumptions | Sensitivity Level | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------|-------------------|-------------------------|-------------------------|
| Discount Rate | Increase by 1% | (0.41) | (0.53) |
| Discount Rate | Decrease by 1% | 0.44 | 0.50 |
| Further Salary Increase | Increase by 1% | 0.50 | 0.46 |
| Further Salary Increase | Decrease by 1% | (0.47) | (0.51) |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 38: Retirement Benefit Plan (Contd..)

Description of Asset Liability Matching (ALM) Policy

The Group primarily deploys its gratuity investment assets in insurer-offered debt market-linked plans. As investment returns of the plan are highly sensitive to changes in interest rates, liability movement is broadly hedged by asset movement if the duration is matched.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The Group aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

The principal assumptions used in determining leave encashment obligations for the Group's plans are shown below:

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, mortality, withdrawals and other relevant factors.

Note 39: Maturity analysis of assets and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled. For 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 | As at March 31, 2024 | | |
|---|----------------------|--------------------|--------------------|
| | Within 12 months | After 12 months | Total |
| Assets | | | |
| Financial Assets | | | |
| Cash and cash equivalents | 60,373.45 | - | 60,373.45 |
| Bank Balance other than Cash and cash equivalents | 1,686.29 | 660.28 | 2,346.57 |
| Derivative Financial instruments | - | - | - |
| Trade receivables | 178.36 | - | 178.36 |
| Loans | 7,92,546.40 | 90,036.33 | 8,82,582.73 |
| - Adjustment on account of EIR/ECL | - | - | (711.02) |
| Investments | 1,515.39 | 5,609.33 | 7,124.72 |
| - Adjustment on account of EIR/ECL | - | - | - |
| Other financial assets | 2,232.37 | 1,903.75 | 4,136.12 |
| Non-financial Assets | | | |
| Current tax assets (net) | 724.86 | - | 724.86 |
| Deferred tax assets (net) | 600.59 | 375.19 | 975.78 |
| Investment property | 28.09 | 62.98 | 91.07 |
| Property, plant and equipment | - | 4,255.24 | 4,255.24 |
| Right to use assets | 50.99 | 60.12 | 111.11 |
| Capital Work In Progress | - | 883.16 | 883.16 |
| Goodwill | - | - | - |
| Other intangible assets | - | 58.35 | 58.35 |
| Intangible Asset under Development | - | 3.65 | 3.65 |
| Other non financial assets | 979.82 | 280.27 | 1,260.09 |
| Total Assets | 8,60,916.61 | 1,04,188.65 | 9,64,394.24 |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 39: Maturity analysis of assets and liabilities (Contd..)

| Particulars | As at March 31, 2024 | | |
|---|----------------------|----------------------|--------------------|
| | Within 12 months | After 12 months | Total |
| Liabilities | | | |
| Financial Liabilities | | | |
| Derivative financial instruments | 138.86 | - | 138.86 |
| Trade payables | 1,388.91 | - | 1,388.91 |
| Other Payables | 1,280.77 | - | 1,280.77 |
| Debt Securities | 27,112.45 | 1,47,825.01 | 1,74,937.46 |
| - Adjustment on account of EIR | - | - | (175.26) |
| Borrowings (other than debt securities) | 3,43,346.38 | 1,57,305.86 | 5,00,652.24 |
| - Adjustment on account of EIR | - | - | (132.71) |
| Deposits | 3,152.45 | 865.81 | 4,018.26 |
| - Adjustment on account of EIR | - | - | - |
| Subordinated Liabilities | 317.76 | 2,993.94 | 3,311.70 |
| - Adjustment on account of EIR | - | - | (1.97) |
| Lease Liabilities | 55.75 | 70.16 | 125.91 |
| Other Financial liabilities | 13,182.38 | 2,832.52 | 16,014.90 |
| Non-financial Liabilities | | | |
| Current tax liabilities (net) | 551.68 | - | 551.68 |
| Provisions | 3,322.15 | 411.12 | 3,733.27 |
| Deferred tax liabilities (net) | - | 167.62 | 167.62 |
| Other non-financial liabilities | 1,142.16 | - | 1,142.16 |
| Total Liabilities | 3,94,991.70 | 3,12,472.04 | 7,07,153.80 |
| Net | 4,65,924.91 | (2,08,283.39) | 2,57,240.44 |

| Particulars | As at March 31, 2023 | | |
|---|----------------------|--------------------|-------------|
| | Within 12 months | After 12 months | Total |
| Assets | | | |
| Financial Assets | | | |
| Cash and cash equivalents | 77,701.83 | - | 77,701.83 |
| Bank Balance other than Cash and cash equivalents | 1,870.21 | 784.55 | 2,654.76 |
| Derivative Financial instruments | - | - | - |
| Trade receivables | 98.95 | - | 98.95 |
| Loans | 6,40,736.41 | 65,131.34 | 7,05,867.75 |
| - Adjustment on account of EIR/ECL | - | - | (323.91) |
| Investments | 946.56 | 4,510.56 | 5,457.12 |
| - Adjustment on account of EIR/ECL | - | - | - |
| Other financial assets | 1,758.47 | 1,694.53 | 3,453.00 |
| Non-financial Assets | | | |
| Current tax assets (net) | 112.42 | 362.15 | 474.57 |
| Deferred tax assets (net) | 9.34 | 631.64 | 640.98 |
| Investment property | 12.84 | 69.18 | 82.02 |
| Property, plant and equipment | - | 3,272.37 | 3,272.37 |
| Right to use assets | 14.13 | 128.10 | 142.23 |
| Capital Work In Progress | - | 674.27 | 674.27 |
| Goodwill | - | - | - |
| Other intangible assets | - | 58.85 | 58.85 |

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Note 39: Maturity analysis of assets and liabilities (Contd..)

| Particulars | As at March 31, 2023 | | |
|---|----------------------|----------------------|--------------------|
| | Within 12 months | After 12 months | Total |
| Intangible Asset under Development | - | 0.44 | 0.44 |
| Other non financial assets | 696.67 | 237.34 | 934.01 |
| Total Assets | 7,23,957.83 | 77,555.32 | 8,01,189.24 |
| Liabilities | | | |
| Financial Liabilities | | | |
| Derivative financial instruments | 1,921.73 | - | 1,921.73 |
| Trade payables | 878.43 | - | 878.43 |
| Other Payables | 1,119.71 | - | 1,119.71 |
| Debt Securities | 56,198.86 | 90,002.14 | 1,46,201.00 |
| - Adjustment on account of EIR | - | - | (155.21) |
| Borrowings (other than debt securities) | 2,94,093.74 | 1,12,010.76 | 4,06,104.50 |
| - Adjustment on account of EIR | - | - | (129.92) |
| Deposits | 2,848.48 | 466.28 | 3,314.76 |
| - Adjustment on account of EIR | - | - | - |
| Subordinated Liabilities | 713.50 | 1,837.34 | 2,550.84 |
| - Adjustment on account of EIR | - | - | (4.29) |
| Lease Liabilities | 64.99 | 90.58 | 155.57 |
| Other Financial liabilities | 10,714.39 | 1,924.37 | 12,638.76 |
| Non-financial Liabilities | | | |
| Current tax liabilities (net) | 811.92 | - | 811.92 |
| Provisions | 3,233.80 | 385.12 | 3,618.92 |
| Deferred tax liabilities (net) | - | 152.86 | 152.86 |
| Other non-financial liabilities | 733.91 | 47.67 | 781.58 |
| Total Liabilities | 3,73,333.46 | 2,06,917.12 | 5,79,961.16 |
| Net | 3,50,624.37 | (1,29,361.80) | 2,21,228.08 |

Note 40: Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statements

| Particulars | As at April 01, 2023 | Cash Flows | Exchange difference | Change in fair value | Others | As at March 31, 2024 |
|--|-------------------------|--------------------|------------------------|-------------------------|-----------------|-------------------------|
| Debt Securities | 1,46,045.79 | 28,746.08 | - | - | (29.67) | 1,74,762.20 |
| Borrowings other than debt securities | 4,05,974.58 | 99,173.52 | 228.68 | (4,798.91) | (58.34) | 5,00,519.53 |
| Deposits | 3,314.76 | 335.71 | 367.79 | - | - | 4,018.26 |
| Subordinated Liabilities | 2,546.55 | 783.60 | - | - | (20.42) | 3,309.73 |
| Total liabilities from financing activities | 5,57,881.68 | 1,29,038.91 | 596.47 | (4,798.91) | (108.43) | 6,82,609.72 |

| Particulars | As at April 01, 2022 | Cash Flows | Exchange difference | Change in fair value | Others | As at March 31, 2023 |
|--|-------------------------|------------------|------------------------|-------------------------|---------------|-------------------------|
| Debt Securities | 1,31,740.35 | 14,225.96 | - | - | 79.48 | 1,46,045.79 |
| Borrowings other than debt securities | 4,08,553.24 | (3,896.22) | (55.78) | 1,254.62 | 118.72 | 4,05,974.58 |
| Deposits | 2,235.26 | 1,143.57 | (64.07) | - | - | 3,314.76 |
| Subordinated Liabilities | 2,997.33 | (459.47) | - | - | 8.69 | 2,546.55 |
| Total liabilities from financing activities | 5,45,526.18 | 11,013.84 | (119.85) | 1,254.62 | 206.89 | 5,57,881.68 |

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Note 41: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| (a) Claims against the Group not acknowledged as debt | | |
| (i) Income Tax Demands | 681.33 | 446.17 |
| (ii) Service Tax Demands | 4,995.05 | 4,995.05 |
| (iii) Others | 26.97 | 426.97 |
| (iv) Disputed claims against the Group under litigation not acknowledged as debts | 266.07 | 164.93 |
| (b) Guarantees - Counter Guarantees Provided to Banks | 283.31 | 349.42 |
| (c) Corporate Guarantee issued in favour of National Housing Bank for loan availed by wholly owned subsidiary M/s Muthoot Homefin (India) Limited [Amount of Guarantee ₹2,750.00 millions (₹2,750.00 millions as at March 31, 2023)] | 1,772.81 | 1,940.91 |
| (d) Others | - | - |

(B) Commitments

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| (i) Estimated amount of contracts remaining to be executed on capital account, net of advances, and not provided for | 106.75 | 223.46 |
| (ii) Promissory notes | 83.22 | 112.37 |
| (iii) Commitments related to loans sanctioned but undrawn | 13,388.63 | 9,779.85 |
| (iv) Capital commitments | 2.11 | 1.01 |

(C) Lease Disclosures

Finance Lease:

The Group has not taken or let out any assets on financial lease.

Operating Lease:

Lease disclosures under Ind AS 116

For the operating lease agreements entered into by the Group which are considered as short term leases under Ind AS 116, right-of-use asset and lease liability has not been recognised during the year. The lease rental payments for such short term leases amounting to ₹2,949.41 millions (₹2,621.18 millions for the year ended March 31, 2023) are recognised as 'Rent' in the Statement of Profit and Loss. For all other lease arrangements under Ind AS 116, the Group has recognised right-of-use asset and lease liability.

Lease rentals received for assets let out on operating lease ₹3.57 millions (₹3.10 millions for the year ended March 31, 2023) are recognized as income in the Statement of Profit and Loss under the head 'Other Income'.

Maturity Analysis of lease liabilities

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------|-------------------------|-------------------------|
| Less than one year | 55.75 | 64.99 |
| One to five years | 70.16 | 87.74 |
| More than five years | - | 2.84 |
| Total | 125.91 | 155.57 |

Interest on lease liabilities amounting to ₹ 19.62 millions (₹ 18.46 millions for the year ended March 31, 2023) are recognised under Finance Cost in the Statement of Profit and Loss.

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(Rupees in millions, except for share data and unless otherwise stated)

Note 41: Contingent liabilities, commitments and leasing arrangements (Contd..)

Carrying value of Right-of-Use Assets

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Balance as at April 01, 2023/ April 01, 2022 | 142.23 | 147.80 |
| Additions during the year | 35.72 | 68.72 |
| Deductions | - | (0.47) |
| Exchange Gain /(Loss) | 3.86 | (2.27) |
| Less: Depreciation charge for the year | (70.70) | (71.55) |
| Balance as at March 31, 2024/ March 31, 2023 | 111.11 | 142.23 |

Note 42: Related Party Disclosures

Holding Company : Muthoot Finance Limited

Names of Related Parties

(A) Key Management Personnel (Directors)

| (A) Key Management Personnel (Directors) | Designation |
|--|--|
| 1. George Jacob Muthoot | Chairman & Whole-time Director |
| 2. George Thomas Muthoot | Whole-time Director |
| 3. George Alexander Muthoot | Managing Director |
| 4. Alexander George | Whole-time Director |
| 5. George Muthoot George | Whole-time Director |
| 6. George Muthoot Jacob | Whole-time Director |
| 7. George Alexander | Whole-time Director |
| 8. Jose Mathew | Independent Director |
| 9. Justice (Retd.) Jacob Benjamin Koshy | Independent Director (Retired on September 29, 2023) |
| 10. Vadakkakara Antony George | Independent Director |
| 11. Ravindra Pisharody | Independent Director |
| 12. Usha Sunny | Independent Director |
| 13. Abraham Chacko | Independent Director |
| 14. Chamacheril Mohan Abraham | Independent Director |
| 15. Joseph Korah | Independent Director (w.e.f September 29, 2023) |

(B) Enterprises owned or significantly influenced by key management personnel or their relatives (Directors)

- Muthoot Vehicle & Asset Finance Limited
- Xandari Resorts Private Limited (Formerly known as Muthoot Leisure And Hospitality Services Private Limited)
- MGM Muthoot Medical Centre Private Limited
- Muthoot Securities Limited
- Muthoot Housing & Infrastructure
- Muthoot Gold Bullion Corporation
- Muthoot M George Institute of Technology
- Emsyne Technologies Private Limited (Formerly known as Muthoot Systems & Technologies Private Limited)
- Muthoot Educational Trust
- Geem Marketing Services Private Limited (Formerly known as Muthoot Marketing Service Private Limited)

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Note 42: Related Party Disclosures (Contd..)

11. Muthoot Forex Limited
12. Xandari Pearl Beach Resorts Private Limited (Formerly known as Marari Beach Resorts Private Limited)
13. Muthoot Health Care Private Limited
14. Muthoot Properties & Investments
15. Muthoot Precious Metals Corporation
16. Xandari Hospitality Services Private Limited
17. St. Georges Educational Society
18. M.G. George Muthoot Charitable Trust (Formerly known as Muthoot M George Charitable Trust)
19. Muthoot Finance Education Trust (Tamilnadu)

(C) Relatives of Key Management Personnel

| Name of Relative | Relationship | Key Management Personnel |
|---------------------------------------|--------------|---|
| Elizabeth Jacob | Spouse | George Jacob Muthoot |
| Reshma Susan Jacob | Daughter | George Jacob Muthoot |
| Susan Thomas | Spouse | George Thomas Muthoot |
| Anna Thomas, Tania Thomas | Daughter | George Thomas Muthoot |
| Anna Alexander | Spouse | George Alexander Muthoot |
| Eapen Alexander | Son | George Alexander Muthoot |
| Radhika George Verghese, Swathy Eapen | Son's wife | George Alexander Muthoot |
| Sara George | Mother | Alexander George, George Muthoot George |
| Radhika George Verghese | Spouse | George Alexander |
| Leela Zachariah | Sister | George Alexander Muthoot, George Jacob Muthoot, George Thomas Muthoot |
| Sindhu Mohan | Spouse | Chamacheril Mohan Abraham |

(D) Key Management Personnel (other than Directors)

1. Oommen Mammen Kaithayil
2. Rajesh Achutha Warriar

Designation

- Chief Financial Officer
Company Secretary

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Note 42: Related Party Disclosures (Contd..)

Related Party transactions during the year:

| Particulars | Key Management Personnel (Directors) | | | Relatives of Key Management Personnel (Directors) | | | Entities over which Key Management Personnel and their relatives are able to exercise significant influence (Directors) | | | Key Management Personnel (other than Directors) | | | Others* | | | |
|--|--------------------------------------|---------------------------|---------------------------|---|---------------------------|---------------------------|---|---------------------------|---------------------------|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---|
| | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | |
| | 2024 | 2023 | 2024 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | |
| Purchase of Travel Tickets for Company Executives/Directors/ Customers | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Accommodation facilities for Company Executives/ Clients/ Customers | - | - | - | - | - | 6.60 | 12.90 | - | - | - | - | - | - | - | - | - |
| Staff Welfare expense | - | - | - | - | - | 0.40 | 0.11 | - | - | - | - | - | - | - | - | - |
| Complementary Medical Health Check Up for Customers/ Employees | - | - | - | - | - | - | 0.88 | - | - | - | - | - | - | - | - | - |
| Brokerage paid for NCD Public Issue | - | - | - | - | - | 5.20 | 5.49 | - | - | - | - | - | - | - | - | - |
| Professional Charges Paid | - | - | - | - | - | - | 4.50 | - | - | - | - | - | - | - | - | - |
| Business Promotion Expenses | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Expenditure on Corporate Social Responsibility (includes payments made on behalf of beneficiaries) | - | - | - | - | - | 771.91 | 732.79 | - | - | - | - | - | - | - | - | - |
| Foreign Currency purchased for travel | - | - | - | - | - | 2.13 | 0.92 | - | - | - | - | - | - | - | - | - |
| Interest paid on Borrowings | 455.52 | 444.22 | 379.76 | 411.91 | 0.04 | 0.04 | 0.24 | - | - | - | - | - | - | - | - | - |
| Interest paid on NCD | - | - | - | 5.61 | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest paid on NCD - Listed | 18.46 | 15.30 | 8.35 | 5.45 | 44.93 | 28.84 | 28.84 | 0.11 | 0.09 | 0.74 | 0.27 | - | - | - | - | - |
| Directors Remuneration | 1,053.11 | 950.18 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Commission and sitting fee to Non-executive Directors | 15.83 | 14.63 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Salaries and Allowances | - | - | 23.81 | 20.70 | - | - | - | 25.62 | 24.17 | - | - | - | - | - | - | - |
| Loans accepted | 6,677.59 | 8,279.94 | 4,080.30 | 4,927.32 | - | - | - | - | - | - | - | - | - | - | - | - |
| Loans repaid | 6,624.64 | 10,573.45 | 3,288.31 | 6,209.51 | 1.54 | 2.24 | 2.24 | - | - | - | - | - | - | - | - | - |
| Purchase of Listed NCD of the Company | 455.00 | 3,827.00 | 46.60 | 3,694.64 | 522.60 | 373.81 | 373.81 | - | - | 5.00 | 5.00 | - | - | - | - | - |
| Redemption of NCD of the Company | - | - | - | 5.00 | - | - | - | - | - | - | - | - | - | - | - | - |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 42: Related Party Disclosures (Contd..)

| Particulars | Key Management Personnel (Directors) | | Relatives of Key Management Personnel (Directors) | | Entities over which Key Management Personnel and their relatives are able to exercise significant influence (Directors) | | Key Management Personnel (other than Directors) | | Others* | |
|---|--------------------------------------|---------------------------|---|---------------------------|---|---------------------------|---|---------------------------|---------------------------|---------------------------|
| | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
| | | | | | | | | | | |
| Redemption of Listed NCD of the Company | 499.98 | 2,669.52 | 278.12 | 1,502.42 | 119.14 | 87.09 | - | - | - | - |
| Interest Received on Loan | - | - | - | - | - | - | - | - | - | - |
| Loan Given | - | - | - | - | - | - | - | - | - | - |
| Loan Recovered | - | - | - | - | - | - | - | - | - | - |
| Rent paid | - | - | 1.82 | 2.09 | 26.29 | 26.13 | - | - | - | - |
| Rent received | - | - | - | - | 2.29 | 2.26 | - | - | - | - |
| Rent deposit given | - | - | - | - | 0.50 | - | - | - | - | - |
| Rent deposit repaid | - | - | - | - | - | 0.20 | - | - | - | - |
| Dividend paid | 4,137.04 | 3,760.94 | 2,348.19 | 2,134.72 | - | - | 1.22 | 1.10 | - | - |
| Dividend Received | - | - | - | - | - | - | - | - | - | - |
| Commission Received on Money Transfer business | - | - | - | - | 2.28 | 3.49 | - | - | - | - |
| Service Charges Collected | - | - | - | - | 1.53 | 1.74 | - | - | - | - |
| Purchase of Fixed asset by company | - | - | - | - | - | - | - | - | - | - |
| Sale of Fixed asset by company | - | - | - | - | 1.12 | - | - | - | - | - |
| Investment in Equity shares of Subsidiary companies | - | - | - | - | - | - | - | - | - | - |
| Investment in Preference shares of Subsidiary companies | - | - | - | - | - | - | - | - | - | - |
| Security deposit accepted | - | - | - | - | - | - | - | - | - | - |
| Security deposit received, adjusted against dues | - | - | - | - | - | - | - | - | - | - |
| Corporate Guarantee given | - | - | - | - | - | - | - | - | - | - |

* Others refers to relatives of Key Management Personnel (Other than Directors)

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(Rupees in millions, except for share data and unless otherwise stated)

Note 42: Related Party Disclosures (Contd..)

Balance outstanding as at the year end: Asset/ (Liability) :

| Particulars | Key Management Personnel (Directors) | | | Relatives of Key Management Personnel (Directors) | | | Entities over which Key Management Personnel and their relatives are able to exercise significant influence (Directors) | | | Key Management Personnel (other than Directors) | | | Others* | |
|---|--------------------------------------|----------------------|----------------------|---|----------------------|----------------------|---|----------------------|----------------------|---|----------------------|----------------------|----------------------|--|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | |
| | | | | | | | | | | | | | | |
| Investments in Equity Shares | - | - | - | - | - | 488.65 | - | 392.55 | - | - | - | - | - | |
| Investments in Preference Shares | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| NCD | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| NCD - Listed | (4,301.50) | (4,346.48) | (3,793.93) | (4,025.45) | (957.41) | (553.94) | (1.20) | (1.20) | (1.20) | (1.20) | (13.00) | (8.00) | | |
| Security Deposit | - | - | - | - | (10.00) | (10.00) | - | - | - | - | - | - | - | |
| Rent Deposit | - | - | - | - | 14.43 | 13.94 | - | - | - | - | - | - | - | |
| Borrowings | (3,029.17) | (2,976.22) | (3,965.91) | (3,173.92) | - | (1.54) | - | - | - | - | - | - | - | |
| Directors Remuneration Payable | (321.60) | (288.62) | - | - | - | - | - | - | - | - | - | - | - | |
| Commission payable to Non-executive Directors | (9.45) | (9.14) | - | - | - | - | - | - | - | - | - | - | - | |
| Interest payable on NCD | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Interest payable on Borrowings | - | - | - | - | - | (0.01) | - | - | - | - | - | - | - | |
| Corporate guarantee | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Trade Payables | - | - | - | - | (0.12) | (0.11) | - | - | - | - | - | - | - | |
| Loans | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Trade Receivables | - | - | - | - | 0.55 | 0.28 | - | - | - | - | - | - | - | |
| Other financial assets | - | - | - | - | 0.57 | 0.17 | - | - | - | - | - | - | - | |
| Amounts payable (net) to related parties | (7,661.72) | (7,620.46) | (7,759.84) | (7,199.37) | (463.33) | (158.66) | (1.20) | (1.20) | (1.20) | (1.20) | (13.00) | (8.00) | | |

* Others refers to relatives of Key Management Personnel (Other than Directors)

Note

a) Related parties have been identified on the basis of the declaration received by the management and other records available.

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(Rupees in millions, except for share data and unless otherwise stated)

Note 42: Related Party Disclosures (Contd..)

Compensation of key management personnel of the Group :

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) to be key management personnel for the purposes of IND AS 24 Related Party Disclosures.

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|------------------------------|------------------------------|------------------------------|
| Short-term employee benefits | 1,068.94 | 964.81 |
| Total | 1,068.94 | 964.81 |

The Company has included Key Managerial Personnel defined under Section 2(51) of the Companies Act, 2013 other than Directors as Key Management Personnel (other than Directors) as per the disclosure requirements under RBI's Scale Based Regulation for NBFCs.

Subsidiary : Muthoot Homefin (India) Limited

Names of Related Parties

(A) Key Management Personnel (Directors)

| (A) Key Management Personnel (Directors) | Designation |
|--|-------------------------|
| 1. Mr. George Alexander Muthoot | Non executive Director |
| 2. Mr. George Thomas Muthoot | Non executive Director |
| 3. Mrs. Anna Alexander | Non executive Director |
| 4. Mr. K.R Bijimon | Non executive Director |
| 5. Mr. Eapen Alexander | Whole-time Director |
| 6. Mr. Jose Kurian | Independent Director |
| 7. Mr. Jacob K Varghese | Independent Director |
| 8. Mr. V. C. James | Independent Director |
| 9. Mr. Alok Aggarwal | Chief Executive Officer |
| 10. Mr. Pandurang A Kadam | Chief Financial Officer |
| 11. Mrs Riya G | Company Secretary |

(B) Enterprises owned or significantly influenced by key management personnel or their relatives (Directors)

1. Muthoot M George Foundation
2. Muthoot Securities Limited

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(Rupees in millions, except for share data and unless otherwise stated)

Note 42: Related Party Disclosures (Contd..)

Related Party transactions during the year:

| Particulars | Key Management Personnel (Directors) | | Relatives of Key Management Personnel (Directors) | | Entities over which Key Management Personnel and their relatives are able to exercise significant influence (Directors) | | Key Management Personnel (other than Directors) | | Others* | |
|--|--------------------------------------|---------------------------|---|---------------------------|---|---------------------------|---|---------------------------|---------------------------|---------------------------|
| | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
| | | | | | | | | | | |
| Sitting fees to Non-executive Directors | 1.22 | 1.13 | - | - | - | - | - | - | - | - |
| CSR Contribution | - | - | - | - | 2.56 | 4.39 | - | - | - | - |
| Purchase of Listed NCD of the Company | - | - | - | - | 2.28 | 10.37 | - | - | - | - |
| Redemption of Listed NCD of the Company | - | - | - | - | - | 16.22 | - | - | - | - |
| Interest paid on NCD - Listed | - | - | - | - | 0.88 | 1.84 | - | - | - | - |
| Balance outstanding as at the year end: | | | | | | | | | | |
| NCDs - Listed | - | - | - | - | 19.81 | 17.53 | - | - | - | - |

Compensation of key management personnel of the Company:

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of IND AS 24 Related Party Disclosures.

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Contribution to PF (defined contribution) | 0.87 | 0.37 |
| Short term benefits | 24.43 | 16.26 |
| Termination benefits | - | 0.22 |
| Total | 25.30 | 16.85 |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 42: Related Party Disclosures (Contd..)

Subsidiary : Belstar Microfinance Limited

Names of Related Parties

(A) Key Management Personnel (Directors)

| | Designation |
|---|---|
| 1. Dr. (Mrs.) Kalpanaa Sankar | Managing Director |
| 2. Mr. K.B Balakumaran | Executive Director |
| 3. Mr. George Alexander | Non-Executive Director |
| 4. Mr. George Muthoot Jacob | Non-Executive Director |
| 5. Mr. Kuttickattu Rajappan Bijimon | Non-Executive Director |
| 6. Mr. David Arturo Paradiso | Non-Executive Director (upto May 09, 2023) |
| 7. Mr. Vijay Nallan Chakravarthi | Non-Executive Director |
| 8. Mr. Subramanian Ananthanarayanan | Independent Director (upto Dec 19, 2023) |
| 9. Mr. Vadakkakara Antony George | Independent Director |
| 10. Mr. Venkataraman Krishnamoorthy | Independent Director |
| 11. Mr. Chinnasamy Ganesan | Independent Director |
| 12. Mr. Mr. Siva Chidambaram Vadivel Alagan | Non-Executive Director (w.e.f May 09, 2023) |
| 13. Mrs. Rajeswari Karthigeyan | Independent Director (w.e.f Dec 19, 2023) |
| 14. Mr. L. Muralidharan | Chief Financial Officer |
| 15. Mr. Sunil Kumar Sahu | Company Secretary |

(B) Enterprises owned or significantly influenced by key management personnel or their relatives (Directors)

1. Hand in Hand Consulting Services Private Ltd
2. Hand in Hand India
3. Hand in Hand Academy for Social Entrepreneurship
4. Muthoot Securities Limited
5. Muthoot Marketing Services Private Limited
6. Muthoot Vehicle and Asset Finance Limited
7. Sarvam Financial Inclusion Trust

(C) Relatives of Key Management Personnel

1. Mrs. Anna alexander w.e.f March 31, 2023
2. Mr. George M George
3. Mr. George Alexander
4. Mrs. Sara George
5. Mr. George Jacob
6. Mr. George Thomas
7. Mrs. Susan Thomas w.e.f March 31, 2023
8. Mrs. Elizabeth Jacob w.e.f March 31, 2023
9. Mr. Alexander George
10. Mr. CV Sankar
11. Mrs. Bindu Dandapani

(D) Entities holding substantial interest in the Company

1. Maj Invest Financial Inclusion Fund II K/S
2. Arum Holdings limited
3. Augusta investments zero PTE Limited

Notes

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 42: Related Party Disclosures (Contd..)

Related Party transactions during the year:

| Particulars | Key Management Personnel (Directors) | | Relatives of Key Management Personnel (Directors) | | Entities over which Key Management Personnel and their relatives are able to exercise significant influence (Directors) | | Key Management Personnel (other than Directors) | | Others* | | Entities holding substantial interest in the Company | |
|--|--------------------------------------|---------------------------|---|---------------------------|---|---------------------------|---|---------------------------|---------------------------|---------------------------|--|----------|
| | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | |
| | | | | | | | | | | | | |
| Processing Fees on NCD | - | - | - | - | 11.40 | - | - | - | - | - | - | - |
| NCD Receipt | - | - | 567.00 | - | 333.00 | - | - | - | - | - | - | - |
| NCD Repaid | - | - | 621.25 | - | 1.00 | 52.00 | - | - | - | - | - | - |
| Interest Payment - NCDs | - | - | 180.69 | 34.80 | 36.88 | 30.06 | - | - | - | - | - | - |
| Marketing Commission | - | - | - | - | - | 28.64 | - | - | - | - | - | - |
| Other Services | - | - | - | - | 20.04 | - | - | - | - | - | - | - |
| Consultancy Services fees paid | - | - | - | - | 37.82 | 29.37 | - | - | - | - | - | - |
| Rent Paid | - | - | - | - | 0.09 | - | - | - | - | - | - | - |
| Dividend Payment | 0.03 | 0.01 | - | - | 3.80 | 1.94 | - | - | - | - | - | 3.42 |
| CSR expenses paid | - | - | - | - | 18.00 | 16.43 | - | - | - | - | - | 8.79 |
| Loan Repaid | - | - | - | - | 35.00 | 35.00 | - | - | - | - | - | - |
| Interest on Loan | - | - | - | - | 1.57 | 4.82 | - | - | - | - | - | - |
| Issue of Equity Shares | - | - | - | - | - | - | - | - | - | - | - | 1,100.00 |
| Short term employee benefit | 39.53 | 27.39 | - | - | - | - | - | - | - | - | - | - |
| Sitting fee | 9.10 | 7.53 | - | - | - | - | - | - | - | - | - | - |
| Balance outstanding as at the year end: | | | | | | | | | | | | |
| Receivables | | | | | | | | | | | | |
| Marketing Commission | - | - | - | - | - | 0.70 | - | - | - | - | - | - |
| Other Services | - | - | - | - | 9.05 | - | - | - | - | - | - | - |
| Payables | | | | | | | | | | | | |
| NCD Outstanding | - | - | 1,067.50 | 740.00 | 300.00 | 201.00 | - | - | - | - | - | - |
| Loan Outstanding | - | - | - | - | - | 35.00 | - | - | - | - | - | - |
| Rent Payable | - | - | - | - | 0.04 | - | - | - | - | - | - | - |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 42: Related Party Disclosures (Contd..)

Subsidiary : Muthoot Asset Management Private Limited

Names of Related Parties

(A) Enterprises owned or significantly influenced by key management personnel or their relatives (Directors)

1. Muthoot Vehicle & Asset Finance Limited
2. Muthoot M George Foundation

Related Party transactions during the year:

| Particulars | Key Management Personnel (Directors) | | Relatives of Key Management Personnel (Directors) | | Entities over which Key Management Personnel and their relatives are able to exercise significant influence (Directors) | | Key Management Personnel (other than Directors) | | Others* | |
|-------------|--|---------------------------|---|---------------------------|---|---------------------------|---|---------------------------|---------------------------|---------------------------|
| | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
| | Expenditure on Corporate Social Responsibility | - | - | - | - | - | 851.96 | - | - | - |

Subsidiary : Muthoot Money Limited

Names of Related Parties

(A) Key Management Personnel (Directors)

- | | |
|-----------------------------------|-------------------------|
| 1. George Jacob Muthoot | Director |
| 2. George Muthoot Jacob | Director |
| 3. Kuttickattu Rajappan Bijimon | Director |
| 4. Eapen Alexander | Director |
| 5. Thomas John | Independent Director |
| 6. Chamacheril Mohan Abraham | Independent Director |
| 7. Susan Thomas | Additional Director |
| 8. Vishnu Konnotumana Narayanan | Company Secretary |
| 9. Vinod Krishna Kumar Challa | Chief Executive Officer |
| 10. Kaippully Sreedharan Sreenath | Chief Financial Officer |

(B) Relatives of Key Management Personnel

1. George Alexander
2. Anna Alexander
3. George M Alexander
4. Elizabeth Jacob
5. George Thomas Muthoot
6. Reshma Susan Jacob
7. George Thomas

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(Rupees in millions, except for share data and unless otherwise stated)

Note 42: Related Party Disclosures (Contd..)

Related Party transactions during the year:

| Particulars | Key Management Personnel (Directors) | | Relatives of Key Management Personnel (Directors) | | Entities over which Key Management Personnel and their relatives are able to exercise significant influence (Directors) | | Key Management Personnel (other than Directors) | | Others* | |
|--|--------------------------------------|---------------------------|---|---------------------------|---|---------------------------|---|---------------------------|---------------------------|---------------------------|
| | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
| Loan from Director | 700.00 | - | 500.00 | - | - | 851.96 | - | - | - | - |
| Loan repaid | - | - | - | - | - | - | - | - | - | - |
| Remuneration | 4.48 | 3.79 | - | - | - | - | - | - | - | - |
| Sitting Fees | 1.12 | 0.86 | - | - | - | - | - | - | - | - |
| Interest expense on Director's loan | 3.13 | - | 2.11 | - | - | - | - | - | - | - |
| Balance outstanding as at the year end: | | | | | | | | | | |
| Director 's Loan Outstanding | 700.00 | - | 500.00 | - | - | - | - | - | - | - |

Compensation of key management personnel of the Company:

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of IND AS 24 Related Party Disclosures.

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|---------------------------|---------------------------|
| Short-term employee benefits | 4.36 | 3.68 |
| Contribution to PF (defined contribution) | 0.12 | 0.11 |
| Total | 4.48 | 3.79 |

Subsidiary : Asia Asset Finance PLC

Names of Related Parties

(A) Key Management Personnel (Directors)

1. R.A.B. Basnayake
2. R. J. A. Gunawardena
3. G.M. Alexander
4. K.R. Bijimon
5. V.A. Prasanth
6. K.G.K. Pillai
7. J.P.D.R. Jayasekera
8. S.S.R.D.DE.S.Gunasekera

Designation

- Non-Executive Director
- Chief Executive Officer/Director
- Non-Executive Director
- Non-Executive Director
- Chairman/Non-Executive Director
- Non-Executive Director
- Non-Executive Director
- Executive Director/Chief Operating Officer

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(Rupees in millions, except for share data and unless otherwise stated)

Note 42: Related Party Disclosures (Contd..)

Related Party transactions during the year:

| Particulars | Key Management Personnel (Directors) | | Relatives of Key Management Personnel (Directors) | | Entities over which Key Management Personnel and their relatives are able to exercise significant influence (Directors) | | Key Management Personnel (other than Directors) | | Others* | |
|--|---|---------------------------|---|---------------------------|---|---------------------------|---|---------------------------|---------------------------|---------------------------|
| | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
| | Short-term employment benefits paid - Directors | 6.00 | 4.93 | - | - | - | - | - | - | - |
| Interest income | 0.16 | - | - | - | - | - | - | - | - | - |
| Interest expense | 1.14 | 0.56 | - | - | - | - | - | - | - | - |
| Balance outstanding as at the year end: | | | | | | | | | | |
| Loan and receivable | 0.81 | - | - | - | - | - | - | - | - | - |
| Deposit from Directors | 7.03 | 3.91 | - | - | - | - | - | - | - | - |

Note 43: Fair Value Measurement

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 (i.e., an exit price), 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.

Fair Value Hierarchy of financial instruments measured at fair value

I. The following table shows an analysis of financial instruments recorded at fair value

The fair value measurement hierarchy for financial instruments measured at fair value as at March 31, 2024 is as follows:

| Particulars | At Fair Value Through Profit or Loss | | | |
|-------------|--------------------------------------|---------|----------|----------|
| | Level-1 | Level-2 | Level-3 | Total |
| Investments | 281.20 | - | 1,395.20 | 1,676.40 |

| Particulars | At Fair Value Through Other Comprehensive Income | | | |
|--|--|---------|---------|----------|
| | Level-1 | Level-2 | Level-3 | Total |
| Investments | 1,343.92 | 419.03 | 488.64 | 2,251.59 |
| Derivative Financial Instruments (assets) | - | - | - | - |
| Derivative Financial Instruments (liabilities) | - | 138.86 | - | 138.86 |

The fair value measurement hierarchy for financial instruments measured at fair value as at March 31, 2023 is as follows:

| Particulars | At Fair Value Through Profit or Loss | | | |
|-------------|--------------------------------------|---------|---------|--------|
| | Level-1 | Level-2 | Level-3 | Total |
| Investments | 45.72 | 44.24 | 528.64 | 618.60 |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 43: Fair Value Measurement (Contd..)

| Particulars | At Fair Value Through Other Comprehensive Income | | | |
|--|--|----------|---------|----------|
| | Level-1 | Level-2 | Level-3 | Total |
| Investments | 452.03 | 1,031.08 | 392.55 | 1,875.66 |
| Derivative Financial Instruments (assets) | - | - | - | - |
| Derivative Financial Instruments (liabilities) | - | 1,921.73 | - | 1,921.73 |

Valuation methodologies of financial instruments measured at fair value

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under :

Investment at fair value through profit and loss

For investment at fair value through profit and loss, valuation is done using quoted prices from active markets at the measurement date. The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1. Units held in mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions are generally Level 1.

The fair valuation technique for investments in Security receipts (SRs) by Belstar Microfinance Limited is classified under Level 3. Since the investment was made in the month of March 2023 and the investment value approximates the net asset value as at March 31, 2023 as confirmed by the Asset Reconstruction Company (ARC), disclosure of sensitivity of fair value measurement in unobservable inputs is not considered relevant.

Derivative Financial Instruments (assets/liabilities) at fair value through other comprehensive income

The financial assets/ liabilities on derivative contracts has been valued at fair value through other comprehensive income using closing rate and is classified as Level 2.

Investments at fair value through other comprehensive income

Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report on a case-by-case and classified as Level 2. The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1.

Transfer between fair value heirarchy levels

On account of listing of equity shares of ESAF Small Finance Bank Limited during the financial year 2023-24, investments at fair value as on March 31, 2024 (Rs.1,014.47 million) has been classified under Level 1 Financial Instrument while the same as on March 31, 2023 (Rs.772.65 million) was classified under Level 2 Financial Instrument.

II. The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

| 31 March 2024 | As at April 01, 2023 | Purchase | Sales | Issuances | Settlements | Transfers into Level 3 | Transfers from Level 3 | Fair Value Gains or Losses | As at March 31, 2024 |
|--------------------------------------|----------------------|----------|-------|-----------|-------------|------------------------|------------------------|----------------------------|----------------------|
| Financial assets at FVOCI Investment | 392.55 | - | - | - | - | - | - | 96.09 | 488.64 |
| Financial assets at FVTPL Investment | 528.64 | 1,146.21 | - | - | - | - | - | (279.65) | 1,395.20 |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 43: Fair Value Measurement (Contd..)

| 31 March 2023 | As at April 01, 2022 | Purchase | Sales | Issuances | Settlements | Transfers into Level 3 | Transfers from Level 3 | FairValue Gain/ Losses | As at March 31, 2023 |
|---------------------------|----------------------------|----------|-------|-----------|-------------|------------------------------|------------------------------|------------------------------|----------------------------|
| Financial assets at FVOCI | | | | | | | | | |
| Investment | 331.92 | - | - | - | - | - | - | 60.63 | 392.55 |
| Financial assets at FVTPL | | | | | | | | | |
| Investment | - | 528.64 | - | - | - | - | - | - | 528.64 |

Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are initially measured at fair value and subsequently carried at amortised cost in the financial statements.

| Particulars | Level | Carrying Value | | Fair Value | |
|---|-------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Financial Assets | | | | | |
| Cash and cash equivalents | 1 | 60,373.45 | 77,701.83 | 60,373.45 | 77,701.83 |
| Bank Balance other than above | 1 | 2,346.57 | 2,654.76 | 2,346.57 | 2,654.76 |
| Trade receivables | 3 | 178.36 | 98.95 | 178.36 | 98.95 |
| Loans | 3 | 8,81,871.71 | 7,05,543.84 | 8,81,871.71 | 7,05,543.84 |
| Investments | 3 | 1,340.92 | 1,088.24 | 1,340.92 | 1,088.24 |
| Investments | 1 | 1,855.82 | 1,874.62 | 1,830.69 | 1,808.12 |
| Other Financial assets | 3 | 4,136.12 | 3,453.00 | 4,136.12 | 3,453.00 |
| Total Financial Assets | | 9,52,102.95 | 7,92,415.24 | 9,52,077.82 | 7,92,348.74 |
| Financial Liabilities | | | | | |
| Trade Payable | 3 | 2,669.68 | 1,998.15 | 2,669.68 | 1,998.15 |
| Debt Securities | 2 | 1,74,762.20 | 1,46,045.79 | 1,76,273.52 | 1,46,909.34 |
| Borrowings (other than debt securities) | 2 | 5,00,519.53 | 4,05,974.58 | 5,00,519.53 | 4,05,974.58 |
| Deposits | 2 | 4,018.26 | 3,314.76 | 4,018.26 | 3,314.76 |
| Subordinated Liabilities | 2 | 3,309.73 | 2,546.55 | 3,274.28 | 2,462.04 |
| Other Financial liabilities | 3 | 16,014.90 | 12,576.39 | 16,014.90 | 12,576.39 |
| Total Financial Liabilities | | 7,01,294.30 | 5,72,456.22 | 7,02,770.17 | 5,73,235.26 |

Valuation methodologies of financial instruments not measured at fair value

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 cash equivalents, trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Since comparable data is not available, Credit risk is derived using, historical experience, management view and other information used in its collective impairment models.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The respective company then calculates and extrapolates the fair value to the entire portfolio using effective interest rate model that incorporate interest rate estimates considering all significant characteristics

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Note 43: Fair Value Measurement (Contd..)

of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults. Hence, the carrying amount of such financial assets at amortised cost net of impairment loss allowance is of reasonable approximation of their fair value.

Investments - at amortised cost

For Government Securities, the market value of the respective Government stock as on the date of reporting has been considered for fair value computations.

Debt Securities

The fair value of debt securities is estimated by a discounted cash flow model incorporating interest rate estimates from market observable data such as secondary prices for its traded debt itself.

Financial liabilities at amortised cost

The fair values of financial liabilities held-to-maturity (financial liabilities other than trade payables and debt securities) are estimated using effective interest rate model based on contractual cash flows using actual yields. Since the cost of borrowing on the reporting date is not expected to be significantly different from the actual yield considered under effective interest rate model, the carrying value of financial liabilities at amortised cost is considered a reasonable approximation of their fair value.

Note 44: Risk Management

Risk is an integral part of the Group's business and sound risk management is critical to the success. Further, the Group is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The companies in the Group has a risk management policy which covers risk associated with the financial assets like loans, investments, cash and cash equivalents, other receivables, etc. and financial liabilities like borrowings, debt securities, subordinate liabilities, trade and other payables. The risk management policy is approved by the Board of Directors.

The Group has identified and 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. The Group is generally exposed to credit risk, liquidity risk, market risk and operational risk.

A. 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. The Group's major income generating activity is gold loan, housing loan, receivables through financing activity, vehicle loan, personal loans and others. Therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers and investments in debt securities that are an asset position. The Group considers all elements of credit risk exposure such as counterparty default risk, risk of not taking collateral against loans, geographical risk and sector risk for risk management purposes. The Group also follow a systematic methodology in the opening of new branches, which takes into account factors such as demand for credit in the area; income and market potential; and socio-economic and law and order risks in the proposed area.

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(Rupees in millions, except for share data and unless otherwise stated)

Note 44: Risk Management (Contd..)

I. Policies and procedures for credit risk for different products

The Group addresses credit risk by following different processes for different products:

a) Gold Loan

- a) Credit risk on Gold loan is considerably reduced as collateral is Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the credit risk is normally low.
- b) Sanctioning powers for Gold Loans is delegated to various authorities at branches/controlling offices. Sanctioning power is used only for granting loans for legally permitted purposes. The maximum Loan to Value does not exceed the limit stipulated by the Reserve Bank of India under any circumstances.
- c) Gold ornaments brought for pledge is the primary responsibility of Branch Manager. Branch executives should enquire with the customers about the ownership of the ornaments being pledged for loan and the loan should be granted only after they are convinced about the genuineness of the customer and his capacity to own that much quantity of gold. In addition to the above, customers are also required to sign a declaration of ownership of ornaments offered as security for the loan. Extra care is taken if the gold jewellery brought for pledge by any customer at any one time or cumulatively is more than 20 gm. The declaration should also contain an explanation specifically as to how the ownership was vested with the customer.
- d) Auctions are conducted as per the Auction Policy of the Group and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds realizable value of gold. After reasonable time is given to the customers for release after loan becomes overdue and exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Group has the right to recover dues remaining even after set off of amount received on auctions from the customer. Any excess received on auctions are refunded to the customer.
- e) In case of loans other than Gold Loan, loans are given whether with primary/collateral security, like secured loans or without any primary/collateral security like unsecured loans, more than ordinary care is taken such that loans are granted only to persons/firms/companies of repute with credit worthiness, future cash flows to repay the loan and track record.

b) Housing loan and Vehicle loan

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.
- Minimize losses due to defaults or untimely payments by borrowers.
- Maintain an appropriate credit administration and loan review system.
- Establish metrics for portfolio monitoring.
- Design appropriate credit risk mitigation techniques.

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Note 44: Risk Management (Contd..)

Risk assessment and measurement

Group is having a robust risk assessment framework to address each of the identified risks. The following is the framework implemented in order to ensure completeness and robustness of the risk assessment for housing loan and receivables under financing activity.

- Selection of client base - Adequate due diligence is carried out for selection of customers.
- Credit assessment - credit rating and credit bureau check.
- Follow up and regular monitoring of the group.

Risk Mitigation

The following risk mitigation measures have been suggested at each stage of loan life cycle:

- Loan Origination - site screening, independent visit by manager, adequate training to officers.
- Loan underwriting - Risk rating, independent assessment, etc.
- Loan Pre and Post Disbursement - disbursement at the branch premises and in the bank account only, tracking to avoid misuse of funds.
- Loan monitoring - credit officers to attend group meeting, reminder of payment of EMI's on time, etc.
- Loan collection and recovery - monitor repayments, confirmation of balances.

c) Receivables under financing activity

Risk Identification

Credit risk may originate in one or multiple of following ways mentioned below:

- Adverse selection of members for group formation eg. (bogus members, defaulters, etc.).
- Adverse selection of groups for undertaking lending activity (unknown members due to geographical vicinity, etc.).
- Gap in credit assessment of borrower's credit worthiness (Failure to collect KYC documents, verify residential address, assess income source, etc).
- Undue Influence of Animator/Representative on group members (misuses of savings of group, etc.).
- Sanction of higher loan amount.
- Improper use of loan amount than the designated activity.
- Over-concentration in any geography/branch/zone etc.
- Change in the savings pattern/meeting pattern of group post availing loan (eg. failure of members to deposit minimum savings amount each month, absence of members from meetings, etc.).

Risk assessment and measurement

Group is having a robust risk assessment framework to address each of the identified risks. The following is the framework implemented in order to ensure completeness and robustness of the risk assessment.

- Selection of client base for group formation - Adequate due diligence is carried out for selection of women borrowers who are then brought together for SHG formation. (eg. members with same level of income, only one member from family, annual per capita income, etc.).
- Adequate Training and Knowledge of SHG operations.

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Note 44: Risk Management (Contd..)

- Credit assessment - credit rating and credit bureau check.
- Follow up and regular monitoring of the Group.

Risk Mitigation

- Loan Origination - site screening, independent visit by manager, adequate training to officers.
- Loan underwriting - Risk rating, independent assessment, etc.
- Loan Pre and Post Disbursement - disbursement at the branch premises and in the bank account only, tracking to avoid misuse of funds.
- Loan monitoring - credit officers to attend group meeting, reminder of payment of EMI on time, etc.
- Loan collection and recovery - monitor repayments, confirmation of balances.

II. Impairment assessment

Definition of default and cure

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 or whether Stage 2 is appropriate.

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 event occurs, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations.

It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 only when none of the default criterias have been present. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Group's internal credit rating grades and staging criteria for loans are as follows:

| Rating | Loans Days past due (DPD) | Stages |
|---------------------------|---------------------------|---------|
| High grade | Not yet due | Stage 1 |
| Standard grade | 1-30 DPD | Stage 1 |
| Sub-standard grade | 31-60 DPD | Stage 2 |
| Past due but not impaired | 61-90 DPD | Stage 2 |
| Impaired | 91 DPD or More | Stage 3 |

Exposure at Default (EAD)

The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest.

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Note 44: Risk Management (Contd..)

Probability of Default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. For Stage 1 financial assets, the Group assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for over the lifetime of the instruments. 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. PD is calculated using Incremental 91 DPD approach considering fresh slippage using historical information. Where historical information is not available, the PD/default rates as stated by external reporting agencies is considered.

Based on its review of macro-economic developments and economic outlook, the Group has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at March 31, 2024 and March 31, 2023.

Loss Given Default (LGD)

LGD is the estimated loss that the Group might suffer if the borrower defaults. The Group determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset. The LGD rates have been computed internally based on the discounted recoveries in default accounts that are closed / written off / repossessed and upgrade during the year. When estimating ECLs on a collective basis for group of similar assets, the group applies same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

B. 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. The Group mobilises funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The focus is on 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 that credit concerns are addressed and thereby liquidity risk is well addressed.

The maturity schedule for all financial liabilities and assets are regularly reviewed and monitored. The companies in the Group has an asset liability management (ALM) policy and ALM Committee to review and monitor the liquidity risk and ensure the compliance with the prescribed regulatory requirement. The ALM Policy prescribes the detailed guidelines for managing the liquidity risk.

The table below provide details regarding the contractual maturities of significant financial assets and liabilities (including balances on account of Inter-company transactions) of the Company, BML, MHIL, MML and AAF as on:-

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Note 44: Risk Management (Contd..)

Maturity pattern of assets and liabilities as on March 31, 2024 :

| Particulars | Upto 1 month | 1 to 2 months | 2 to 3 months | 3 to 6 months | 6 months to 1 year | 1 to 3 years | 3 to 5 years | Over 5 years | Not sensitive to ALM | Total |
|---|--------------|---------------|---------------|---------------|--------------------|--------------|--------------|--------------|----------------------|-------------|
| Financial Liabilities | | | | | | | | | | |
| Derivative Financial Instruments | 23.72 | - | 3.58 | - | 111.56 | - | - | - | - | 138.86 |
| Payables | 1,643.43 | 12.30 | 10.41 | 8.99 | 406.97 | - | - | - | - | 2,082.10 |
| Debt Securities | 1.27 | 1,239.01 | 9,285.20 | 4,267.61 | 12,475.94 | 80,631.07 | 59,727.44 | 7,119.92 | (175.25) | 1,74,572.21 |
| Borrowings (other than Debt Securities) | 28,967.73 | 37,419.20 | 43,146.88 | 84,364.39 | 1,47,275.78 | 1,29,537.12 | 28,337.96 | 1,229.78 | (144.63) | 5,00,134.21 |
| Deposits | - | - | - | - | - | - | - | - | - | - |
| Subordinated Liabilities | - | - | - | - | 317.75 | 1,025.32 | 495.28 | 1,473.35 | (1.97) | 3,309.73 |
| Other Financial liabilities | 4,692.39 | 2,614.21 | 1,293.17 | 1,463.52 | 1,727.47 | 2,174.40 | 627.15 | - | - | 14,592.31 |
| Financial assets | | | | | | | | | | |
| Cash and cash equivalents | 53,771.30 | - | 149.97 | - | 57.49 | - | - | - | - | 53,978.76 |
| Bank Balance other than Cash and cash equivalents | 3,783.49 | 6.00 | 0.11 | 8.76 | 132.32 | 270.55 | 0.41 | - | - | 4,201.64 |
| Derivative Financial Instruments | - | - | - | - | - | - | - | - | - | - |
| Receivables | 8.44 | 12.59 | - | - | - | - | - | - | - | 21.03 |
| Loans | 1,71,303.82 | 1,30,374.43 | 1,03,983.92 | 1,98,743.33 | 1,88,473.84 | 51,580.33 | 27,635.02 | 10,555.07 | (718.28) | 8,81,931.48 |
| Investments | - | 2.37 | 678.38 | 475.81 | - | - | - | 22,523.68 | - | 23,680.24 |
| Other Financial assets | 897.84 | 43.07 | 65.90 | 92.10 | 92.58 | 1,616.80 | 180.48 | 235.77 | - | 3,224.54 |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 44: Risk Management (Contd..)

Maturity pattern of assets and liabilities as on March 31, 2023 :

| Particulars | Upto 1 month | 1 to 2 months | 2 to 3 months | 3 to 6 months | 6 months to 1 year | 1 to 3 years | 3 to 5 years | Over 5 years | Not sensitive to ALIM | Total |
|---|--------------|---------------|---------------|---------------|--------------------|--------------|--------------|--------------|-----------------------|-------------|
| Financial Liabilities | | | | | | | | | | |
| Derivative Financial Instruments | 3.05 | 26.27 | 53.22 | 1,815.98 | 23.21 | - | - | - | - | 1,921.73 |
| Payables | 1,908.25 | 425.01 | 364.63 | 615.34 | 1,348.95 | 334.13 | 132.16 | - | - | 5,128.47 |
| Debt Securities | 12,297.49 | 1,387.84 | 10,152.58 | 1,474.46 | 30,608.11 | 70,766.09 | 12,607.55 | 6,360.65 | (155.21) | 1,45,499.56 |
| Borrowings (other than Debt Securities) | 6,999.70 | 5,392.25 | 51,572.08 | 1,07,605.59 | 1,27,767.92 | 1,01,393.68 | 11,453.74 | 631.78 | (130.51) | 4,12,686.23 |
| Deposits | - | - | - | - | - | - | - | - | - | - |
| Subordinated Liabilities | 230.39 | - | - | 387.10 | 236.00 | 1,189.67 | 647.67 | - | (4.29) | 2,686.54 |
| Other Financial liabilities | 4,639.61 | 562.51 | 867.69 | 587.11 | 1,803.88 | 1,218.05 | 695.98 | 1.29 | - | 10,376.12 |
| Financial assets | | | | | | | | | | |
| Cash and cash equivalents | 77,010.77 | 246.74 | - | - | 51.43 | - | - | - | - | 77,308.94 |
| Bank Balance other than Cash and cash equivalents | 106.87 | 6.73 | 0.17 | 66.55 | 228.89 | 350.63 | 12.91 | - | - | 772.75 |
| Derivative Financial Instruments | - | - | - | - | - | - | - | - | - | - |
| Receivables | 22.77 | - | - | 0.90 | - | - | - | - | - | 23.67 |
| Loans | 1,37,023.99 | 1,00,528.47 | 81,348.36 | 1,60,800.25 | 1,65,358.15 | 36,660.98 | 25,340.16 | 4,108.89 | (347.71) | 7,10,821.54 |
| Investments | 917.16 | 2.37 | 22.71 | 16.81 | 14.42 | 568.46 | - | 4,908.43 | - | 6,450.36 |
| Other Financial assets | 536.43 | 12.60 | 10.77 | 32.77 | 71.36 | 1,227.80 | 240.11 | 121.81 | - | 2,253.65 |

C. 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 objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The Group is exposed to four types of market risk as follows:

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Note 44: Risk Management (Contd..)

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources. Majority of our borrowings are at fixed rates. However, borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Group seek to optimize borrowing profile between short-term and long-term loans. The Group adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervises an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

During the year, Group has undertaken derivative transactions for hedging interest rate risk on certain domestic currency exposures linked to external benchmark through Interest Rate Swaps as below:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------|-------------------------|-------------------------|
| Domestic Currency Exposure | 13,000.00 | 6,000.00 |

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 are as follows:

Muthoot Finance Limited

| Particulars | Effect on Statement of Profit and Loss for the year 2023-24 | Effect on Statement of Profit and Loss for the year 2022-23 |
|-------------------------------|---|---|
| 1% increase in interest rates | 3,490.33 | 2,582.41 |
| 1% decrease in interest rates | (3,490.33) | (2,582.41) |

Belstar Microfinance Limited

| Particulars | Effect on Statement of Profit and Loss for the year 2023-24 | Effect on Statement of Profit and Loss for the year 2022-23 |
|----------------------------------|---|---|
| 0.50% increase in interest rates | (312.58) | (202.00) |
| 0.50% decrease in interest rates | 312.58 | 202.00 |

Muthoot Money Limited

| Particulars | Effect on Statement of Profit and Loss for the year 2023-24 | Effect on Statement of Profit and Loss for the year 2022-23 |
|-------------------------------|---|---|
| 1% increase in interest rates | 73.16 | 32.67 |
| 1% decrease in interest rates | (73.16) | (32.67) |

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Note 44: Risk Management (Contd..)

Muthoot Homefin (India) Limited

| Particulars | Effect on Statement of Profit and Loss for the year 2023-24 | Effect on Statement of Profit and Loss for the year 2022-23 |
|-------------------------------|---|---|
| 1% increase in interest rates | (91.10) | 70.33 |
| 1% decrease in interest rates | 91.10 | (70.33) |

(b) Price Risk

For Gold loan

Sudden fall in the gold price and fall in the value of the pledged gold ornaments can result in some of the customers to default if the loan amount and interest exceeds the market value of gold. This risk is in part mitigated by a minimum 25% margin retained on the value of jewellery for the purpose of calculation of the loan amount. Further, we appraise the jewellery collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery. In addition, the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the collateral even if the value of gold ornaments falls below the value of the repayment amount. An occasional decrease in gold prices will not increase price risk significantly on account of our adequate collateral security margins. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

Equity price risk is the risk that the fair value of equities decrease as the result of changes in level of equity indices and individual stocks. The trading equity price risk exposure arises from equity securities classified at FVTPL and the non-trading equity price risk exposure arises from equity securities classified at FVOCI.

A 10% increase/(decrease) in the equity price (traded and non-traded) would have the impact as follows:

| Particulars | Increase / (Decrease) in percentage | Sensitivity of profit or loss | Sensitivity of other comprehensive income |
|-----------------------------|-------------------------------------|-------------------------------|---|
| As at March 31, 2024 | 10/(10) | 23.24/(23.24) | 225.16/(225.16) |
| As at March 31, 2023 | 10/(10) | 0.00/(0.00) | 187.57/(187.57) |

For Housing loan and receivables under financing activity

The Group's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Group has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

(c) Prepayment risk

Prepayment risk is the risk that the Group will incur a financial loss because its customers and counterparties repay or request repayment earlier than expected, such as fixed rate loans like ours when interest rates fall.

(d) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Group arises majorly on account of foreign currency borrowings. The Group's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Group has hedged its foreign currency risk on its foreign currency borrowings as on March 31, 2024 by entering into forward contracts with the intention of covering the entire term of foreign currency exposure. The counterparties for such hedge transactions are banks.

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Note 44: Risk Management (Contd..)

The Company's exposure on account of Foreign Currency Borrowings at the end of the reporting period expressed in Indian Rupees are as follows:

| Particulars | Foreign currency | As at March 31, 2024 | As at March 31, 2023 |
|--|------------------|-------------------------|-------------------------|
| FCNB Demand Loan (principal amount on reporting date) | USD | 3,902.57 | 3,878.76 |
| External Commercial Borrowings - Senior Secured Notes (principal amount and interest accrued but not due on reporting date) | USD | - | 45,359.21 |

Since the foreign currency exposure is completely hedged by equivalent derivative instrument, there will not be any significant impact on sensitivity analysis due to the possible change in the exchange rates where all other variables are held constant. On the date of maturity of the derivative instrument, considering the hedging for the entire term of the foreign currency exposure, the sensitivity of profit and loss to changes in the exchange rates will be Nil.

D. 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, including the use of internal audit.

Note 45: Disclosure with regard to dues to Micro Enterprises and Small Enterprises

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 are given as follows:

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| a) Principal amount due | 7.68 | 7.20 |
| Interest due on the above | - | - |
| b) Interest paid during the period beyond the appointed day | - | - |
| c) Amount of payment made to the supplier beyond the appointed day during the accounting year | - | - |
| d) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act. | - | - |
| e) Amount of interest accrued and remaining unpaid at the end of the period | - | - |
| f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as deductible expenditure under section 23 of the Act. | - | - |

Note 46: Dividend remitted in foreign currency

Dividend remitted in foreign currency during the year ended March 31, 2024 is ₹8.79 Millions and ₹3.42 Millions in March 31, 2023.

Note 47: Frauds during the year

During the year, frauds committed by employees and customers of the Group amounted to ₹56.38 million (March 31, 2023: ₹52.41 million) which has been recovered /written off / provided for. Of the above, fraud by employees of the Group amounted to ₹37.21 million (March 31, 2023: ₹39.72 million).

Notes

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(Rupees in millions, except for share data and unless otherwise stated)

Note 48: Corporate Social Responsibility (CSR)

The gross amount required to be spent by the respective companies in the Group for CSR activities undertaken in accordance with Schedule VII and as per Section 135 of the Companies Act, 2013 is ₹ 1,030.03 million (March 31, 2023: ₹984.51 million) and the total amount spent (including amount spent by foreign subsidiary - AAF) is ₹1,036.51 million (March 31, 2023: ₹993.05 million) as detailed below:

| SI No. | Particulars | Amount required to be spent | Amount spent | Amount unspent |
|--------|-------------|-----------------------------|-----------------|----------------|
| i) | MFL | 998.49 | 1,002.53 | - |
| ii) | BML | 18.83 | 19.15 | - |
| iii) | MHIL | 2.56 | 2.56 | - |
| iv) | MIBPL | 9.35 | 9.35 | - |
| v) | MAMPL ** | 0.80 | 0.80 | - |
| vi) | AAF | NA | 2.12 | NA |
| | | 1,030.03 | 1,036.51 | - |

**Pre spent balance of ₹ 0.80 million is adjusted against "Amount spent" in current year.

There is no shortfall in the CSR amount required to be spent by the group as per section 135(5) of the Act for the financial year ended March 31, 2024.

The Group although was not required to spend under the provisions of Section 135 of Company's Act, 2013 for the financial year ended March 31, 2024, has spent ₹4.09 millions in excess of requirement provided under sub-section (5) of section 135 of Company's Act, 2013. The Group has decided to carry forward the same to set off against future requirement to spend under sub-section (5) of section 135 of Company's Act, 2013 up to immediate succeeding three financial years. The Board of Directors has passed a resolution to that effect. The details of Pre Spent CSR is detailed below :

| SI No. | Particulars | Amount Pre spent |
|--------|-------------|------------------|
| i) | MFL | 4.04 |
| ii) | MAMPL | 0.05 |

CSR activities include activities for employment enhancing vocational skills, promotion of education, promoting and supporting technology and innovations, promoting sports activities, medical assistance to poor patients, environmental protection activities, activities aimed at alleviation of poverty, promotion of arts & culture, activities for promotion of gender equality, Swatch Bharat initiatives, projects for improving the quality of life of poor & underprivileged class, and activities for sustainable development, and various other activities including assistance and support in disaster management activities which are specified under Schedule VII of Companies Act, 2013.

Note 49: Utilization of proceeds of Public Issue of Non - Convertible Debentures

The Group has during the year raised through public issue ₹13,590.54 million of Secured Redeemable Non-Convertible Debentures. As at March 31, 2024, the Group has utilised the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

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(Rupees in millions, except for share data and unless otherwise stated)

Note 50: Share based payments

Pursuant to approval by the shareholders at their meeting held on September 27, 2013, the Company has established "Muthoot ESOP 2013" scheme administered by the ESOP Committee of Board of Directors. The following options were granted as on March 31, 2024. The fair value of the share options is estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

I The Company has formulated various share-based payment schemes for its employees. Details of all grants in operation during the year ended March 31, 2024 are as given below:

| Particulars | Tranche 1 | |
|---|---|---|
| | Grant A | Grant B |
| Date of grant | November 09, 2013 | November 09, 2013 |
| Date of Board approval | November 09, 2013 | November 09, 2013 |
| Method of settlement | Equity settled | Equity settled |
| No. of equity shares for an option | One option - One share | One option - One share |
| No. of options granted | 37,11,200 | 17,06,700 |
| Exercise price per option (in ₹) | ₹ 50 | ₹ 50 |
| Vesting period | 1-5 years | 2-6 years |
| Manner of vesting | In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant | In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant |
| A) Fixed Vesting period is as follows on following dates :- | | |
| 1 st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)" | November 09, 2014 | November 09, 2015 |
| 2 nd vesting "On expiry of one year from the 1 st vesting date" | November 09, 2015 | November 09, 2016 |
| 3 rd vesting "On expiry of one year from the 2 nd vesting date" | November 09, 2016 | November 09, 2017 |
| 4 th vesting "On expiry of one year from the 3 rd vesting date" | November 09, 2017 | November 09, 2018 |
| 5 th vesting "On expiry of one year from the 4 th vesting date" | November 09, 2018 | November 09, 2019 |
| B) Conditional Vesting | Service only - graded vesting | Service only - graded vesting |
| Exercise period | 8 Years | |

| Particulars | Tranche 2 | | Tranche 3 |
|------------------------------------|------------------------|------------------------|------------------------|
| | Grant A | Grant B | Grant A |
| Date of grant | July 08, 2014 | July 08, 2014 | March 06, 2015 |
| Date of Board approval | July 08, 2014 | July 08, 2014 | March 06, 2015 |
| Method of settlement | Equity settled | Equity settled | Equity settled |
| No. of equity shares for an option | One option - One share | One option - One share | One option - One share |
| No. of options granted | 4,56,000 | 3,80,900 | 3,25,000 |
| Exercise price per option (in ₹) | ₹ 50 | ₹ 50 | ₹ 50 |
| Vesting period | 1-5 years | 2-6 years | 1-5 years |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 50: Share based payments (Contd..)

| Particulars | Tranche 2 | | Tranche 3 |
|---|---|---|---|
| | Grant A | Grant B | Grant A |
| Manner of vesting | In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant | In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant | In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant |
| A) Fixed Vesting period is as follows on following dates :- | | | |
| 1 st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)" | July 08, 2015 | July 08, 2016 | March 06, 2016 |
| 2 nd vesting "On expiry of one year from the 1 st vesting date" | July 08, 2016 | July 08, 2017 | March 06, 2017 |
| 3 rd vesting "On expiry of one year from the 2 nd vesting date" | July 08, 2017 | July 08, 2018 | March 06, 2018 |
| 4 th vesting "On expiry of one year from the 3 rd vesting date" | July 08, 2018 | July 08, 2019 | March 06, 2019 |
| 5 th vesting "On expiry of one year from the 4 th vesting date" | July 08, 2019 | July 08, 2020 | March 06, 2020 |
| B) Conditional Vesting | Service only - graded vesting | Service only - graded vesting | Service only - graded vesting |
| Exercise period | 8 Years | | 8 Years |

| Particulars | Tranche 4 | | |
|------------------------------------|---|---|--|
| | Grant A | Grant B | Loyalty |
| Date of grant | June 27, 2016 | June 27, 2016 | June 27, 2016 |
| Date of Board approval | June 27, 2016 | June 27, 2016 | June 27, 2016 |
| Method of settlement | Equity settled | Equity settled | Equity settled |
| No. of equity shares for an option | One option - One share | One option - One share | One option - One share |
| No. of options granted | 3,90,400 | 7,28,300 | 8,150 |
| Exercise price per option (in ₹) | ₹ 50 | ₹ 50 | ₹ 10 |
| Vesting period | 1-5 years | 2-6 years | 1-2 years |
| Manner of vesting | In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant | In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant | In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 50: Share based payments (Contd..)

| Particulars | Tranche 4 | | |
|---|-------------------------------|-------------------------------|-------------------------------|
| | Grant A | Grant B | Loyalty |
| A) Fixed Vesting period is as follows on following dates :- | | | |
| 1 st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)" | June 27, 2017 | June 27, 2018 | June 27, 2017 |
| 2 nd vesting "On expiry of one year from the 1 st vesting date" | June 27, 2018 | June 27, 2019 | June 27, 2018 |
| 3 rd vesting "On expiry of one year from the 2 nd vesting date" | June 27, 2019 | June 27, 2020 | - |
| 4 th vesting "On expiry of one year from the 3 rd vesting date" | June 27, 2020 | June 27, 2021 | - |
| 5 th vesting "On expiry of one year from the 4 th vesting date" | June 27, 2021 | June 27, 2022 | - |
| B) Conditional Vesting | Service only - graded vesting | Service only - graded vesting | Service only - graded vesting |
| Exercise period | 8 Years | | 5 Years |

| Particulars | Tranche 5 | | |
|---|---|---|--|
| | Grant A | Grant B | Loyalty |
| Date of grant | August 07, 2017 | August 07, 2017 | August 07, 2017 |
| Date of Board approval | August 07, 2017 | August 07, 2017 | August 07, 2017 |
| Method of settlement | Equity settled | Equity settled | Equity settled |
| No. of equity shares for an option | One option - One share | One option - One share | One option - One share |
| No. of options granted | 2,48,200 | 3,42,900 | 1,150 |
| Exercise price per option (in ₹) | ₹ 50 | ₹ 50 | ₹ 10 |
| Vesting period | 1-5 years | 2-6 years | 1-2 years |
| Manner of vesting | In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant | In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant | In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant |
| A) Fixed Vesting period is as follows on following dates :- | | | |
| 1 st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)" | August 07, 2018 | August 07, 2019 | August 07, 2018 |
| 2 nd vesting "On expiry of one year from the 1 st vesting date" | August 07, 2019 | August 07, 2020 | August 07, 2019 |
| 3 rd vesting "On expiry of one year from the 2 nd vesting date" | August 07, 2020 | August 07, 2021 | - |
| 4 th vesting "On expiry of one year from the 3 rd vesting date" | August 07, 2021 | August 07, 2022 | - |
| 5 th vesting "On expiry of one year from the 4 th vesting date" | August 07, 2022 | August 07, 2023 | - |
| B) Conditional Vesting | Service only - graded vesting | Service only - graded vesting | Service only - graded vesting |
| Exercise period | 8 Years | | 5 Years |

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(Rupees in millions, except for share data and unless otherwise stated)

Note 50: Share based payments (Contd..)

II Computation of fair value of options granted during the year

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

| Particulars | Tranche 1 | |
|--|-----------------------|-----------------------|
| | Grant A | Grant B |
| Share price on the date of grant (₹) | 117.30 | 117.30 |
| Exercise price (₹) | ₹ 50 | ₹ 50 |
| Expected volatility (%) | 57.68% | 57.68% |
| Life of the options granted (years) | | |
| Expected life of options | 1.5-5.5 years | 2.5-6.5 years |
| Weighted average contractual life | 4 years | 5 years |
| Risk-free interest rate (%) | 8.4% - 8.8% p.a. | 8.4% - 8.95% p.a. |
| Expected dividend yield (%) | 3.84 % p.a. | 3.84 % p.a. |
| Model used | Black-Scholes Model | Black-Scholes Model |
| Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets) | ₹ 68.75 (Nov 9, 2014) | ₹ 70.21 (Nov 9, 2015) |
| | ₹ 70.21 (Nov 9, 2015) | ₹ 71.13 (Nov 9, 2016) |
| | ₹ 71.13 (Nov 9, 2016) | ₹ 71.52 (Nov 9, 2017) |
| | ₹ 71.52 (Nov 9, 2017) | ₹ 71.47 (Nov 9, 2018) |
| | ₹ 71.47 (Nov 9, 2018) | ₹ 71.11 (Nov 9, 2019) |

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

| Particulars | Tranche 2 | | Tranche 3 |
|---|-------------------------|-------------------------|------------------------|
| | Grant A | Grant B | Grant A |
| Share price on the date of grant (₹) | ₹ 184.30 | ₹ 184.30 | ₹ 219.05 |
| Exercise price (₹) | ₹ 50 | ₹ 50 | ₹ 50 |
| Expected volatility (%) | 53.96% | 53.96% | 34.50% |
| Life of the options granted (years) | | | |
| Expected life of options | 1.5-5.5 years | 2.5-6.5 years | 1.5-5.5 years |
| Weighted average contractual life | 4 years | 5 years | 4 years |
| Risk-free interest rate (%) | 8.26% - 8.35% p.a. | 8.24% - 8.32% p.a. | 7.45% - 7.60 % p.a. |
| Expected dividend yield (%) | 3.26% p.a. | 3.26% p.a. | 2.74% p.a. |
| Model used | Black-Scholes Model | Black-Scholes Model | Black-Scholes Model |
| Fair value per option tranche on grant date (₹) | ₹ 131.77 (July 8, 2015) | ₹ 130.56 (July 8, 2016) | ₹ 165.61 (Mar 6, 2016) |
| (corresponding vesting date shown in brackets) | ₹ 130.56 (July 8, 2016) | ₹ 129.33 (July 8, 2017) | ₹ 163.16 (Mar 6, 2017) |
| | ₹ 129.33 (July 8, 2017) | ₹ 127.91 (July 8, 2018) | ₹ 160.66 (Mar 6, 2018) |
| | ₹ 127.91 (July 8, 2018) | ₹ 126.26 (July 8, 2019) | ₹ 158.13 (Mar 6, 2019) |
| | ₹ 126.26 (July 8, 2019) | ₹ 124.39 (July 8, 2020) | ₹ 155.57 (Mar 6, 2020) |

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

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(Rupees in millions, except for share data and unless otherwise stated)

Note 50: Share based payments (Contd..)

| Particulars | Tranche 4 | | |
|--|--------------------------|--------------------------|--------------------------|
| | Grant A | Grant B | Loyalty |
| Share price on the date of grant (₹) | ₹ 280.35 | ₹ 280.35 | ₹ 280.35 |
| Exercise price (₹) | ₹ 50 | ₹ 50 | ₹ 10 |
| Expected volatility (%) | 36.98% | 36.98% | 36.98% |
| Life of the options granted (years) | | | |
| Expected life of options | 1.5-5.5 years | 2.5-6.5 years | 1.5-2.5 years |
| Weighted average contractual life | 4 years | 5 years | 2 years |
| Risk-free interest rate (%) | 6.91% - 7.41% p.a. | 7.08% - 7.47% p.a. | 6.91% - 7.08% p.a. |
| Expected dividend yield (%) | 2.14% p.a. | 2.14% p.a. | 2.14% p.a. |
| Model used | Black-Scholes Model | Black-Scholes Model | Black-Scholes Model |
| Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets) | ₹ 226.42 (June 27, 2017) | ₹ 223.87 (June 27, 2018) | ₹ 262.48 (June 27, 2017) |
| | ₹ 223.87 (June 27, 2018) | ₹ 221.34 (June 27, 2019) | ₹ 257.37 (June 27, 2018) |
| | ₹ 221.34 (June 27, 2019) | ₹ 218.80 (June 27, 2020) | - |
| | ₹ 218.80 (June 27, 2020) | ₹ 216.20 (June 27, 2021) | - |
| | ₹ 216.20 (June 27, 2021) | ₹ 213.54 (June 27, 2022) | - |

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

| Particulars | Tranche 5 | | |
|--|---------------------------|---------------------------|---------------------------|
| | Grant A | Grant B | Loyalty |
| Share price on the date of grant (₹) | ₹ 473.00 | ₹ 473.00 | ₹ 473.00 |
| Exercise price (₹) | ₹ 50 | ₹ 50 | ₹ 10 |
| Expected volatility (%) | 40.24% | 40.24% | 40.24% |
| Life of the options granted (years) | | | |
| Expected life of options | 1.5-5.5 years | 2.5-6.5 years | 1.5-2.5 years |
| Weighted average contractual life | 5 years | 6 years | 2 years |
| Risk-free interest rate (%) | 6.16% - 6.59% p.a. | 6.27% - 6.67% p.a. | 6.16% - 6.27% p.a. |
| Expected dividend yield (%) | 1.27% p.a. | 1.27% p.a. | 1.27% p.a. |
| Model used | Black-Scholes Model | Black-Scholes Model | Black-Scholes Model |
| Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets) | ₹ 416.95 (August 7, 2018) | ₹ 413.92 (August 7, 2019) | ₹ 452.31 (August 7, 2018) |
| | ₹ 413.92 (August 7, 2019) | ₹ 410.90 (August 7, 2020) | ₹ 447.05 (August 7, 2019) |
| | ₹ 410.90 (August 7, 2020) | ₹ 407.88 (August 7, 2021) | - |
| | ₹ 407.88 (August 7, 2021) | ₹ 404.82 (August 7, 2022) | - |
| | ₹ 404.82 (August 7, 2022) | ₹ 401.71 (August 7, 2023) | - |

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

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Note 50: Share based payments (Contd..)

III Reconciliation of options

| Particulars | Tranche 1 | | Tranche 2 | | Tranche 3 |
|--|-----------|---------|-----------|---------|-----------|
| | Grant A | Grant B | Grant A | Grant B | Grant A |
| Financial Year 2023-24 | | | | | |
| Options outstanding at April 1, 2023 | - | - | - | - | - |
| Granted during the year | - | - | - | - | - |
| Forfeited during the year | - | - | - | - | - |
| Exercised during the year | - | - | - | - | - |
| Expired / lapsed during the year | - | - | - | - | - |
| Options outstanding at March 31, 2024 | - | - | - | - | - |
| Options exercisable at March 31, 2024 | - | - | - | - | - |
| Weighted average remaining contractual life (in years) | - | - | - | - | - |
| Weighted average share price at the time of exercise* | - | - | - | - | - |

| Particulars | Tranche 4 | | | Tranche 5 | | |
|--|-----------|----------|---------|-----------|----------|---------|
| | Grant A | Grant B | Loyalty | Grant A | Grant B | Loyalty |
| Financial Year 2023-24 | | | | | | |
| Options outstanding at April 1, 2023 | 17,000 | 11,295 | - | 11,800 | 23,390 | - |
| Granted during the year | - | - | - | - | - | - |
| Forfeited during the year | - | - | - | - | - | - |
| Exercised during the year | 570 | 1,010 | - | 2,500 | 9,365 | - |
| Expired / lapsed during the year | - | 1,700 | - | - | 9,350 | - |
| Options outstanding at March 31, 2024 | 16,430 | 8,585 | - | 9,300 | 4,675 | - |
| Options exercisable at March 31, 2024 | - | - | - | - | - | - |
| Weighted average remaining contractual life (in years) | - | - | - | - | - | - |
| Weighted average share price at the time of exercise* | 1,247.14 | 1,327.08 | - | 1,402.96 | 1,276.19 | - |

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

| Particulars | Tranche 1 | | Tranche 2 | | Tranche 3 |
|--|-----------|---------|-----------|---------|-----------|
| | Grant A | Grant B | Grant A | Grant B | Grant A |
| Financial Year 2022-23 | | | | | |
| Options outstanding at April 1, 2022 | - | - | 1,860 | 3,000 | 15,000 |
| Granted during the year | - | - | - | - | - |
| Forfeited during the year | - | - | - | - | - |
| Exercised during the year | - | - | - | 3,000 | 15,000 |
| Expired / lapsed during the year | - | - | 1,860 | - | - |
| Options outstanding at March 31, 2023 | - | - | - | - | - |
| Options exercisable at March 31, 2023 | - | - | - | - | - |
| Weighted average remaining contractual life (in years) | - | - | - | - | - |
| Weighted average share price at the time of exercise* | - | - | - | 992.20 | 1,028.08 |

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Note 50: Share based payments (Contd..)

| Particulars | Tranche 4 | | | Tranche 5 | | |
|---|-----------|----------|---------|-----------|----------|---------|
| | Grant A | Grant B | Loyalty | Grant A | Grant B | Loyalty |
| Financial Year 2022-23 | | | | | | |
| Options outstanding at April 1, 2022 | 22,520 | 43,645 | - | 64,925 | 55,915 | - |
| Granted during the year | - | - | - | - | - | - |
| Forfeited during the year | - | - | - | - | - | - |
| Exercised during the year | 2,120 | 22,235 | - | 49,335 | 11,275 | - |
| Expired / lapsed during the year | 3,400 | 10,115 | - | 3,790 | 21,250 | - |
| Options outstanding at March 31, 2023 | 17,000 | 11,295 | - | 11,800 | 23,390 | - |
| Options exercisable at March 31, 2023 | 17,000 | 11,295 | - | 11,800 | 9,350 | - |
| Weighted average remaining contractual life (in years) | - | - | - | - | 0.35 | - |
| Weighted average share price at the time of exercise* | 992.2 | 1,048.18 | - | 1,045.97 | 1,044.13 | - |

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

Note 51: Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

| Particulars | Net assets, i.e. total assets minus total liabilities as at March 31, 2024 | | Share in profit or loss for the year ended March 31, 2024 | | Share in other comprehensive income for the year ended March 31, 2024 | | Share in total comprehensive income for the year ended March 31, 2024 | |
|---|--|--------------------|---|------------------|---|---------------|---|------------------|
| | As a % of consolidated net assets | Amount | As a % of consolidated profit/loss | Amount | As a % of consolidated other comprehensive income | Amount | As a % of consolidated total comprehensive income | Amount |
| Parent | | | | | | | | |
| Muthoot Finance Limited | 94.32% | 2,42,902.89 | 90.65% | 40,496.64 | 87.79% | 618.16 | 90.60% | 41,114.80 |
| Subsidiaries | | | | | | | | |
| Indian | | | | | | | | |
| 1. Muthoot Insurance Brokers Private Limited | 0.78% | 2,003.85 | 0.94% | 417.82 | -0.29% | (2.07) | 0.92% | 415.75 |
| 2. Belstar Micro Finance Limited | 4.29% | 11,040.83 | 4.86% | 2,170.43 | -0.37% | (2.61) | 4.78% | 2,167.82 |
| 3. Muthoot Homefin (India) Limited | 1.85% | 4,758.75 | 0.41% | 184.91 | -0.12% | (0.84) | 0.41% | 184.07 |
| 4. Muthoot Money Limited | 1.97% | 5,084.25 | 0.10% | 46.34 | -0.01% | (0.10) | 0.10% | 46.24 |
| 5. Muthoot Asset Management Private Limited | 0.47% | 1,206.51 | 0.15% | 65.24 | 0.00% | - | 0.14% | 65.24 |
| 6. Muthoot Trustee Private Limited | 0.00% | 10.76 | 0.00% | 0.54 | 0.00% | - | 0.00% | 0.54 |
| Foreign | | | | | | | | |
| 1. Asia Asset Finance PLC, Sri Lanka | 0.26% | 680.77 | 0.15% | 65.37 | 9.64% | 67.87 | 0.29% | 133.24 |
| Non-controlling interests in all subsidiaries | | | | | | | | |
| Indian | | | | | | | | |
| 1. Belstar Micro Finance Limited | 2.43% | 6,247.31 | 2.75% | 1,228.11 | -0.21% | (1.48) | 2.70% | 1,226.63 |
| Foreign | | | | | | | | |
| 1. Asia Asset Finance PLC, Sri Lanka | 0.10% | 252.82 | 0.05% | 24.27 | 3.58% | 25.20 | 0.11% | 49.47 |
| Intercompany eliminations and consolidation adjustments | -6.46% | (16,648.34) | -0.05% | (23.73) | 0.00% | - | -0.05% | (23.73) |
| Total | | 2,57,540.40 | | 44,675.94 | | 704.13 | | 45,380.07 |

Notes

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 52: Details of Benami Property Held

No proceedings have been initiated or pending against the Group for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2024 and March 31, 2023.

Note 53: Wilful Defaulter

The Group has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2024 and March 31, 2023.

Note 54: Relationship with struck off Companies

The Group has no transaction with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

Note 55: Registration of Charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2024 and March 31, 2023. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

Note 56: Compliance with number of layers of companies

The number of layers prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017, is not applicable to the company.

Note 57: Compliance with approved Scheme(s) of Arrangements

The Group has not entered into any Scheme of Arrangements which requires the approval of the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 for the financial years ended March 31, 2024 and March 31, 2023.

Note 58: Utilisation of Borrowed funds and Share premium

The Group, as part of its normal business, grants loans and advances, makes investment, accept non-convertible debentures from its customers, other entities and persons and borrows money from banks, financial institutions, other entities and persons. These transactions are part of Group's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

We state that 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 any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly, or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Group has not received any funds from any other persons or entities, including foreign entities (Funding Party) with the understanding whether recorded in writing or otherwise, that the Group 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.

Note 59: Undisclosed Income

The Group does not have any transaction that are not recorded in the books of account but has been surrendered or disclosed as income during the year in tax assessments under the Income tax Act, 1961 (such as search or survey or any other relevant provision under Income Tax Act 1961) and there was no instance of previously unrecorded income as above to be recorded in the books of accounts during the year.

Note 60: Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2024 and March 31, 2023.

Notes

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 61: Business combinations and acquisition of non-controlling interests

Belstar Microfinance Limited

During the year, the company acquired 72,00,000 shares of Belstar Finance Limited (BML) from promoters and through direct allotment of equity shares, for a consideration of ₹3,530 million. These acquisitions increased the company's stake to 63.86% of BML's equity share capital. (March 31, 2023: 56.97%).

Muthoot Money limited

An investment of ₹4,000 million was made in Muthoot Money Limited, a 100% subsidiary, during the financial year resulting in the subscription of 2,64,655 equity shares.

Note 62: Audit Trail facility for accounting software

In respect of holding company Muthoot Finance Limited.

As required under the Companies (Audit and Auditors) Amendment Rules, 2021, read with sub-section 3 of Section 143 of the Companies Act, 2013 which was effective from 1st April, 2023 the Company has used own accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled at the database level to log any direct data changes, wherein adequate controls have been deployed to monitor the direct data changes effected at the data base level. Further, as required under proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, the audit trail has been preserved by the company as per the statutory requirements for record retention.

In respect of subsidiary Belstar Microfinance Limited.

The software used by the Company for maintaining its books of account mainly comprises of its financial accounting software, Loan Management System ("LMS") software and human resources management software (collectively referred to as "Accounting Software"), which operate under a SaaS model.

The feature of recording audit trail (edit log) at database level was not enabled in these Accounting Software during the year. However, as confirmed by the relevant SaaS vendor, direct access to the database of the Accounting Software is available only to database administrators, for which access and monitoring controls are enabled and all such activities of the administrators have been logged and monitored throughout the year in accordance with the standard change management procedures ("Change Management SoPs") laid out by the said vendors in this regard. Also, no changes have been made to any transaction recorded in the books of account, directly at the database level during the year, except in accordance with the Change Management SoPs as stated above.

The company has appropriate internal controls for its various process and non availability of audit trail at database level has no impact on the overall internal control environment.

Note 63: Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.

Notes on accounts form part of consolidated financial statements

As per our report of even date attached

For Elias George & Co.
(FRN : 0008015)

Sd/-
Vaibhav T Ved
Partner
Chartered Accountants
Membership No. 235912

Place: Kochi
Date: May 30, 2024

For Babu A. Kallivayalil & Co.
(FRN : 005374S)

Sd/-
Babu Abraham Kallivayalil
Partner
Chartered Accountants
Membership No. 026973

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
Oommen K. Mammen
Chief Financial Officer

Place: Kochi
Date: May 30, 2024

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Rajesh A
Company Secretary

Corporate Information

Board of Directors

George Jacob Muthoot
Chairman & Whole Time Director

George Alexander Muthoot
Managing Director

George Thomas Muthoot
Whole Time Director

Alexander George
Whole Time Director

George Muthoot George
Whole Time Director

George Alexander
Whole Time Director

George Muthoot Jacob
Whole Time Director

Abraham Chacko
Independent Director

Joseph Korah
Independent Director

Jose Mathew
Independent Director

Chamacheril Mohan Abraham
Independent Director

Ravindra Pisharody
Independent Director

Usha Sunny
Independent Director

V A George
Independent Director

Registered office

2nd Floor, Muthoot Chambers
Opposite Saritha Theatre Complex
Banerji Road, Kochi 682 018
Kerala, India
CIN: L65910KL1997PLC011300
RBI Regn. No: N.16.00167
Tel: (91 484) 239 4712
Fax: (91 484) 239 6506
Email (General):
mails@muthootgroup.com
Email (Investors):
investors@muthootfinance.com
Email (Institutional Investors):
investorrelations@muthootfinance.com
Website: www.muthootfinance.com

Chief Financial Officer

Oommen K Mammen

Company Secretary & Compliance Officer

Rajesh A

Joint Statutory Auditors

M/s. Elias George & Co.,
Chartered Accountants,
(Firm Registration No. 000801S)
38/1968A, EGC House, HIG Avenue,
Gandhi Nagar, Kochi 682020

M/s. Babu A. Kallivayalil & Co.,
Chartered Accountants,
(Firm Registration No. 05374S)
II Floor, Manchu Complex, P T Usha Road,
Kochi-682 011

Listing

Equity Shares

National Stock exchange of India
Limited & BSE Limited

Non-convertible Debentures

National Stock exchange of India
Limited & BSE Limited

Commercial Papers

National Stock exchange of India
Limited & BSE Limited

Senior Secured Notes

NSE IFSC Limited

Registrar & Transfer Agent

Equity Shares

Link Intime India Private Limited
Surya, 35, Mayflower Avenue
Behind Senthil Nagar, Sowripalayam Road
Coimbatore – 641028
Tel: (91 422) – 2314792, 2315792
Fax: (91 422) – 2314792
Email: coimbatore@linkintime.co.in
Website: www.linkintime.co.in

Listed Non-Convertible Debentures

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400083
Tel: (91 22) 4918 6000
Fax: (91 22) 4918 6060
Email: bonds.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Debenture Trustee (Listed Non-Convertible Debentures)

IDBI Trusteeship Services Limited

Universal Insurance Building
Ground Floor, Sir P. M. Road, Fort
Mumbai 400 001, India
Tel: (91 22) 224080 7071
Fax: (91 22) 6631 1776
Email: itsl@idbitrustee.com
Website: www.idbitrustee.co.in

Trustee (Senior Secured Notes)

DB Trustees (Hong Kong) Limited

Level 60, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong



Muthoot Finance

MUTHOOT FINANCE LTD.

Reg Office:

2nd Floor, Muthoot Chambers, Opposite Saritha Theatre
Complex, Banerji Road, Kochi-682 018, Kerala, India,

CIN: L65910KL1997PLC011300,

RBI Regn. No: N.16.00167,

Tel: (91 484) 239 4712

