Our Company, Muthoot Fincorp Limited (the "**Company**" or the "**Issuer**") was incorporated in the Republic of India under the Companies Act, 1956, as amended as a public limited company on June 10, 1997 at Trivandrum and registered as a Non-Banking Financial Company ("**NBFC**") 16.00170 within the meaning of the Reserve Bank of India Act, 1934, as amended (the "**RBI Act**"). For further details, see "*General Information*" and "*History and Certain Corporate Matters*" on page 42 and 88, respectively.

CIN: U65929KL1997PLC011518; **PAN**: AACCM1453E, **Website**: www.muthootfincorp.com
Registered office: Muthoot Centre, TC No 27/3022 Punnen Road Trivandrum 695 001, Kerala; **Tel**: +91 471 491 1550,
Corporate office: Muthoot Centre, Near Spencer Junction, M.G. Road, Trivandrum 695 001, Kerala; **Tel**: +91 471 491 1430,
Compliance Officer and Contact Person: Sachu Sivas; **Email**: sachu.sivas@muthoot.com; **Tel:** +91 471 491 1621;
Chief Financial Officer: Thomas Muthoot; **Email:** tthomas@muthoot.com**, Tel:** +91 484 4161616

PUBLIC ISSUE BY MUTHOOT FINCORP LIMITED, ("COMPANY" OR "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹1,000 EACH ("NCDS") FOR AN AMOUNT AGGREGATING TO ₹ 25,000 LAKHS WITH GREEN SHOE OPTION OF UP TO ₹ 25,000 LAKHS AGGREGATING TO ₹ 50,000 LAKHS (THE "ISSUE").

THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED (THE "SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED TO THE EXTENT NOTIFIED AND THE SEBI OPERATIONAL CIRCULAR. THE ISSUE IS NOT PROPOSED TO BE UNDERWRITTEN.

PROMOTERS OF THE COMPANY

(i) Thomas John Muthoot, **Email**: muthoot@muthoot.com **Tel**: +91 471 491 1505, (ii) Thomas George Muthoot **Email**: muthoot@muthoot.com **Tel**: +91 484 416 1650 and (iii) Thomas Muthoot, **Email**: muthoot@muthoot.com **Tel**: +91 484 416 1616. For further details, please see "*Our Promoter*" on page 115.

GENERAL RISK

For taking an investment decision, the investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the Investors is invited to the section "*Risk Factors*" on page 17 and "*Material Developments*" on page 302 before making an investment in such Issue. This Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), any Registrar of Companies, Kerala at Kochi, or any stock exchange in India.

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the NCDs, please see "*Issue Structure*" on page 379.

CREDIT RATING

Our Company has received rating of CRISIL A+/Stable by CRISIL Ratings Limited vide its letter dated February 25, 2022 and June 17, 2022, revalidated vide its letter dated June 20, 2022, further revalidated vide its letter dated July 20, 2022 for the NCDs proposed to be issued pursuant to this Issue. The rating given by is valid as on the date of this Prospectus and shall remain valid on date of issue and Allotment of the NCDs and the listing of the NCDs on BSE. The rating of the NCDs indicates that instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The ratings provided by CRISIL Ratings Limited may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and Investors should take their own decisions. Please refer to Annexure A on page 437 for the rationale and press release for the above rating.

PUBLIC COMMENTS

The Draft Prospectus dated July 25, 2022 was filed with BSE, the Designated Stock Exchange on July 25, 2022, pursuant to the provisions of the SEBI NCS Regulations and was kept open for public comments for a period of seven Working Days (i.e., until 5 p.m.) on August 1, 2022.

LISTING

The NCDs are proposed to be listed on BSE, which has given its in-principle listing approval, by letter no. DCS/BM/PI-BOND/008/22-23, dated August 1, 2022. The Designated Stock Exchange for the Issue is BSE.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE
SMC Capitals Limited A 401/402, Lotus Corporate Park Jai Coach Junction, Off Western Express Highway, Goregaon (East), Mumbai 400 063, Maharashtra **Tel**: +91 22 6648 1818 **Email**: mflncd2022@smccapitals.com **Contact person**: Satish Mangutkar / Bhavin Shah	**Integrated Registry Management Services Private Limited** II Floor, Kences Towers, No. 1 Ramakrishna Street North Usman Road, T. Nagar Chennai 600 017, Tamil Nadu **Tel**: +91 44 28140801, 802,803 **Fax**: +91 44 2814 2479 **Email**: mfinipo@integratedindia.in **Website**: www.integratedindia.in	**Vardhman Trusteeship Private Limited*** The Capital, 412 A. 4th Floor, A-Wing, Bandra Kurla Complex, Bandra (East) Mumbai 400 051, Maharashtra **Tel**: +91 22 4264 8335 **E-mail:** nilesh@vardhmantrustee.com **Contact Person**: Nilesh Palav

CREDIT RATING AGENCY	JOINT STATUTORY AUDITORS	
CRISIL Ratings Limited CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400076, Maharashtra **Tel:** + 91 22 3342 3000 **Email:** crisilratingdesk@crisil.com **Contact Person:** Krishnan Sitaraman	**M/s. Krishnan Retna & Associates** 201 Block A, Nandini Gardens, Fort, Thiruvananthapuram, Kerala – 695023 **Tel:** 91 471 2476356 **Email:** trivandrum@krishnanretna.com **Contact Person:** Nikhil R Kumar	**M/s. Rangamani & Co** Rose Gardens, North of Iron Bridge, Alappuzha, Kerala – 6880111st **Tel:** +91 477 2251474 **Email:** rangamanis@rediffmail.com **Contact Person:** Krishnan R

ISSUE PROGRAMME

ISSUE OPENS ON:	FRIDAY, AUGUST 5, 2022	ISSUE CLOSES ON**:	THURSDAY, SEPTEMBER 1, 2022

* *Vardhman Trusteeship Private Limited has by its letter dated June 17, 2022 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Offer Documents and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue.*

** *The Issue shall remain open for subscription from 10 a.m. to 5 p.m. during the period indicated above with an option for early closure or extension by such period as may be decided by the Board of Directors or a duly constituted committee thereof of the Company. In the event of such early closure or extension of the subscription list of the Issue, the Company shall ensure that public notice of such early closure/extensison is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in at least one leading national daily newspaper and a local news paper in the state of Kerala, with wide circulation.*

A copy of the Prospectus shall be filed with the RoC, in terms of Section 26 of the Companies Act, 2013, along with the requisite endorsed/certified copies of all requisite documents. For further details please see "Material Contracts and Documents for Inspection" on page 434.

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SECTION I : GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Prospectus to "the Issuer", "our Company", "the Company" or "Muthoot Fincorp Limited", a non-banking financial company incorporated under the Companies Act, 1956, as amended and replaced from time to time, having its registered office at Muthoot Centre, TC No 27/3022 Punnen Road Trivandrum 695 001, Kerala. Unless the context otherwise indicates, all references in this Prospectus to "we" or "us" or "our" are to our Company.

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Prospectus, and references to any statute or regulations or policies includes any amendments or re-enactments thereto, from time to time.

Company related terms

Term	Description
₹/ Rs./ INR/ Rupees/ Indian Rupees	The lawful currency of the Republic of India
AoA/ Articles/ Articles of Association	Articles of Association of our Company, as amended from time to time
Auditor/ Joint Statutory Auditor	M/s Krishnan Retna Associates and M/s. Rangamani & Co.
Board/ Board of Directors	Board of directors of our Company or any duly constituted committee thereof
Company Secretary	The company secretary of our Company, i.e. Sachu Sivas
Compliance Officer	The compliance officer of our Company appointed in relation to this Issue, i.e. Sachu Sivas
Corporate Office	The corporate office of our Company, situated at Muthoot Centre, Spencer Junction, Trivandrum 695 001, Kerala
DIN	Director Identification Number
Equity Shares	Equity shares of face value of ₹10 each of our Company
Gross Total Loan Assets	Gross value of loan assets before interest accrued on loans, provision for impairment and unamortised processing fee.
Group/ Group Companies	Alaska Agri Projects and Hospitalities Private Limited; Bamboo Agri Projects and Hospitalities Private Limited; Buttercup Agri Projects and Hospitalities Private Limited; Calypso Agri Development and Hospitalities Private Limited; Cinnamon Agri Development and Hospitalities Private Limited; El Toro Agri Projects and Hospitalities Private Limited; Emmel Realtors and Developers Private Limited Flame Agri Projects and Hospitalities Private Limited; Fox Bush Agri Development and Hospitalities Private Limited; Goblin Agri Projects and Hospitalities Private Limited; Jungle Cat Agri Development and Hospitalities Private Limited; L.M Realtors Private Limited; Mandarin Agri Ventures and Hospitalities Private Limited; Mariposa Agri Ventures and Hospitalities Private Limited; Mpg Hotels and Infrastructure Ventures Private Limited; Mpg Precious Metals Private Ltd; Muthoot Agri Development and Hospitalities Private Limited; Muthoot Agri Projects and Hospitalities Private limited; Muthoot Dairies and Agri Ventures Private Limited; Muthoot Apt Ceramics Limited Muthoot Automotive (India) Private Limited; Muthoot Automobile Solutions Private Limited; Muthoot Buildtech (India) Private Limited; Muthoot Capital Services Limited; Muthoot Equities Limited; Muthoot Holdings Private Limited; Muthoot Hotels Private Limited; Muthoot Housing Finance Company Limited; Muthoot Infrastructure Private Limited; Muthoot Land and Estates Private Limited; Muthoot Motors Private Limited; Muthoot Microfin Limited; Muthoot Pappachan Medicare Private Limited; Muthoot Pappachan Technologies Limited; Muthoot Properties (India) Private Limited; Muthoot Risk Insurance and Broking Services Private Limited; Pine Pink Agri Ventures and Hospitalities Private Limited; The Right Ambient Resorts Private Limited; Muthoot Pappachan Chits (India) Private Limited; Muthoot Exim Private Limited; Muthoot Kuries Private Limited; The Thinking Machine Media Private Limited; MPG Security Group Private Limited; M-Liga Sports Excellence Private Limited and Muthoot Pappachan Center of Excellence in Sports.
KMP/ Key Managerial Personnel	The key managerial personnel of our Company in accordance with the provisions of the Companies Act, 2013. For details, see "*Our Management*" on page 99.

Term	Description
Loan Assets	Assets under financing activities
Memorandum/ MoA/ Memorandum of Association	Memorandum of association of our Company, as amended from time to time
MML	Muthoot Microfin Limited
MPCIPL	Muthoot Pappachan Chits (India) Limited
MPG Hotels / MPG	MPG Hotels & Infrastructure Ventures Private Limited
MPTL	Muthoot Pappachan Technologies Limited
Muthoot Pappachan Group	Founded by Late Mathew M Thomas in 1979, the Muthoot Pappachan Group is involved in Financial Services, Hospitality, Automotive, Realty, IT Services, Healthcare, Precious Metals, Global Services and Alternate Energy. The Group is currently managed by Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot
NBFC	Non-banking financial company as defined under Section 45-IA of the RBI Act, 1934
Promoters	Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot
RoC	Registrar of Companies, Kerala and Lakshadweep
Registered Office	The registered office of our Company is situated at Muthoot Centre, TC No 27/3022 Punnen Road, Trivandrum 695 001, Kerala
Risk Management Committee	The committee of the Board of Directors of the Company constituted for the purposes of, inter alia, to assist the Board in the execution of its risk management accountabilities. For further details, see "*Our Management*" on page 99.
Reformatted IndAS Consolidated Financial Information	The reformatted consolidated statement of assets and liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020 and the schedules forming part thereof; the reformatted consolidated statement of changes in equity for the years ended March 31, 2022, March 31, 2021 and March 31, 2020; reformatted consolidated statement of profits and losses for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and the schedules forming part thereof, and the reformatted consolidated statement of cash flows for the years ended March 31, 2022, March 31, 2021 and March 31, 2020. The audited consolidated financial statements of the Company as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 form the basis for such Reformatted Ind AS Consolidated Financial Statements.
Reformatted IndAS Financial Statements	Reformatted IndAS Standalone Financial Information and Reformatted IndAS Consolidated Financial Information
Reformatted IndAS Standalone Financial Information	The reformatted standalone statement of assets and liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020 and the schedules forming part thereof; the reformatted standalone statement of changes in equity for the years ended March 31, 2022, March 31, 2021 and March 31, 2020; reformatted standalone statement of profits and losses for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, the schedules forming part thereof, and the reformatted standalone statement of cash flows for the years ended March 31, 2022, March 31, 2021 and March 31, 2020. The audited standalone financial statements of the Company as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 form the basis for such Reformatted Ind AS Standalone Financial Statements.
Stage 3 Loan Assets	Stage 3 Loan Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS
Stage 3 ECL Provision	Provision created for impairment of loan assets categorized as a Stage 3 Loan Asset
Stock Allotment Committee	The Stock Allotment Committee of the Board of Directors of the Company constituted for the purposes of, inter alia, issuance of debentures of the Company.

Issue related terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of the Prospectus
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment

Term	Description
Allot/Allotment/Allotted	The issue and allotment of the NCDs to successful Applicants pursuant to the Issue
Allottee	The successful Applicant to whom the NCDs are being/have been Allotted pursuant to the Issue
Applicant/Investor	Any prospective applicant who makes an Application pursuant to the Prospectus and the Application Form
Application/ ASBA Application	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising the relevant SCSB to block the Application Amount in the relevant ASBA Account and will include application made by UPI Investors using UPI where the Application amount will be blocked upon acceptance of UPI Mandate Request by UPI Investors, which will be considered as the application for Allotment in terms of the Prospectus
Application Amount	The aggregate value of NCDs applied for, as indicated in the Application Form for the Issue
Application Form/ ASBA Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process and which will be considered as the Application for Allotment of NCDs and in terms of the Prospectus
Application Supported by Blocked Amount/ ASBA	The Application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorising the SCSB to block the Application Amount in the specified bank account maintained with such SCSB
ASBA Account	A bank account maintained with an SCSB by an Applicant, as specified in the Application Form submitted by the Applicant for blocking the Application Amount mentioned in the relevant ASBA Form and includes a bank account maintained by a UPI Investor linked to a UPI ID, which is blocked upon acceptance of a UPI Mandate Request made by the UPI Investor using the UPI Mechanism
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process
Base Issue	₹ 25,000 lakhs
Basis of Allotment	The basis on which NCDs will be allotted to successful applicants under the Issue and which is described in "*Issue Procedure – Basis of Allotment*" on page 424.
Broker Centres	Broker centres notified by the Stock Exchange, where Applicants can submit the Application Forms (including ASBA Forms under UPI in case of UPI Investors) to a Trading Member. The details of such broker centres, along with the names and contact details of the Trading Members are available on the website of the Stock Exchange and updated from time to time
Business Days	All days excluding Saturdays, Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Collection Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, being the Designated Branch for SCSBs, Specified Locations for the Syndicate, Broker Centres for registered brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs
Collecting Depository Participants/ CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered under the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the SEBI Operational Circular
Collecting Registrar and Share Transfer Agents/ CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of the SEBI Operational Circular
Credit Rating Agency	For the present Issue, the credit rating agency being CRISIL
Coupon Rate / Interest Rate	The aggregate rate of interest payable in connection with the NCDs in accordance with the Prospectus. For further details, see "*Issue Structure*" on page 379.
Debenture Holder (s) / NCD Holder(s)	The holders of the NCDs whose name appears in the database of the Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law
Debenture Trust Deed	The trust deed to be executed by our Company and the Debenture Trustee for creating the security over the NCDs issued under the Issue
Debenture Trusteeship Agreement	Debenture Trusteeship Agreement dated July 18, 2022 entered into between our Company and the Debenture Trustee
Debentures/ NCDs	Secured, Redeemable, Non-Convertible Debentures of face value ₹ 1,000 each proposed to be issued under this Issue.
Deemed Date of Allotment	The date of issue of the Allotment Advice, or such date as may be determined by the Board or Stock Allotment Committee and notified to the Stock Exchange. All

Term	Description
	benefits relating to the NCDs including interest on the NCDs shall be available to the Investors from the Deemed Date of Allotment. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment
Demographic Details	The demographic details of an Applicant such as his address, bank account details, category, PAN, UPI ID, etc.
Depositories Act	The Depositories Act, 1996
Depository(ies)	National Securities Depository Limited and/or Central Depository Services (India) Limited
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms used by the ASBA Applicants and a list of which is available at https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time
Designated CDP Locations	Such centres of the Collecting Depository Participants where Applicants can submit the Application Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the website of the Stock Exchange and updated from time to time
Designated Date	The date on which the Registrar to the Issue issues instruction to SCSBs for unblocking of funds from the ASBA Accounts to the Public Issue Account in terms of the Prospectus, the Public Issue Account and Sponsor Bank Agreement and following which the Board, shall Allot the NCDs to the successful Applicants
Designated Intermediaries	The Members of the Syndicate, SCSBs, Registered Stock Brokers, Trading Members, RTAs and CDPs who are authorized to collect Application Forms from the Applicants, in relation to the Issue
Designated Stock Exchange/ Stock Exchange/ Exchange/ DSE	BSE Limited
Draft Prospectus/ Draft Offer Document	The Draft Prospectus dated July 25, 2022 filed with the Stock Exchange for receiving public comments in accordance the Regulation 6 (2) of the SEBI NCS Regulations and to SEBI for record purpose
Designated RTA Locations	Such centres of the RTAs where Applicants can submit the Application Forms (including Application Forms by UPI Investors under the UPI Mechanism). The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the website of the Stock Exchange and updated from time to time
DP/Depository Participant	A depository participant as defined under the Depositories Act
Direct Online Application	The application made using an online interface enabling direct application by Investors to a public issue of their debt securities with an online payment facility through a categorize stock exchange. This facility is available only for demat account holders who wish to hold the NCDs pursuant to the Issue in categorized form. Please note that the Applicants will not have the option to apply for NCDs under the Issue, through the direct online applications mechanism of the Stock Exchange
Fugitive Economic Offender	Fugitive economic offender means an individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
Interest Payment Date / Coupon Payment Date	The dates on which interest/coupon on the NCDs shall fall due for payment which will be specified in this Prospectus. Please see "*Issue Structure – Specific Terms of NCDs - Interest and Payment of Interest*" on page 384.
Institutional Portion	Portion of Applications received from Category I of persons eligible to apply for the Issue which includes resident public financial institutions as defined under Section 2(72) of the Companies Act 2013, statutory corporations including state industrial development corporations, scheduled commercial banks, co-operative banks and regional rural banks, and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs, provident funds of minimum corpus of ₹2,500 lakhs, pension funds of minimum corpus of ₹2,500 lakhs, systemically important non-banking financial companies, superannuation funds and gratuity fund, which are authorised to invest in the NCDs, alternative investment funds subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, resident venture capital funds registered with SEBI, insurance companies registered with the IRDAI, national investment fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India), insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department

Term	Description
	of Posts, India, mutual funds, registered with SEBI and systemically important NBFCs.
Issue	Public issue by our Company of NCDs for an amount aggregating up to ₹ 25,000 lakhs, with an option to retain over-subscription up to ₹ 25,000 lakhs, aggregating up to ₹ 50,000 lakhs, on the terms and in the manner set forth herein.
Issue Closing Date	Thursday, September 1, 2022
Issue Opening Date	Friday, August 5, 2022
Issue Size	Public issue by our Company of NCDs aggregating up to ₹ 25,000 lakhs, with a green shoe option of up to ₹ 25,000 lakhs, aggregating up to ₹ 50,000 lakhs
Lead Manager	SMC Capitals Limited
Market Lot	1 (one) NCD
Maturity Amount	In respect of NCDs Allotted to NCD Holders, the repayment of the face value of the NCD along with interest that may have accrued as on the redemption date
NCD Holder/Debenture Holder	Any debenture holder who holds the NCDs issued pursuant to this Issue and whose name appears on the beneficial owners list provided by the Depositories
Non-Institutional Portion	Category II of persons eligible to apply for the Issue which includes companies falling within the meaning of Section 2(20) of the Companies Act 2013; bodies corporate and societies registered under the applicable laws in India and categorize to invest in the NCDs, educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are categorize to invest in the NCDs, trust including public/private charitable/religious trusts which are categorize to invest in the NCDs, association of persons, scientific and/or industrial research organisations, which are categorize to invest in the NCDs, partnership firms in the name of the partners, limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009), resident Indian individuals and Hindu undivided families through the Karta aggregating to a value exceeding ₹10 lakhs
Prospectus	This Prospectus dated August 3, 2022 to be filed with the RoC in accordance with the SEBI NCS Regulations, containing inter alia the Coupon Rate for the NCDs and certain other information
Public Issue Account	Account(s) opened with the Public Issue Account Bank to receive monies from the ASBA Accounts maintained with the SCSBs (including under the UPI Mechanism) on the Designated Date
Public Issue Account Bank	Axis Bank Limited
Public Issue Account and Sponsor Bank Agreement	The agreement to be entered into amongst our Company, the Registrar to the Issue, the Lead Manager, the Public Issue Account Bank, the Sponsor Bank, the Refund Bank for collection of the Application Amounts from ASBA Accounts under the UPI Mechanism and the Refund Bank for collection of the Application Amounts from ASBA Accounts, unblocking of funds in the ASBA accounts where applicable and where applicable remitting refunds, if any, to suchApplicants, on the terms and conditions thereof
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 Working Days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made and as specified in the Draft Prospectus
Refund Bank	Axis Bank Limited
Registrar to the Issue/ Registrar	Integrated Registry Management Services Private Limited
Register of NCD Holders	The statutory register in connection with any NCDs which are held in physical form on account of rematerialisation, containing name and prescribed details of the relevant NCD Holders, which will be prepared and maintained by our Company/Registrar in terms of the applicable provisions of the Companies Act
Retail Investor Portion	Portion of Applications received from Category III of persons eligible to apply for the Issue which includes Retail individual investors, resident Indian individuals and

Term	Description
	Hindu undivided families through the Karta aggregating to a value not exceeding and including ₹10 lakhs
RTAs/ Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Application in the Issue at the Designated RTA Locations
SCSBs or Self Certified Syndicate Banks	The banks registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA, including blocking of an ASBA Account, and a list of which is available on https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time. Additionally, the banks registered with SEBI, enabled for UPI Mechanism, list of which is available on https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time. A list of the branches of the SCSBs where ASBA Applications submitted to the Lead Manager, Members of the Syndicate or the Trading Member(s) of the Stock Exchange, will be forwarded by such Lead Manager, Members of the Syndicate or the Trading Members of the Stock Exchange is available at https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time
Security	The principal amount of the Secured NCDs to be issued in terms of this Prospectus together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable.
Specified Locations	Collection centres where the Members of the Syndicate shall accept Application Forms, a list of which is included in the Application Form
Sponsor Bank	The Banker to the Issue registered with SEBI which is appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Requests and/or payment instructions of the UPI Investors into the UPI and carry out any other responsibilities, in terms of the SEBI Operational Circular in this case being, Axis Bank Limited
Stock Exchange	BSE Limited
Syndicate ASBA	Applications through the Designated Intermediaries
Syndicate ASBA Application Locations	Collection centers where the Designated Intermediaries shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at https://www.sebi.gov.in and at such other websites as may be prescribed by SEBI from time to time
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on https://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Tenor	Tenor shall mean the tenor of the NCDs which will be specified in the Prospectus
Trading Member(s)	Individuals or companies registered with SEBI as “trading member(s)” under the SEBI (Stock Brokers) Regulations, 1992, and who hold the right to trade in stocks listed on stock exchanges, through which Investors can buy or sell securities listed on stock exchanges whose list is available on stock exchanges
Transaction Registration Slip/TRS	The acknowledgement slip or document issued by any of the Members of the Syndicate, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of upload of the Application on the application platform of the Stock Exchange
Tripartite Agreement(s)	Agreements as entered into between the Issuer, Registrar and each of the Depositories under the terms of which the Depositories shall act as depositories for the securities issued by our Company
Trustee/Debenture Trustee	Trustee for the holders of the NCDs, in this case being Vardhman Trusteeship Limited
UPI	Unified Payments Interface, is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing and merchant payments into one hood. UPI allows instant transfer of money between any two persons’ bank accounts using a payment address which uniquely identifies a

Term	Description
	person's bank account
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI
UPI Investor	An Applicant who applies with a UPI number whose Application Amount for NCDs in the Issue is upto ₹ 5,00,000 or as may be prescribed under SEBI Operational Circular
UPI Mandate Request	A request (intimating the UPI Investors, by way of a notification on the UPI application and by way of an SMS directing the UPI Investors to such UPI application) to the UPI Investors using the UPI Mechanism initiated by the Sponsor Bank to authorise blocking of funds equivalent to the Application Amount in the relevant ASBA Account through the UPI, and the subsequent debit of funds in case of Allotment
UPI Mechanism	The optional bidding mechanism that may be used by UPI Investors to make Applications in the Issue, in accordance with SEBI Operational Circular and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter	A person who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes an issuer whose director or promoter is categorized as such
Working Days	All days excluding Sundays or a holiday of commercial banks in Mumbai and/or Cochin, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from the Issue Closing Date to listing of the NCDs on the Stock Exchange, Working Day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays in Mumbai, as per the SEBI NCS Regulations, however, with reference to payment of interest/redemption amount of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai

Technical & Industry Terms

Term	Description
ALM	Asset Liability Management
ALCO	Asset Liability Committee
AUM	Asset Under Management
CRAR	Capital-To-Risk-Weighted Assets Ratio
DPN	Demand Promissory Note
EMI	Equated Monthly Instalments
FIR	First Information Report
IMF	International Monetary Fund
IND AS	Indian Accounting Standards
KYC/KYC Norms	Customer identification procedure for opening of accounts and monitoring transactions of suspicious nature followed by NBFCs for the purpose of reporting it to appropriate authority
Gross NPAs/GNPAs	Aggregate of receivable from financing business considered as non-performing assets (secured and unsecured which has been shown as part of short term loans and advances and long term loans and advances) and non performing quoted and unquoted credit substitute forming part of stock in trade Gross NPA is also referred to as GNPAs
Loan Book	Outstanding loans
LTV	Loan to value
Master Directions	RBI's Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended
MSME	Micro, small, and medium enterprises
NAV	Net Asset Value
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934
NBFC-D	NBFC registered as a deposit accepting NBFC
NBFC-ND	NBFC registered as a non-deposit accepting NBFC

Term	Description
NBFC-ND-SI	Systemically Important NBFC-ND, i.e. a non-banking financial company not accepting / holding public deposits and having total assets of ₹50,000 lakhs and above as per the last audited balance sheet
NOF	Net Owned Fund
NPA	Non-performing asset
NPCI	National Payments Corporation of India
Net NPAs	Gross NPAs less provisions for NPAs
SME	Small and medium enterprises
Tier I Capital/ Tier I	Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking nonbanking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year
Tier II Capital/ Tier II	Tier II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of fifty five percent; (c) General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital to the extent the aggregate does not exceed Tier I Capital
UPI	Unified Payments Interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person’s bank account
WGC	World Gold Council

Conventional and General Terms or Abbreviations

Term	Description
AGM	Annual general meeting
BSE	BSE Limited
CAGR	Compounded annual growth rate
CDSL	Central Depository Services (India) Limited
CGST Act	Central Goods and Services Tax Act, 2017
Cr.P.C	Code of Criminal Procedure, 1973
Companies Act, 1956	The Companies Act, 1956 to the extent in force, repealed as of January 30, 2019
Companies Act/ Companies Act 2013	The Companies Act, 2013 read with rules framed by the Government of India from time to time
CRISIL	CRISIL Ratings Limited
DIN	Director identification number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India earlier known as Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DTH	Direct to home
DRR	Debenture redemption reserve
EGM	Extraordinary general meeting
EPS	Earnings per share
FDI Policy	FDI in an Indian company is governed by the provisions of the FEMA and the Foreign Direct Investment Policy
FEMA	Foreign Exchange Management Act, 1999

Term	Description
FPI	Foreign Institutional Investors defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 registered with SEBI and as repealed by Foreign Portfolio Investors defined under the SEBI (Foreign Portfolio Investors) Regulations, 2019
Financial Year/FY/Fiscal	Financial year ending March 31
GDP	Gross domestic product
GoI	Government of India
G-Sec	Government securities
GST	Goods and services tax
HUF	Hindu undivided family
IRDAI	Insurance Regulatory and Development Authority of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Indian GAAP/ IGAAP	Accounting Standards as per the Companies (Accounting standards) Rules, 2006 notified under Section 133 of the Act and other relevant provisions of the Act.
IGST Act	Integrated Goods and Services Tax Act, 2017
Indian GAAP	Generally Accepted Accounting Principles in India
Insurance Act	The Insurance Act, 1938
IT Act	The Income Tax Act, 1961
IT	Information technology
ISD	International subscriber dialing
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
MIS	Management information system
MoU	Memorandum of understanding
NA	Not applicable
NACH	National Automated Clearing House
NCDs	Non-Convertible Debentures
NEFT	National Electronic Funds Transfer
NII(s)	Non-institutional investor(s)
NIM	Net interest margin
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
PAN	Permanent account number
PDI	Perpetual debt instrument
Profit after Tax (PAT)	Profit for the year
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RM	Relationship manager
RTGS	Real time gross settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI NCS Regulations/ Debt Regulations/ SEBI Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended
SEBI Delisting Regulations	SEBI (Delisting of Equity Shares) Regulations, 2009
SEBI Listing Regulations/ Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Operational Circular	SEBI Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended
SGST Act	State Goods and Services Tax Act, 2017, as enacted by various state governments
STD	Subscriber trunk dialing
TDS	Tax deducted at source
VOIP	Voice over internet protocol
WDM	Wholesale debt market

Notwithstanding anything contained herein, capitalised terms that have been defined in "*Regulations and Policies*", "*History and Certain Corporate Matters*", "*Our Management*", "*Financial Indebtedness*" and "*Outstanding Litigations and Defaults*" on pages 347, 88, 99, 303 and 324 will have the meaning ascribed to them in such sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATON

Certain Conventions

All references in this Prospectus to "India" are to the Republic of India and its territories and possessions.

Unless stated otherwise, all references to page numbers in this Prospectus are to the page numbers of this Prospectus.

Presentation of Financial Information

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Prospectus are to a calendar year and references to a Fiscal/Fiscal Year/ FY are to the year ended on March 31, of that calendar year.

The Reformatted Ind AS Standalone Financial Statements and the Reformatted Ind AS Consolidated Financial Statements and the respective reports on the Reformatted Ind AS Standalone Financial Statements and Reformatted Ind AS Consolidated Financial Statements, as issued by our Company's Joint Statutory Auditors, M/s Krishnan Retna Asssociates and M/s. Rangamani & Co, are included in this Prospectus in "*Financial Statements*" beginning at page 120.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

Unless stated otherwise, macroeconomic and industry data used throughout this Prospectus has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in this Prospectus is meaningful depends on the readers' familiarity with and understanding of methodologies used in compiling such data.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. The methodologies and assumptions may vary widely among different industry sources. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. We have relied on the IMaCS Report on 'Gold Loan Market in India' for industry related data that has been disclosed in this Prospectus. Accordingly, no investment decision should be made solely on the basis of such information.

While we have compiled, extracted and reproduced data from external sources, including third parties, trade, industry or general publications, we accept responsibility for accurately reproducing such data. However, neither we nor the Lead Manager has independently verified this data and neither we nor the Lead Manager make any representation regarding the accuracy of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Lead Manager can assure potential investors as to their accuracy.

Financial Data

Except where stated otherwise in this Prospectus, all figures have been expressed in 'lakhs'. All references to 'lakhs/ lakhs/ lacs/ lac' refer to one lakh, which is equivalent to 'one hundred thousand' and 'crore' means 'hundred lakhs'.

Unless otherwise stated all figures pertaining to the financial information in connection with the Company are on an unconsolidated basis.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off**.**

Currency and Unit of Presentation

In this Prospectus, references to '₹', "Indian Rupees", "INR", "Rs." and 'Rupees' are to the legal currency of India. Except as stated expressly, for the purposes of this Prospectus, data will be given in ₹ in lakhs.

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Industry and Market Data

Any industry and market data used in the Prospectus consists of estimates based on data reports compiled by government bodies, professional organizations and analysts, data from other external sources and knowledge of the markets in which the Company competes. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us or its accuracy and completeness is not guaranteed, and its reliability cannot be assured. Although the Company believes the industry and market data used in the Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data is presented in the Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the Company conducts its business, and methodologies and assumptions may vary widely among different market and industry sources.

FORWARD LOOKING STATEMENTS

General Risk

Investment in debt securities/non-convertible redeemable preference shares involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under section "*Risk Factors*" of this offer document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities/non-convertible redeemable preference shares or investor's decision to purchase such securities.

Certain statements contained in this Prospectus that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Prospectus that are not historical facts. All statements contained in this Prospectus that are not statements of historical fact constitute "forward-looking statements" and are not forecasts or projections relating to our Company's financial performance.

All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the expectations of the Company include, among others:

- General economic and business conditions in India and globally;
- Ability to effectively manage our growth or successfully implement business plans and growth strategies;
- Ability to compete effectively and access funds at competitive costs;
- Ability to control or reduce the level of non-performing assets in our portfolio;
- Changes in the value of Rupee and other currency changes;
- Unanticipated turbulence in interest rates, gold prices, global bullion prices or other rates or prices;
- Availability of funds and willingness of the lenders of the Company to lend;
- The impact of COVID-19 outbreak on our business and operations;
- Changes in political conditions in India;
- The rate of growth of the loan assets of the Company;
- The outcome of any legal or regulatory proceedings the Company is or may become a party to;
- Changes in Indian laws and regulations, including tax, accounting, banking, securities, insurance and other regulations; changes in competition and the pricing environment in India; and regional or general changes in asset valuations;
- Any changes in connection with policies, statutory provisions, regulations and/or RBI directions in connection with NBFCs, including laws that impact lending rates and the Companys' ability to enforce our collateral;
- Competition from existing as well as new competitors;
- Performance of the Indian debt and equity markets;
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations; and
- Other factors discussed in the Prospectus, including under the section titled "*Risk Factors*" on page 17.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in *"Our Business", "Risk Factors"* and *"Outstanding Litigations and Defaults"* on pages 70, 17 and 324, respectively. The forward-looking statements contained in this Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date of this Prospectus, our Company cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Neither our Company, its Directors and its officers, nor any of their respective affiliates or associates, Lead Manager nor any of its Directors and its officers have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI NCS Regulations, our Company, the Lead Manager will ensure that investors in India are informed of material developments between the date of filing the Prospectus with the RoC and the date of the Allotment.

SECTION II : RISK FACTORS

The following are some of the important factors that could cause actual results to differ materially from the Company's expectations:

The following are the risks envisaged by the management of the Company relating to the Company, the secured NCDs and the market in general. Potential investors should carefully consider all the risk factors stated in this Disclosure Document in relation to the secured NCDs for evaluating the Company and its business and the secured NCDs before making any investment decision relating to the secured NCDs. The Company believes that the factors described below represents the principal risks inherent in investing in the secured NCDs but does not represent that the statements below regarding the risks of holding the secured NCDs are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Potential investors should also read the detailed information set out elsewhere in this Disclosure Document and reach their own views prior to making any investment decision.

If any one of the following stated risks actually occurs, the Company's business, financial conditions and results of operations could suffer and, therefore, the value of the Company's secured NCDs could decline and/or the Company's ability to meet its obligations in respect of the secured NCDs could be affected. More than one risk factor may have simultaneous affect with regard to the secured NCDs such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the secured NCDs and/or the Company's ability to meet its obligations in respect of the secured NCDs.

These risks and uncertainties are not the only issues that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently believes to be immaterial may also have a material adverse effect on its financial condition or business. Unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below.

INTERNAL RISK FACTORS

Risks relating to the Company and its Business

1. ***Scheduled commercial banks and payment banks have been directed not to open and maintain current accounts for customers who have availed credit facilities in the form of cash credit (CC)/overdraft (OD) from the banking system. Implementation of the aforesaid direction without providing alternate mechanism for financial institutions transacting with scheduled commercial banks and payment banks to withdraw and deposit cash may adversely affect our business, results of operations and financial condition.***

   RBI has by way of circular (RBI/2020-21/20 DOR No. BN.BC/7/21/04.048/2020-21) dated August 6, 2020 directed scheduled commercial banks and payment banks not to open or maintain current accounts for customers who have availed credit facilities in the form of cash credit ("**CC**")/ overdraft ("**OD**") from the banking system and all transactions are required to be routed through the CC/OD account. These changes were to be implemented within a period of three months from the date of the Circular i.e. by November 5, 2020, which period was subsequently extended to December 15, 2021. Aggrieved by the said Circular, our Company has filed a writ petition with the Kerala High Court *inter alia* praying that RBI should issue clarification on implementation and enforcement of the Circular in light of the representations made by our Company to RBI and State Bank of India and to State Bank of India to seek clarifications on the points urged in representations made to State Bank of India. Further, it has also been prayed that the implementation of Circular, in so far as our Company is concerned, should be kept pending the disposal of the writ petition. The said writ petition 22768 of 2020 is disposed of on April 9, 2021 wherein State Bank of India was directed to consider the matter and to arrive at a workable solution in 6 months, failing which, State Bank of India was directed to approach RBI. In the meantime, other banks (where we have current accounts for our branches) have issued communications to close such accounts in view of the RBI circular. Since banks, other than State Bank of India, were proceeding with closure of accounts inspite of the above order, we have filed another WP 14854 / 2021 ("**Writ Petition**") making all the banks party and seeking for the intervention of the court. The Hon'ble court was pleased to order status quo. The said Writ Petition is pending.

   In the meantime, RBI has vide its circular RBI/2021-22/116 DOR.CRE.REC.63/21.04.048/2021-22 dated October 29, 2021 has permitted to open and maintain current accounts. The circular, however, has put a condition that such current accounts can be opened only with one bank, which has more than 10% of banking exposure in the respective company. Pursuant to the RBI Circular, the Company has approached State Bank of India and intiatiated the process of opening such current accounts for its branches with State Bank of India. The timeline for complying with the said circular was November 29, 2021; resultantly, all banks other than

State Bank of India are required to close the existing current accounts within such time. However, the Hon'ble Kerala High Court, in the pending Writ Petition filed by the Company, has extended the interim order thereby protecting the rights and interest of the Company.

Considering the large number of rural branches of the Company and non-availability of branches of State Bank of India near all such branches, there is a possibility that the smooth operation of some of the branches of the Company may be affected.

We cannot assure whether State Bank of India will be able to promptly service the requirements of our branches, thereby ensuring the smooth functioning of some of our branches, which may have a material effect on our business, results of operations and financial condition.

2. ***The Company's credit profile may take an impact because of real estate property acquisition, since such acquisitions brings real estate sector risks.***

Muthoot Estate Investment (MEI) one of the Group firms, prior to March 29, 2012, had accepted public deposits, under the *bona fide* belief that partnership firms can accept deposits for legitimate non lending business purposes. MEI had used MFL branch premises in certain places, to accept such deposits. However, RBI, vide its notice dated March 29, 2012, had declared that the acceptance of such deposits using MFL premises are prohibited as per the terms of Section 45S of RBI Act. Further, the RBI had also issued a notice to the Company on May 18, 2012, directing the Company to show cause as to why its certificate of registration (NBFC) should not be cancelled. MEI, vide its letter dated April 18, 2012 informed RBI that it had stopped accepting deposits from the public, and would repay the deposits accepted completely in 10 years with effect from April 1, 2012, as the funds have been invested in long-term real estate projects. The Company had also replied to the communications issued by RBI in similar lines.

As the sale and / or disposal of the real estate assets of MEI for purpose of repaying the deposits, was taking considerable time, the Company, under intimation to RBI, has purchased certain assets of MEI group companies, promoters so that MEI could utilize the said amounts for repaying the deposits and at the same time, the Company can use the said assets for real estate development business. Accordingly, the proceeds from such sale were utilized by MEI to repay the public deposits and the matter related to MEI deposits stands closed and consequently, the show cause notice dated April 18, 2012 was dropped by RBI *vide* its letter dated September 4, 2018.

The Company continues to own or propose to own certain real estate assets. In case the Company is not able to monetize these assets in reasonable time period it will have impact on the liquidity position as well as credit rating of the Company thereby could affect its profitability.

3. ***Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.***

Our liquidity and ongoing profitability are, in large part, dependent upon our timely access to cost effective sources of funding. Our funding requirements historically have been met through a combination of borrowings such as working capital limits from banks, issuance of commercial paper, non-convertible debentures issuance through public issues and on private placement basis.

Our ability to raise funds, on acceptable terms and at competitive rates, continues to depend on various factors including our credit ratings, financial performance & growth prospects of our Company, the macro economic factors including regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for securities of NBFCs. Our business depends and will continue to depend on our ability to access diversified low-cost funding sources.

Recently, there has been a rise in borrowing cost and difficulty in accessing debt in a cost-effective manner. During FY 2019, Indian economy witnessed defaults of debt repayments by large NBFC players. Such events heightened the investor focus around the health of the broader NBFC sector as well as their sources of liquidity. This has led to crunch in liquidity available to certain NBFCs. Re-occurrence of similar events may affect the market sentiment towards NBFC sector and as a whole may affect the borrowing capability of our Company adversely.

According to RBI Master Circular on Bank Finance to Non-Banking Financial Companies, 2015, as amended, bank's exposure (both lending and investment, including off balance sheet) to a single NBFC which is predominantly engaged in lending against collateral of gold jewellery (i.e. such loans comprising 50% or more of their financial assets), cannot exceed 7.5% of banks' capital funds and have an internal sub-limit on their aggregate exposure to all NBFCs having gold loans to the extent of 50% or more of their total financial assets, taken together. This sub-limit is within the internal limit fixed by the banks for their aggregate exposure to all NBFCs put together. This limits the exposure that banks may have on NBFCs such as us, which may restrict our ability to borrow from such banks and may increase our cost of borrowing, which could adversely impact our growth, business and financial condition.

We also face significant maturities of our debt each year. Out of the total outstanding debt, the Company has, as on March 31, 2022, an amount of ₹ 3,93,458.38 lakhs will mature during the next 12 months other than the regular rollover and renewal credit facilities. In order to retire to the short term credit facilities, the company will need to refinance the debt. In the case of tight credit market, the company will face difficulty to renew the cash credit facilities and get sanction of new credit facilities to retire the short term facilities.

4. ***Any instructions by RBI or other regulatory authority in India directing the Company to stop the use of its premises/ branches or officials for the operations of its Group entities could materially and adversely affect our business and impact our future financial performance.***

We have entered into various agreements with our Group entities for letting our Company's branches/premises or officials to be used for the business operations of our Group entities. In the event of any directions/circulars/notice being issued by RBI or other regulatory authority in India, restricting the usage of Company's branches/premises or officials for business operations of group entities, it may have an adverse effect on the business and financial conditions of the Company.

5. ***Our financial performance is particularly vulnerable to interest rate risk. If we fail to adequately manage our interest rate risk in the future it could have an adverse effect on our net interest margin, thereby adversely affecting our business and financial condition.***

The results of our operations are substantially dependent upon the level of our net interest margins. Interest rates are sensitive to many factors beyond our control, including RBI's monetary policies, domestic and international economic and political conditions and other factors. Rise in inflation, and consequent changes in bank rates, repo rates and reverse repo rates by RBI has led to an increase in interest rates on loans provided by banks and financial institutions.

Income from our financing activities is the largest component of our total income and constituted 98.65%, 99.21% and 98.90%, of our total income on a standalone basis for Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively. Further, as of March 31, 2022 and March 31, 2021, the total secured borrowings utilised by the Company aggregated to ₹ 15,32,946.05 lakhs and ₹ 15,35,423.30 lakhs, respectively and unsecured borrowings utilised by our Company aggregated to ₹ 2,38,526.64 lakhs and ₹ 249,512.07 lakhs, respectively.

We provide loan at a fixed rate of Interest while we borrow funds on both fixed and floating rates. Our borrowings, such as our secured non-convertible redeemable debentures, subordinated debt and term loans from financial institutions carry fixed rates of interest while the borrowings from banks are linked to the respective banks' MCLR rates. As of March 31, 2022, 35.00% of our borrowings, respectively, were at fixed rates of interest, comprising primarily of our secured and unsecured (subordinated debt) non-convertible redeemable debentures. We cannot assure you that we will be able to adequately manage our interest rate risk in the future and be able to effectively balance the proportion of our fixed rate loan assets and fixed rate liabilities in the future. Thus, our results of operations could be affected by changes in interest rates and the timing of any re-pricing of our liabilities compared with the re-pricing of our assets.

We borrow funds on both fixed and floating rates. Volatility in interest rates can materially and adversely affect our financial performance. In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, or, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted. Additional risks arising from increasing interest rates, among others, include:

- increases in the rates of interest charged on our loans and other secured/ unsecured loans, which could result in the extension of loan maturities and higher monthly installments due from borrowers which, in turn, could result in higher rates of default;
- reductions in the volume of our loans as a result of clients' inability to service high interest rate payments; and
- reduction in the value of fixed income securities held in our investment portfolio.

There can be no assurance that we will be able to adequately manage our interest rate risk. If we are unable to address the interest rate risk, it could have an adverse effect on our net interest margin, thereby adversely affecting our business and financial condition.

6. The Company has been subject to RBI inspections and any adverse action taken could affect the business and operations of the Company.

As an NBFC, we are subject to periodic inspection by RBI under section 45N of the RBI Act, pursuant to which RBI inspect our books of accounts and other records for the purpose of verifying compliance with applicable regulations, the correctness or completeness of any statement, information or particulars furnished to RBI. During the course of finalization of inspection, RBI shares its findings and recommendations with us and give us an opportunity to provide justification and clarifications. Further, RBI also seeks certain clarifications and shares its findings. RBI in the past has issued observations pursuant to such periodic inspection and our Company had given clarifications in this regard. Whilst we have responded/continue to respond to such observations made by RBI and addressed them, however, we cannot assure you that RBI will not make similar or other observations in the future. In the event we are unable to resolve the issues to RBI's satisfaction, we may be restricted in our ability to conduct our business as we currently do. While we seek to comply with all regulatory provisions applicable to us, in the event we are unable to comply with the observations made by RBI, we could be subject to penalties and restrictions which may be imposed by RBI. Imposition of any penalty or adverse findings by the RBI during the ongoing or any future inspections may have an adverse effect on our business, results of operations, financial condition and reputation.

7. Our ability to access capital also depends on our credit ratings. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and lending markets and, as a result, would negatively affect our net interest margin and our business.

The cost and availability of capital is also dependent on our short-term and long-term credit ratings. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. We have been assigned CRISIL A+ (Stable) rating by CRISIL and BWR A+(Stable) rating by Brickworks for our bank facilities respectively, CRISIL A+/Stable rating by CRISIL and BWR A+/Stable rating by Brickworks for our various non-convertible debt instruments, CRISIL A-(Stable) for ₹30,400 lakhs and BWR A (Stable) rating by Brickworks for ₹37,400 lakhs of perpetual bonds and "CRISIL A1+" rating by CRISIL for its short term debt programme. Brickworks has assigned a BWR A1+ (Outlook: Stable) rating for our short term debt programme. Crisil A+/Stable rating by CRISIL and BWR A+/Stable by Brickworks for Subordinated Debt issue of ₹ 5,000 lakhs.

Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. For instance, CRISIL had on November 18, 2016, downgraded its ratings on the bank facilities and debt instruments of the Company to 'CRISIL A-/Stable/CRISIL A1' from 'CRISIL A/Stable/CRISIL A1'. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. Any such adverse development could adversely affect our business, financial condition and results of operations. The financial and risk profiles of one or more of our Group entities may also result in a downgrade of our credit ratings.

8. If we are unable to manage the level of NPAs in our gold loans and other loans, our financial position and results of operations may suffer.

Our Stage 3 Assets as a percentage of total loan assets as per Ind AS was 2.88%, 1.92% and 1.86% as of March 31, 2022, March 31, 2021 and March 31, 2020, respectively. Our Stage 3 Assets net of Stage 3 Provision as per Ind AS as on March 31, 2022, March 31, 2021 and March 31, 2020 were at 1.57%, 1.01% and 0.61% on a standalone basis.

The Master Directions prescribe the provisioning required in respect of our outstanding loan portfolio. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our non-performing assets. Furthermore, although we believe that our total provision will be adequate to cover all known losses in our asset portfolio, our current provisions may not be adequate when compared to the loan portfolios of other financial institutions.

Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of gross non-performing assets or otherwise, or that the percentage of nonperforming assets that we will be able to recover will be similar to our past experience of recoveries of nonperforming assets. In the event of any further increase in our non-performing asset portfolio, there could be an even greater, adverse impact on our results of operations.

9. ***High levels of customer defaults could adversely affect our business, financial condition and results of operations.***

Our primary business involves lending money and accordingly we are subject to customer default risks including default or delay in repayment of principal or interest on our loans. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. If borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations will be adversely impacted if the auction proceeds of the defaulted accounts could not meet the principal and interest amount.

Further, unlike several developed economies, a nationwide credit bureau has only recently become operational in India, so there is less financial information available about the creditworthiness of our customers. It is therefore difficult to carry out precise credit risk analyses on our clients. Although we follow certain KYC procedures at the time of sanctioning a loan, we generally rely on the quality of the gold jewellery provided as collateral rather than on a stringent analysis of the credit profile of our clients. Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to continuously monitor the loan contracts, particularly for individual borrowers, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations and financial condition and/or cash flows.

10. ***We may not be able to recover the full loan amount, and the value of the collateral may not be sufficient to cover the outstanding amounts due under defaulted loans. Failure to recover the value of the collateral could expose us to a potential loss, thereby adversely affect our financial condition and results of operations.***

We extend loans secured by gold jewellery provided as collateral by the customer. An economic downturn or sharp downward movement in the price of gold could result in a fall in collateral value. In the event of any decrease in the price of gold, customers may not repay their loans and the value of collateral gold jewellery securing the loans may decrease significantly in value, resulting in losses which we may not be able to support. Although we use a technology-based risk management system and follow strict internal risk management guidelines on portfolio monitoring, which include periodic assessment of loan to security value on the basis of conservative market price levels, limits on the amount of margin, ageing analysis and predetermined loan closure call thresholds, no assurance can be given that if the price of gold decreases significantly, our financial condition and results of operations would not be adversely affected. The impact on our financial position and results of operations of a hypothetical decrease in gold values cannot be reasonably estimated because the market and competitive response to changes in gold values is not pre-determinable.

Additionally, we may not be able to realise the full value of our collateral, due to, among other things, defects in the quality of gold though the adequate systems in place like periodical verification of the pledged jewellery by the gold inspectors and employing well trained staff and large segment of the borrowers being repeat customers. In case of a default, we typically sell the collateral gold jewellery through auctions primarily to jewellers however there can be no assurance that we will be able to sell such gold jewellery at prices sufficient to cover the amounts under default. Furthermore, enforcing our legal rights by litigating against defaulting customers is generally a slow and potentially expensive process in India. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all.

We may also be affected by failure of employees to comply with internal procedures and inaccurate appraisal of credit or financial worth of our clients in spite of the periodical verification of the pledged ornaments by Gold inspectors and specified interval inspection and auditing by internal auditors. Failure by our employees who are experienced and trained, to properly appraise the value of the collateral provides us with no recourse against the borrower and the loan sanction may eventually result in a bad debt on our books of accounts. In the event we are unable to check the risks arising out of such lapses, our business and results of operations may be adversely affected.

11. ***Our significant indebtedness and the conditions and restrictions imposed by our financing arrangements could restrict our ability to conduct our business and operations in the manner we desire.***

As of March 31, 2022, the total secured borrowings utilised by the Company aggregated to ₹ 15,32,946.05 lakhs and unsecured borrowings utilised by our Company aggregated to ₹ 238,526.64 lakhs and outstanding securitization (pass through certification) is Nil. Most of our borrowings are secured by hypothecation of current assets/loan receivables. Our significant indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow may be used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted or our cost of borrowings may increase due to sudden adverse market conditions, including decreased availability of credit or fluctuations in interest rates;
- fluctuations in market interest rates may affect the cost of our borrowings as some of our indebtedness are at variable interest rates;
- there could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements; and
- we may be more vulnerable to economic downturns, we may be limited in our ability to withstand competitive pressures and we may have reduced flexibility in responding to changing business, regulatory and economic conditions.

Moreover, certain loans may be recalled by our lenders at any time. Any of these lenders may affect our business and operations were we are currently in breach of or have breached in the past.

12. ***Some of our financial arrangements contain restrictive covenants that may adversely affect our business and operations, some which we are currently in breach of or have breached in the past*.**

Some of our financing agreements include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. Specifically, under some of our financing agreements, we require, and may be unable to obtain, consents from the relevant lenders for, among others, the following matters: entering into any scheme of merger; spinning-off of a business division; selling or transferring all or a substantial portion of our assets; making any change in ownership or control or constitution of our Company; making amendments in our Memorandum and Articles of Association; creating any further security interest on the assets upon which the existing lenders have a prior charge; and raising funds by way of any fresh capital issue. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time.

Further, the financing arrangements that we have entered into with certain banks and financial institutions and terms and conditions for issue of non-convertible debentures issued by us contain restrictive covenants, which among other things require us to obtain prior permission of such banks, financial institutions or debenture trustees or to inform them with respect to various activities, including, alteration of our capital structure, changes in management, raising of fresh capital or debt, payment of dividend, revaluation or sale of our assets, undertaking new projects, creating subsidiaries, change in accounting policies, or invest by way of share capital or lend to other companies, undertaking guarantee obligations on behalf of other companies, and creation of further charge on fixed assets. Additionally, certain loan agreements require us to meet and maintain prescribed financial ratios. Further, under these loan agreements during the subsistence of the facilities, certain lenders have a right to appoint nominee directors on our Board from time to time. Furthermore, some of our financing arrangements contain cross default provisions which could automatically trigger defaults under other financing arrangements, in turn magnifying the effect of an individual default. Although we attempt to maintain compliance with our covenants or obtain prospective waivers where possible, we cannot assure you that we will be continuously compliant.

We have breached certain such covenants in the past and may continue to be inadvertently in technical breach of, certain covenants under these loan agreements and other financing arrangements. For example, our Company had delayed the payment of interest on its rated non-convertible debentures (NCD) by three working days. The delay was one off event due to an inadvertent operational error. The interest payment of ₹4.80 lakhs was due on August 2, 2018, but payment to investors was made on August 7, 2018. While we are not aware of any such breaches, and although no bank or financial institution has issued a notice of default to us, if we are held to be in breach of any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs, and because of such defaults we may be unable to find additional sources of financing. If any of these events were to occur, it would likely result in a material adverse effect on our financial condition and results of operations or even our ability to continue as a going concern. A failure to observe the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances could adversely affect our business, credit rating and financial condition and results of operations. Moreover, any such action initiated by our lenders could result in the price of our NCDs being adversely affected.

13. ***Our entire customer base comprises of individuals, small traders and business operators, who generally are more likely to be affected by declining economic conditions than larger corporate borrowers. Any decline in the repayment capabilities of our borrowers, may result in increase in default thereby adversely affecting our business and financial condition.***

Individual and small enterprise segment borrowers generally are less financially resilient than larger corporate borrowers, and, as a result, they can be more adversely affected by declining economic conditions. In addition, a significant majority of our customer base belongs to the low to medium income group and/or the small enterprises finance sector who may be more likely to be affected by declining economic conditions than large corporate houses.

Any decline in the economic conditions may impact the repayment capabilities of our borrowers, which may result in increase in defaults, thereby adversely affecting our business and financial conditions.

14. ***We face difficulties in carrying out credit risk analyses on our customers, most of whom are individual borrowers, which could have a material and adverse effect on our results of operations and financial condition.***

Unlike several developed economies, a nationwide credit bureau has only recently become operational in India, so there is less financial information available about individuals, particularly our focus customer segment from the low to medium income group who typically have limited access to other financing sources. It is therefore difficult to carry out precise credit risk analyses on our customers. Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to maintain sufficient credit assessment policies for non gold loans particularly for individual borrowers, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations and financial condition.

15. ***Since we handle high volumes of cash and gold jewellery in a dispersed network of branches, we are exposed to operational risks, including employee negligence, fraud, petty theft, burglary and embezzlement, which could harm our results of operations and financial position.***

As of March 31, 2022, March 31, 2021 and March 31, 2020, we held cash balance of ₹ 8,835.38 lakhs, ₹10,149.80 lakhs and ₹3,793.08 lakhs and gold jewellery of 54.03 tons, 59.40 tons and 50.59 tons, respectively**.** Our gold loan transactions involve handling significant volumes of cash and gold jewellery at our branch offices. Large cash and gold jewellery transactions expose us to the risk of fraud by employees, agents, customers or third parties, theft, burglary and misappropriation or unauthorised transactions by our employees. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sometimes, sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Our employees may also become targets of the theft, burglary and other crimes if they are present when these crimes are committed and may sustain physical and psychological injuries as a result. We may encounter difficulties recruiting and retaining qualified employees due to this risk and our business and operations may be adversely affected. Please see below details as on June 30, 2022:

(₹ in lakhs)

As on June 30, 2022				
	No. of cases	**Amount**	**No of cases after recovery**	**Amount after recovery**
Internal Fraud	0	0	0	0
Spurious	7	155.01	0	155.01
Theft	20	104.32	0	104.32
Total	**27**	**259.33**	**0**	**259.33**

Further, we may be subject to regulatory or other proceedings in connection with any unauthorised transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. The nature and size of the items provided as collateral allow these items to be misplaced or misdelivered, which may have a negative impact on our operations and result in losses.

16. ***We may not be able to successfully sustain our growth strategy. Inability to effectively manage any of our growth and related issues could materially and adversely affect our business and impact our future financial performance.***

Our gross loans under management as of March 31, 2022, March 31, 2021 and March 31, 2020 was ₹17,32,313 lakhs, ₹18,68,938 lakhs and ₹14,14,013 lakhs, respectively, on a standalone basis as per IndAS. As of March 31, 2022, March 31, 2021 and March 31, 2020, our Company held 54.03 tonnes, 59.40 tonnes and 50.59 tonnes, respectively, of gold jewellery, respectively, as security for all gold loans. Our capital adequacy ratio as of March 31, 2022, March 31, 2021 and March 31, 2020 computed on the basis of applicable RBI requirements was 19.42%, 16.85% and 19.56%, respectively, on standalone basis as per Ind AS, compared to RBI stipulated minimum requirement of 15%, with Tier I Capital comprising 14.73%, 12.09% and 13.04%, respectively.

Our Stage 3 Assets as a percentage of total loan assets as per Ind AS was 2.88%, 1.92% and 1.86% as of March 31, 2022, March 31, 2021 and March 31, 2020, respectively. Our Stage 3 Assets net of Stage 3 Provision as per Ind AS as on March 31, 2022, March 31, 2021 and March 31, 2020 were 1.57%, 1.01% and 0.61 %, respectively, on a standalone basis.

Our growth strategy includes growing our loan book, expanding our customer base and expanding our branch network. There can be no assurance that we will be able to sustain our growth strategy successfully or that we will be able to expand further or diversify our product portfolio or grow the levels of net profit earned in recent years. Furthermore, there may not be sufficient demand for such products, or they may not generate sufficient revenues relative to the costs associated with offering such products and services. Even if we were able to introduce new products and services successfully, there can be no assurance that we will be able to achieve our intended return on such investments. If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.

We also face a number of operational risks in executing our growth strategy. We have experienced rapid growth in our gold loan business and our branch network also has expanded significantly, and we are entering into new, smaller towns and cities within India as part of our growth strategy. Our rapid growth exposes us to a wide range of increased risks, including business risks, such as the possibility that a number of our impaired loans may grow faster than anticipated, as well as operational risks, fraud risks and regulatory and legal risks. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key managerial personnel, maintaining effective risk management policies, continuing to offer products which are relevant to our target base of clients, developing managerial experience to address emerging challenges and ensuring a high standard of client service. Particularly, we are significantly dependent upon a core management team who oversee the day-to-day operations, strategy and growth of our businesses. If one or more members of our core management team were unable or unwilling to continue in their present positions, such persons may be difficult to replace, and our business and results of operation could be adversely affected. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us.

17. ***The impact of the COVID-19 pandemic on our business and operations is uncertain and cannot be predicted.***

In late 2019, the COVID-19 disease, commonly known as “novel coronavirus”, was first reported in Wuhan, China. On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a “Public Health Emergency of International Concern” and on March 11, 2020 it was declared a pandemic. However, with the advent of vaccines, the pandemic is slowly being brought in control and the number of cases are declining and expected to come down further in the coming months. We continue to monitor developments closely.

The COVID-19 second wave and third wave also minimally impacted the business of the Company. Lockdowns imposed were territory based and therefore did not impediment the business as in the first wave when a nation-wide lockdown was declared. As on the date of this Prospectus the covid situation in the Company is well in control and the operations are in full swing.

18. ***We face increasing competition in our business which may result in declining margins if we are unable to compete effectively. Increasing competition may have an adverse effect on our net interest margin, and, if we are unable to compete successfully, our market share may decline.***

Our principal business is the provision of personal loans to retail customers in India secured by gold jewellery as collateral. Historically, the gold loan industry in India has been largely unorganised and dominated by local jewellery pawn shops and money lenders, with very few public sector and old generation private sector banks focusing on this sector. Attractive interest rates relative to risk together with increased demand for access to capital from middle income group, previously utilised predominantly by lower income group customers with limited access to other forms of borrowings, have increased our exposure to competition. The demand for gold loans has also increased due to relatively affordable interest rates, increased need for urgent borrowing or bridge financing requirements and the need for liquidity for assets held in gold and also due to increased awareness among customers of gold loan s as a source of quick access to funds.

All of these factors have resulted in increased competition from other lenders in the gold loan industry, including commercial banks and other NBFCs. Unlike commercial banks or deposit taking NBFCs, we do not have access to funding from savings and current deposits of customers. Instead, we are reliant on higher-cost term loans and debentures for our funding requirements, which may reduce our margins compared to competitors. Our ability to compete effectively with commercial banks or deposit-taking NBFCs will depend, to some extent, on our ability to raise low-cost funding in the future. If we are unable to compete effectively with other participants in the gold loan industry, our business, future financial performance, and the trading price of the NCDs and Equity Shares may be adversely affected.

We operate in largely un-tapped markets in various regions in India where banks operate actively in the gold loan business. We compete with pawnshops and financial institutions, such as consumer finance companies. Other lenders may lend money on unsecured basis, at interest rates that may be lower than our service charges and on other terms that may be more favourable than ours.

Furthermore, as a result of increased competition in the gold loan industry, gold loans are becoming increasingly standardised and variable interest rate and payment terms and waiver of processing fees are becoming increasingly common in the gold loan industry in India. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive gold loans industry. Increasing competition may have an adverse effect on our net interest margin and other income, and, if we are unable to compete successfully, our market share may decline as the origination of new loans declines.

19. ***We may experience difficulties in expanding our business into new regions and markets in India and introducing our complete range of products in each of our branches which may affect our business prospects, financial condition and result of operations.***

As part of our growth strategy, we continue to evaluate attractive growth opportunities to expand our business into new regions and markets in India. Factors such as competition, culture, regulatory regimes, business practices and customs and customer requirements in these new markets may differ from those in our current markets and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete not only with other traditional gold loan NBFCs, banks and financial institutions but also the local unorganized or semi-organized private financiers and pawn brokers, who are more familiar with local traditions, regulations, business practices and customs and have stronger relationships with customers.

As a part of our growth strategy, we propose to increase our network of branches across the country and reach out to newer markets while strengthening our position in our existing markets with respect to the core gold loans business. Such branches will only be opened after multiple rounds of market evaluation, customer research and launching branches in close proximity to high customer activity areas. These branches are proposed to service the needs of our customers for all our Company's products.

Our business may be exposed to various additional challenges including obtaining necessary governmental approvals, identifying and collaborating with local businesses and partners with whom we may have no previous working relationship; successfully gauging market conditions in local markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographical areas of India and adapting our marketing strategy and operations to different regions of India in which different languages are spoken. Our inability to expand our current operations may adversely affect our business prospects, financial conditions and results of operations.

20. ***A majority of our branches are located in southern India, and any disruption or downturn in the economy in the states in India where we operate, or any change in consumer preferences in that region could adversely affect our results of operations and financial condition.***

We have a strong concentration of our business in south India with 2,736 branches out of our 3,657 branches as on March 31, 2022, located in the southern states of Kerala (797 branches), Tamil Nadu (784 branches), Andhra Pradesh (344 branches), Telangana (251 branches), Goa (11 branches), Karnataka (549 branches), and other states (921 branches). Further, approximately 63.30% of our gold loan portfolio as March 31, 2022, is concentrated in the aforementioned states. Any adverse change in the political and/or economic environment in the states of Kerala, Tamil Nadu, Andhra Pradesh, Telangana, Goa and Karnataka or any unfavourable changes in the regulatory and policy regime in the said region could adversely affect our business operations, financial condition and/or profitability. Our concentration in southern India exposes us to adverse economic or political circumstances that may arise in that region as compared to other NBFCs and commercial banks that may have diversified national presence. Further, any changes in customer preferences in the said region could also affect our operations and profitability. If there is sustained downturn in the economy of southern India, our financial position may be adversely affected.

21. ***New product/services offered by us may not be successful.***

We introduce new products/services to explore new business opportunities from time to time. We cannot assure you that all our new products/services and/or business ventures will gain customer acceptance, and this may result in our inability to recover incurred pre-operative expenses and launch costs. Further, our inability to grow in new business areas could adversely affect our business and financial performance.

22. ***We may not be able to maintain our current levels of profitability due to increased costs or reduced spreads.***

Our business involves a large volume of small-ticket size loans and requires manual operational support. Hence, we require dedicated staff for providing our services. In order to grow our portfolio, our expanded operations will also increase our manpower requirements and push up operational costs. Our growth will also require a relatively higher gross spread, or margin, on the consumer lending products we offer in order to maintain profitability. There can be no assurance that we will be able to maintain our current levels of profitability if the gross spreads on our consumer lending products were to reduce substantially, which could adversely affect our results of operations.

23. ***Majority of our loan portfolio is not classified as priority sector advances by RBI. Further, any RBI regulations making our gold loans ineligible for securitization, will result in higher cost of funds.***

RBI prudential norms for banks require domestic commercial banks operating in India to maintain an aggregate 40% (32% for foreign banks) of their adjusted net bank credit or credit equivalent amount of off-balance sheet exposure, whichever is higher as "priority sector advances". These include advances to agriculture, small enterprises, exports and similar sectors where the Government seeks to encourage flow of credit for developmental reasons. Banks in India that have traditionally been constrained or unable to meet these requirements organically, have relied on specialised institutions like our Company that are better positioned to or focus on originating such assets through on-lending or purchase of assets or securitised pools to comply with these targets.

The gold loan borrowers have the option to pay the interest regularly to have the concessionary interest rate and have the option to part /fully pay the principal. However, small percentage (around 11-13%) of the borrowers follow this. Compared to the total gold loan portfolio, only a small portion of our gold loan portfolio meets the eligible criteria for securitization/ assignment norms (including holding period and seasoning), thereby restricting our Company's ability to raise fund by assignment /securitization.

24. ***A decline in our capital adequacy ratio could restrict our future business growth.***

All non-deposit taking NBFCs are required to maintain a minimum capital adequacy ratio, consisting of Tier I and Tier II Capital of not less than 15% of their aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items. Further, RBI has introduced minimum Tier I Capital requirement of 12% to be effective from April 1, 2014 for NBFCs primarily for whom loans against gold jewellery comprise more than 50% of their financial assets, including us. Our capital adequacy ratio as of March 31, 2022, March 31, 2021 and March 31, 2020 computed on the basis of applicable RBI requirements was 19.42%, 16.85% and 19.56%, respectively as compared to the RBI stipulated minimum requirement of 15%, with Tier I Capital comprising 14.73%, 12.09% and 13.04%, respectively. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II Capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all and this may adversely affect the growth of our business. Failure to maintain adequate capital adequacy ratio or Tier I Capital may adversely affect the growth of our business. Further, any regulatory change in capital adequacy requirements imposed by the RBI may have an adverse effect on our results of operation.

25. ***If we fail to maintain effective internal control over financial reporting in the future, the accuracy and timing of our financial reporting may be adversely affected.***

We have taken steps to enhance our internal controls commensurate to the size of our business, primarily through the formation of a designated branch audit and inspection team. However, certain matters such as fraud and embezzlement cannot be eliminated entirely given the cash nature of our business. While we expect to remedy such issues, we cannot assure you that we will be able to do so in a timely manner, which could impair our ability to accurately and timely report our financial position, results of operations or cash flows.

26. ***A significant proportion of the gold loans we offer are due within six to twelve months of disbursement, and a failure to disburse new loans may result in a reduction of our loan portfolio and a corresponding decrease in our interest income.***

96.42%, 97.18% and 95.81% of our total loan portfolio (AUM) as on March 31, 2022, March 31, 2021 and March 31, 2020, respectively, are due within six to twelve months from the end of the respective period. The relatively short-term nature of such gold loans (i) may lead to a positive mismatch in the asset liability position of our Company in the short term since a portion of our borrowings are typically for longer duration negative mismatch in the long term but cumulatively positive mismatch and/or (ii) affect ability to ascertain steady long terms revenues. In addition, our existing customers may not obtain new gold loans from us upon maturity of their existing gold loans, particularly if competition increases. The potential instability of our interest income could materially and adversely affect our results of operations and financial position.

27. ***System failures or inadequacies and security breaches in computer systems may adversely affect our business operations and result in financial loss, disruption of our business, regulatory intervention or damage to our reputation.***

Our business is largely dependent on our ability to process a large number of transactions on a daily basis. Significantly, all our branches are required to send records of transactions, at the end of every working day, to a central system for consolidation of branch data. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control including a disruption of electrical or communications services.

Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and other events that could compromise data integrity and security.

Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

28. ***We face asset-liability mismatches which could affect our liquidity and consequently may adversely affect our operations and profitability.***

We face potential liquidity risks due to varying periods over which our assets and liabilities mature. As is typical for NBFCs, a portion of our funding requirements is met through short-term funding sources such as bank loans, working capital demand loans, cash credit, short term loans and commercial papers. However, each of our products differs in terms of the average tenor, average yield, average interest rates and average size of loan. The average tenor of our products is lesser than the average tenor of our liabilities. Typically, the average maturity profile of our Company's lending portfolio is 4-5 months to 1 year whereas the liabilities are of a longer term. Consequently, since our assets are of short term and liabilities are of long term nature, our inability to obtain additional credit facilities or renew our existing credit facilities, in a timely and cost-effective manner or at all, may lead to liquidation/ non building of assets of our assets, which in turn may adversely affect our operations and financial performance. Further, mismatches between our assets and liabilities are compounded in case of pre-payments of the financing facilities we grant to our customers. Such prepayment of the financing facility, if further assets are not built up may affect the financial performance.

29. ***Any disassociation of our Company from "Muthoot Pappachan Group" could adversely affect our operations and profitability.***

Our Promoters collectively hold 79.68% of our paid-up Equity Share capital as on the date of this Prospectus. If our Promoters cease to exercise control over our Company as a result of any transfer of shares or otherwise, our ability to derive any benefit from the brand name "Muthoot Fincorp" and "Muthoot Pappachan" brand names and our goodwill as a part of the "Muthoot Pappachan" Group may be adversely affected, which in turn could adversely affect our business and results of operations. Any such change of control could also significantly influence our business policies and operations.

We benefit in several ways from other entities under the "Muthoot Pappachan" Group. Our customer base over the years has comprised of customers of other entities in the Muthoot Pappachan Group, such as customers of Muthoot Capital Services Limited and MHFCL. Accordingly, any disassociation of our Company from the Muthoot Pappachan Group could adversely affect our ability to attract customers and to expand our business, which in turn could adversely affect our goodwill, operations and profitability.

30. ***The trademark/service mark and logo in connection with the "Muthoot Pappachan" brand and the "Muthoot Fincorp" logo are pending registration in various classes including classes which pertain to our Company's business. Our failure to protect our intellectual property may adversely affect our goodwill, operations and profitability.***

The trademark/service mark and logo in connection with the "Muthoot Pappachan" brand and the "Muthoot Fincorp" logo are pending registration in various classes including classes which pertain to our Company's business. Our Promoters have applied for but not obtained registrations in connection with protection of the aforesaid trademarks and logos. There can be no assurance that our Promoters would be able to obtain registrations of the aforesaid logos and trademarks under each or all of the classes. Once such trademarks and/or logos are registered we intend to enter into an agreement with our Promoters for the use of such logos and/or trademarks. There can be no assurance that we would be able to enter into such agreement(s) with our Promoters on terms which are commercially favourable to us, or at all. Further, if the commercial terms and conditions including the consideration payable pursuant to the said agreement are revised unfavourably, our Company may be required to allocate larger portions of its profits and/or revenues towards such consideration, which would adversely affect our profitability.

Any failure to protect our intellectual property rights may adversely affect our competitive business position. If any of our unregistered trademarks or proprietary rights are registered by a third party, we may not be able to make use of such trademark or propriety rights in connection with our business and consequently, we may be unable to capitalize on the brand recognition associated with our Company. Until such time that we have rights in connections with registered trademarks, we can only seek relief against "passing off" by other entities. Accordingly, we may be required to invest significant resources in developing a new brand. Further, the intellectual property protection obtained by us may be inadequate and/or we may be unable to detect any unauthorised use and/or that we may need to undertake expensive and time-consuming litigation to protect our intellectual property rights and this may have an adverse effect on our business, prospects, results of operations and financial condition. We operate in a competitive environment and we believe that our brand recognition is a significant competitive advantage to us. Any such failure to protect our intellectual property rights could require us to incur additional costs and may adversely impact our goodwill, business prospects and results of operations.

31. ***We do not own most of our branch offices and our registered office. Any failure on our part to execute and/or renew leave and license agreements and/or lease deeds in connection with such offices or failure to locate alternative offices in case of termination of the leases and/or leave and license arrangements in connection with any branch could adversely affect our operations and profitability.***

Our Registered Office and most of our branches are located on leased and/or licensed premises. If any of the owners of these premises does not renew an agreement under which we occupy the premises, attempt to evict us or seek to renew an agreement on terms and conditions unfavourable to us, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations. Further, most of our lease agreements with respect to our immovable properties may not be adequately stamped or duly registered. Unless such documents are adequately stamped or duly registered, such documents may be rendered as inadmissible as evidence in a court in India, may not be authenticated by any public officer, or attract penalty as prescribed under applicable law, which impact our ability to enforce these agreements effectively, which may result in a material adverse effect on the continuance of the operations and business of our Company.

32. ***We have certain contingent liabilities which may adversely affect our financial condition if they materialise.***

Our financial statements disclosed and reflected the following contingent liabilities:

Contingent Liabilities (to the extent not provided for)

(₹ in lakhs)

Particulars	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Claims against the Company not acknowledged as debt			
(i) Income Tax Demands	3,419.85	6,334.02	6,327.34
(ii) Service Tax Demands	5,106.18	5,106.18	3,600.90
(iii) Value Added Tax Demands	1,327.12	1,432.70	1,432.70
(iv) Bank Guarantees	36.90	36.69	92.09
(v) Cash Margin on Securitisation	-	-	2,258.62
(vi) Claims not acknowledged as debt in view of counter claims raised	917.78	-	-
(vii) Some of the branches of the Company had received notices under the Kerala Money Lenders Act, 1958, for registration, which was challenged by the Company before the Hon'ble Supreme Court. The apex court has allowed the appeals filed by NBFCs including the Company, vide its judgement dated May 10, 2022 ruling that state level money lending enactments shall have no application to NBFCs registered under the RBI and regulated by the RBI. In view of the said ruling of the Supreme Court, the contingency with respect to the Kerala Money Lenders Act ceases to exist.			
(viii) The Company has filed a Writ Petition before the Honourable High Court of Madras on July 30, 2019 challenging the Order passed by the Income Tax Settlement Commission, Chennai Bench abating the proceedings before it relating to the Settlement Application filed by the Company dated December 17, 2017 ("**Settlement Application**"); and praying for stay on proceedings initiated by the Joint Commissioner of Income Tax (OSD), Central Circle, Thiruvananthapuram post abatement of proceedings by the Settlement Commission. The tax and interest due on the issues forming part of the Settlement Application totalled to ₹7,406 lakh. The Settlement Application related to notices received under Section 147 of the Income Tax Act, as per which the income chargeable to tax for the Financial Years 2011-12 to 2016-17 of MFL had escaped assessment, and Section 153A of the Income Tax Act, as per which MFL was required to prepare true and correct return of which MFL was assessable for the Assessment Years 2011-2012 to 2016-2017. The proceedings before the High Court of Madras is currently pending.			

In the event that any of these contingent liabilities materialise, our financial condition may be adversely affected.

33. ***We and some of our Directors and Promoters are involved in various legal and other proceedings that if determined against us could have a material adverse effect on our business, financial condition and results of operations.***

We and some of our Directors and Promoters are currently involved in a number of legal proceedings arising in the ordinary course of our business. These proceedings are pending at different levels of adjudication before various courts and tribunals, primarily relating to civil suits and tax disputes.

We cannot provide any assurance in relation to the outcome of these proceedings. An adverse decision in these proceedings could materially and adversely affect our business, financial condition and results of operations. Further, there is no assurance that similar proceedings will not be initiated against us in the future.

34. ***We are required to comply with strict regulations and guidelines issued by regulatory authorities in India. Any non-compliance with such regulations/guidelines may affect our status of operations.***

We are regulated principally by and have reporting obligations to the RBI. We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's asset finance sector.

Compliance with many of the regulations applicable to our operations may involve significant costs and otherwise may impose restrictions on our operations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and the business of our Company could be adversely affected. Our present operations may not meet all regulatory requirements or subsequent regulatory amendments. There can be no assurance that changes in these regulations and the enforcement of existing and future rules by governmental and regulatory authorities will not adversely affect our business and future financial performance.

For instance, pursuant to RBI guidelines and based on the recommendations of the K.U.B Rao Committee, NBFCs are required to be more transparent to the borrower and bring standardization in valuation. Consequently, gold jewellery accepted as collateral shall have to be valued at the average of the closing price of 22 carat gold for the preceding 30 days as quoted by The Bombay Bullion Association Limited ("**BBA**") or the historical spot gold price data publicly disseminated by a commodity exchange regulated by the Forward Markets Commission. The Loan to Value ratio remains at 75%. While accepting the gold as collateral, NBFCs are required to give in writing to the borrower, on their letter head giving the purity (in terms of carats) and weight of the gold. If the gold is of purity less than 22 carats, the NBFC should translate the collateral into 22 carat and state the exact grams of the collateral. High value loans of ₹2 lakh and above must only be disbursed by cheque. Further, NBFCs have also been prohibited from issuing advertisements claiming the availability of loans in a matter of 2-3 minutes. Consequently, these guidelines could have an adverse effect on our results of operation and financial condition.

Further, existing NBFCs having more than 1,000 branches shall have to approach the RBI for prior approval for any further branch expansion.

35. Our ability to assess, monitor and manage risks inherent in our business differs from the standards of some of our counterparts in India and in some developed countries. Inability to effectively manage our risk management systems can adversely affect our business, financial condition and results of operation.

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data.

Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective. Our future success will depend, in part, on our ability to respond to new technological advances and evolving NBFC and gold loan sector standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction-processing systems to customer requirements or evolving market standards and any failure to do so can adversely affect our business, financial condition and results of operation.

36. We have entered into certain related party transactions and may continue to do so in the future.

We have entered into transactions with related parties, within the meaning of AS 18 as notified by the Companies (Accounting Standards) Rules, 2006 including our Promoters, Directors and related entities. We can give no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour.

37. ***Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons.***

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key managerial personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and product executives and gold assessment technical personnel. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will have to be trained and integrated into our operations. In addition, we may not be able to hire and retain enough skilled and experienced employees to replace those who leave or may not be able to deploy and retain our employees to keep pace with continuing changes in technology, evolving standards and changing customer preferences. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, divert management resources and subject us to incurring additional human resource related expenditure. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven operations. Moreover, competition for experienced employees in the finance sector can be intense. Our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business and future financial performance.

38. ***Our results of operations could be adversely affected by any disputes with our employees.***

As of March 31, 2022, we employed 17,031 employees including 199 contracted experts in our operations. Currently, none of our employees are members of any labour union. While we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

39. ***Our inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business may have a material adverse effect on our business.***

We require certain statutory and/or regulatory permits and approvals for our business.

NBFCs in India are subject to strict regulations and supervision by the RBI. In addition to the numerous conditions required for the registration as a NBFC with the RBI, we are required to maintain certain statutory and regulatory permits and approvals for our business. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals in a timely manner or at all, and/or on favourable terms and conditions. Failure by us to comply with the terms and conditions to which such permits or approvals are subject, and/or to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

In addition, our branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled, and we shall not be able to carry on such activities.

40. ***We are subject to supervision and regulation by RBI as a non-deposit-taking systemically important NBFC, and any adverse changes in RBI's regulations governing us could adversely affect our business.***

We are regulated principally by and have reporting obligations to the RBI. We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's asset finance sector. We are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure and other prudential norms. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. The RBI's regulations of NBFCs could change in the future which may require us to restructure our activities, incur additional cost, impose restrictions on banks in relation to the exposure to NBFCs or could otherwise adversely affect our business and our financial performance. The RBI, from time to time, amends the regulatory framework governing NBFCs to address, among others, concerns arising from certain divergent regulatory requirements for banks and NBFCs. The laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as interest rates, liquidity, securitisation, investments, ethical issues, money laundering and privacy. In some cases, there are overlapping regulations and enforcement authorities. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with such laws and regulations, which could materially and adversely affect our business and our financial performance. Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments, lending and other activities currently being carried out by our Company, involves a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. Further, compliance with many of the regulations applicable to our operations may involve significant costs and otherwise may impose restrictions on our operations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. We are also subject to changes in Indian laws, regulations and accounting principles and practices. There can be no assurance that the laws governing our Company and its operations will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not adversely affect our business and future financial performance.

In the ordinary course of business, loan borrowers of the Company have directly deposited cash as part of their loan repayments in the collection bank accounts of the Company with various bank aggregating to ₹ 60,639.52 lakhs during the period November 9, 2016 to December 30, 2016 the denomination wise details of which are not available with the company and hence the same could not be disclosed in the financial statements, standalone and consolidated of the Company for the year ended and as at March 31, 2017. This was also pointed in the report on other regulatory requirements by auditors of the Company forming part of their report to the members of the Company dated April 27, 2017 on the said financial statements reporting that they were not made available sufficient and appropriate audit evidence to report on the matter of denomination wise detail of such deposit of specified bank notes. Although the Company believes that action or omission, if any, in this regard was in pursuit of our business and in the interest of its stakeholders, there is no assurance that the same will be accepted by the concerned regulators and authorities. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to strictures or penalties in this regard by the regulatory authorities.

41. Our insurance coverage may not be adequate to protect us against potential losses. Any liability in excess of our insurance claim could have a material adverse effect on our results of operations and financial position.

We maintain such insurance coverage that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims or that the insurer will not disclaim coverage as to any future claim.

A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies including premium increases or the imposition of a larger deductible or co-insurance requirement could adversely affect our business, financial condition and results of operations. We maintain insurance cover for our free hold real estate and tangible properties and infrastructure at all owned and leased premises which provide insurance cover against loss or damage by fire, earthquake, lightning, riot, strike, storm, flood, explosion, aircraft damage, rock-slide and missile testing. Further we maintain insurance cover for employee fidelity, cash and gold in the office premises and in transit which provides insurance cover against loss or damage by employee theft, burglary, house breaking and hold up. The aggregate insured value covered by the various insurance policies we have subscribed may be less than the replacement cost of all covered property and may not be sufficient to cover all financial losses that we may suffer should a risk materialise. Further, there are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our results of operations and financial position.

42. ***Our internal procedures, on which we rely for obtaining information on our customers and loan collateral, may be deficient and result in business losses.***

We rely on our internal procedures for obtaining information on our customers and loan collateral provided. In the event of lapses or deficiencies in our procedures or in their implementation, we may be subject to business or operational risk. For example, in the event that we unknowingly receive stolen goods as collateral from a customer, the goods can be seized by the authorities. Once seized by the authorities, gold items will be stored in court storage facilities without a surety arrangement unless released to the Company from safe custody, upon a specific order. No recourse will generally be available to the Company in the event of such seizure, except the recovery of the loss from the customer.

43. ***Increase in competition from our peer group in the finance sector may result in reduction of our market share, which in turn may adversely affect our profitability.***

We have been increasingly facing competition from domestic and foreign banks and NBFCs in each of our lines of businesses. Some of our competitors are very aggressive in underwriting credit risk and pricing their products and may have access to funds at a lower cost, wider networks and greater resources than our Company. Our financial condition and results of operations are dependent on our ability to obtain and maintain funds at low costs and to provide prompt and quality services to our customers. If our Company is unable to access funds at a cost comparable to or lower than our competitors, we may not be able to offer loans at competitive interest rates to our customers.

While our Company believes that it has historically been able to offer competitive interest rates on the loans extended to our customers, there can be no assurance that our Company will be able to continue to do so in the future. An increase in competition from our peer group may result in a decline in our market share, which may in turn result in reduced incomes from our operations and may adversely affect our profitability.

44. ***Conflicts of interest may arise out of common business objects shared by our Company and certain other entities promoted by our Promoters.***

Certain decisions concerning our operations or financial structure may present conflicts of interest among our Promoters, other Shareholders, Directors, executive officers and the holders of equity shares. Our Promoters have interests in other companies and entities that may compete with us, including other companies and partnership firms that conduct businesses with operations that are similar to ours.

Our Promoters and Group entities have interests in the following entities that are engaged in businesses similar to ours and this may result in potential conflicts of interest with the Company.

Companies:

- Muthoot Capital Services Limited;
- Muthoot Housing Finance Company Limited;
- Muthoot Microfin Limited;

Except as disclosed in this Prospectus, we have not entered into any non-compete agreement with our Promoter and/or such entities promoted by our Promoter. To this extent, we may have a potential conflict of interest between such entities and our Company. Further, there is no requirement or undertaking for our Promoters to conduct or direct any opportunities in the gold loans and/or NBFC business only to or through us. As a result, conflict of interests may arise in allocating or addressing business opportunities and strategies amongst our Company and other entities promoted by our Promoters in circumstances where our interests differ from theirs. In cases of conflict, our Promoters may favour other entities in which our Promoters have an interest, as listed above. There can be no assurance that the interests of our Promoters will be aligned in all cases with the interests of our minority shareholders or the interests of our Company. There can be no assurance that entities promoted by our Promoters will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours.

Commercial transactions in the future between us and related parties could result in conflicting interests. A conflict of interest may occur directly or indirectly between our business and the business of our Promoters which could have an adverse effect on our operations. Conflicts of interest may also arise out of common business objectives shared by us, our Promoters, directors and their related entities. Our Promoters, directors and their related entities may compete with us and have no obligation to direct any opportunities to us. There can be no assurance that these or other conflicts of interest will be resolved in an impartial manner.

45. ***We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and harm our business or reputation.***

We are required to comply with applicable anti-money-laundering, anti-terrorism laws and other applicable regulations in India. We, in the course of our operations, run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers despite putting in place systems and controls to prevent the occurrence of these risks. In our pursuit of business, we run the risk of inadvertently offering our financial products and services ignoring customer suitability and appropriateness despite having a Board approved customer suitability policy and associated processes in place. To the extent the Company fails to fully comply with applicable laws and regulations, the relevant government agencies to which the Company reports have the power and authority to impose fines and other penalties. In addition, the Company's business and reputation could suffer if customers use the Company for money-laundering or illegal or improper purposes. Any potential penalties or liabilities imposed by the relevant regulators on such matters may adversely affect the Company's financial condition and results of operations.

46. ***Any failure by us to identify, manage, complete and integrate acquisitions, divestitures and other significant transactions successfully could adversely affect our results of operations, business prospects and/or cash flows.***

Our current business strategy is to leverage on our experience in the gold loans industry and to expand our branch network and increase our gold loan portfolio. We cannot assure you that we will continue to follow these business strategies. In the future, we may decide to diversify into other businesses. We may also explore opportunities for expansion into new geographic markets outside India. We have stated our objectives for raising funds through the Issue and have set forth our strategy for our future business herein. However, depending on prevailing market conditions and other commercial considerations, our business model in the future may change from what is described herein. We cannot assure you that any diversification into other businesses will be beneficial to us. Further, any failure to successfully diversify in new businesses can adversely affect our financial condition.

As part of our business strategy, we may acquire complementary companies or businesses, divest non-core businesses or assets, enter into strategic alliances and joint ventures and make investments to further our business. In order to pursue this strategy successfully, we must identify suitable candidates for and successfully complete such transactions, some of which may be large and complex, and manage the integration of acquired companies or employees. We may not fully realise all of the anticipated benefits of any such transaction within the anticipated timeframe or at all. Any increased or unexpected costs, unanticipated delays or failure to achieve contractual obligations could make such transactions less profitable or unprofitable. Managing business combination and investment transactions requires varying levels of management resources, which may divert our attention from other business operations, may result in significant costs and expenses and charges to earnings. The challenges involved in integration include:

i. combining product offerings and entering into new markets in which we are not experienced;
ii. consolidating and maintaining relationships with customers;
iii. consolidating and rationalising transaction processes and corporate and information technology infrastructure;
iv. integrating employees and managing employee issues;
v. coordinating and combining administrative and other operations and relationships with third parties in accordance with applicable laws and other obligations while maintaining adequate standards, controls and procedures;
vi. achieving savings from infrastructure integration; and
vii. managing other business, infrastructure and operational integration issues.

Any such acquisition may also result in earnings dilution, the amortisation of goodwill and other intangible assets or other charges to operations, any of which could have a material adverse effect on our business, financial condition or results of operations. These acquisitions may give rise to unforeseen contingent risks or latent liabilities relating to these businesses that may only become apparent after the merger or the acquisition is finalised. Such acquisitions could involve numerous additional risks, including, without limitation, difficulties in the assimilation of the operations, products, services and personnel of any acquired company and could disrupt our ongoing business, distract our management and employees and increase our expenses.

In addition, in order to finance an acquisition, we may be required to make additional borrowings or may issue additional Equity Shares, potentially leading to dilution of existing shareholders.

47. We have not entered into any definitive agreements to utilise a substantial portion of the net proceeds of the Issue.

We intend to use the net proceeds for the purposes as identified in paragraph 1.2 herein, the net proceeds shall not be utilized for investment in real estate. Our management will have broad discretion to use the net proceeds and you will be relying on the judgment of our management regarding the application of these net proceeds. Our funding requirements are based on current conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time. Any such change in our plans may require rescheduling of our current plans or discontinuing existing plans and an increase or decrease in the fund requirements for the objects, at the discretion of the management. Pending utilisation for the purposes described above, we intend to temporarily invest the funds in interest bearing liquid instruments including deposits with banks and investments in liquid (not equity) mutual funds. Such investments would be in accordance with the investment policies approved by our Board from time to time.

48. We continue to be controlled by our Promoters and they will continue to have the ability to exercise significant control over us. We cannot assure you that exercise of control by our Promoters will always favour our best interest.

Our Promoters hold 79.68% of our total outstanding paid up Equity Shares as on March 31, 2022. Our Promoters exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. By exercising their control, our Promoters could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us which may not favour our best interest.

49. Our business and activities may be regulated by the Competition Act, 2002.

The Competition Act, 2002 (the "**Competition Act**") seeks to prevent business practices that have a material adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause a material adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement that directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, market, or number of customers in the market is presumed to have a material adverse effect on competition. Provisions of the Competition Act relating to the regulation of certain acquisitions, mergers or amalgamations which have a material adverse effect on competition and regulations with respect to notification requirements for such combinations came into force on June 1, 2011. The effect of the Competition Act on the business environment in India is unclear. If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the Competition Commission of India, or any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission of India, it may have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

50. The bankruptcy code in India may affect our rights to recover loans from borrowers.

The Insolvency and Bankruptcy Code, 2016 ("**Bankruptcy Code**") was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process. In case insolvency proceedings are initiated against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Under the Bankruptcy Code, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Bankruptcy Code provides a 180-day timeline which may be extended by 90 days when dealing with insolvency resolution applications. Subsequently, the insolvency resolution plan prepared by the insolvency professionals has to be approved by 66% of voting share of financial creditors, which requires sanction by the adjudicating authority and, if rejected, the adjudicating authority will pass an order for liquidation. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it. In case a liquidation process is opted for, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes, debts owed to workmen and other employees rank at par with those owed to secured creditors, and thereafter the debts owed to unsecured creditors shall be paid. Further, under this process, dues owed to the Central and State Governments rank at par with those owed to secured creditors for any amount unpaid following the separate enforcement of security interest. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realise their security interests in priority. Accordingly, if the provisions of the Bankruptcy Code are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the Bankruptcy Code.

Further, the GoI vide notification dated March 24, 2020 ("**Notification**") has amended section 4 of the Bankruptcy Code due the lingering impact of the COVID-19 pandemic. Pursuant to the said Notification, GoI has increased the minimum amount of default under the insolvency matters from ₹1,00,000 to ₹1,00,00,000. Therefore, the ability of our Company to initiate insolvency proceedings against the defaulters where the amount of default in an insolvency matter is less the ₹1,00,00,000 may impact the recovery of outstanding loans and profitability of our Company.

EXTERNAL RISK FACTORS

Risks Relating to the Indian Economy

1. A slowdown in economic growth in India could cause our business to be adversely affected.

Our results of operations are significantly affected by factors influencing the Indian economy and the global economy in general. Any slowdown in economic growth in India could adversely affect us, including our ability to grow our loan portfolio, the quality of our assets, and our ability to implement our strategy.

Any slowdown in the growth or negative growth of sectors where we have a relatively higher exposure could adversely impact our performance. Any such slowdown, and in particular the financing requirement of our customers could adversely affect our business, prospects, results of operations and financial condition.

2. Political instability or changes in GoI could adversely affect economic conditions in India generally, and consequently, our business in particular.

GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Since 1991, successive governments have pursued policies of economic and financial sector liberalisation and deregulation and encouraged infrastructure projects. There can be no assurance that these liberalized policies will continue in the future as well. A significant change in GoI's policies in the future, particularly in respect of the gold loan NBFCs and the gold loan industry, could affect business and economic conditions in India. This could also adversely affect our business, prospects, results of operations and financial condition.

3. We may be adversely affected by increase in taxes and duties.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. Taxes and duties, including those taxes and duties on certain types of trade transactions and industries affecting the movement and transportation of goods in India, may affect our business, financial condition and results of operations. There can be no assurance that the current levels of taxes, tariffs and duties will not increase in the future, or that State Governments will not introduce additional levies, each of which may result in increased operating costs and lower income. To the extent additional levies are imposed, there can be no assurance that we will be able to pass such cost increases on to our customers.

4. Significant fluctuations in exchange rates between the Rupee and foreign currencies may have an adverse effect on our results of operations.

Our results of operations may be adversely affected if the Indian rupee fluctuates significantly against foreign currencies or if our hedging strategy is unsuccessful. To the extent that our income and expenditures are not denominated in Indian rupees, despite us entering into foreign exchange hedging contracts from time to time, exchange rate fluctuations could affect the amount of income and expenditure we recognise. In addition, the policies of RBI may also change from time to time, which may limit our ability to hedge our foreign currency exposures adequately.

5. ***Natural calamities could have a negative impact on the Indian economy and could cause our business to be adversely affected.***

   India has experienced natural calamities such as earthquakes, tsunami, floods and drought in the recent past. The extent and severity of these natural disasters determine their impact on the Indian economy. In previous years, many parts of India received significantly less than normal rainfall. As a result, the agricultural sector recorded minimal growth. Prolonged spells of below normal rainfall in the country or other natural calamities could have a negative impact on the Indian economy, thereby affecting our business, prospects, results of operations and financial condition.

6. ***If regional hostilities, terrorist attacks or social unrest in India increases, our business could be adversely affected.***

   India has from time to time experienced social and civil unrest and hostilities within itself and with neighbouring countries. India has also experienced terrorist attacks in some parts of the country. India has experienced terrorist attacks in some parts of the country, including in July 2011 in Mumbai, India's financial capital, which resulted in the loss of life, property and business These hostilities and tensions and/or the occurrence of terrorist attacks have the potential to cause political or economic instability in India and adversely affect our business and future financial performance. Further, India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country, leading to overall political and economic instability, it could have an adverse effect on our business, prospects, results of operations and financial condition. These hostilities and tensions could lead to political or economic instability in India and possible adverse effects on the Issuer's business, its future financial performance and the trading price of the NCDs. Furthermore, India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country, leading to overall political and economic instability, it could have an adverse effect on the Issuer's business, future financial performance and the trading price of the NCDs.

7. ***If more stringent labour laws or other industry standards in the jurisdictions in which we operate become applicable to us, our profitability may be adversely affected.***

   We are subject to a number of stringent labour laws and restrictive contractual covenants related to levels of employment. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal, payment of overtime to employees and legislation that imposes financial obligations on employers upon retrenchment. In the future, if we are also required to supply manpower as part of our services, we shall incur additional cost in addition to be exposed to other labour legislation. If labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could adversely affect our business, results of operations, financial condition and cash flows.

8. ***Any downgrading of India's sovereign rating by an international rating agency (ies) may affect our business and our liquidity to a great extent.***

   Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional finances at favourable interest rates and other commercial terms. This could have an adverse effect on our growth, financial performance and our operations. Instances of corruption in India have the potential to discourage investors and derail the growth prospects of the Indian economy. Corruption creates economic and regulatory uncertainty and could have an adverse effect on our business, profitability and results of operations. The Indian economy has had sustained periods of high inflation. Should inflation continue to increase sharply, our profitability and results of operations may be adversely impacted. High rates of inflation in India could increase our employee costs which could have an adverse effect on our profitability and results of operations.

9. ***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.***

   A decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our financial condition.

10. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business.

There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

Further, the Government of India has on July 1, 2017, introduced a comprehensive national goods and services tax ("**GST**") regime that combines taxes and levies by the central and state Governments into a unified rate structure. While the Government of India and other state governments have announced that all committed incentives will be protected under the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

11. ***We face risks related to public health epidemics in India.***

Our business could be materially and adversely affected by the outbreak of public health epidemics, or the fear of such an outbreak, in India or elsewhere. In January 2020, an outbreak of a strain of coronavirus, COVID-19, which originated in Wuhan, China, began to spread globally, with cases recorded in Australia, Italy, Japan, Korea, Thailand, India, the United States, among other countries. On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a health emergency of international concern. Governments in affected areas, including heavily industrial areas in China, Southeast Asia and other areas have imposed a number of measures designed to contain the outbreak, including business closures, travel restrictions, quarantines and cancellations of gatherings and events. This in turn has impacted the operation of businesses, reduced regional travels and trade and lowered industrial production and consumption demand. The COVID-19 outbreak is ongoing and the actual extent of the outbreak and its impact on the economy in India and globally remains uncertain and may be severe. If the outbreak of any of these viruses or other severe viruses, continues for an extended period, occurs again and/or increases in severity, it could have an adverse effect on economic activity in India, and could materially and adversely affect our business, financial condition and results of operations. Similarly, any other future public health epidemics in India could materially and adversely affect our business, financial condition, results of operations and prospects.

RISKS RELATING TO THE NCDS

1. ***We have not independently verified certain industry data in this Prospectus.***

We and the Lead Manager have not independently verified the data from industry publications contained herein including the IMaCS Report and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Unless stated otherwise, macroeconomic and industry data used throughout this Prospectus has been obtained from the IMaCS Report and from publicly available data prepared by providers of industry information, government sources and multilateral institutions. Therefore, matters relating to India, the Indian economy, as well as NBFCs, the gold loan industry, that are included herein are subject to the caveat that the statistical and other data upon which it is based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

2. There is no assurance that the NCDs issued pursuant to the Issue will be listed on BSE in a timely manner.

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to the Issue will not be granted until after the NCDs have been issued and allotted. While an in-principle approval from the BSE has been obtained prior to filing of the final Prospectus, approval for listing and trading will require all relevant documents to be submitted to BSE. While the Company will use its best efforts to ensure that all steps for completion of the necessary formalities for allotment, listing and commencement of trading at BSE are taken within 6 Working Days of the Issue Closing Date, there can be no assurance that it will be completed in a timely manner. There could be a failure or delay in listing the NCDs on BSE.

We cannot assure you that the monies refundable to you, on account of (a) withdrawal of your applications, (b) withdrawal of the Issue, or (c) failure to obtain the final approval from the BSE for listing of the NCDs, will be refunded to you in a timely manner. We, however, shall refund such monies, without interest, as prescribed under applicable statutory and/or regulatory provisions.

3. You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs.

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner, or at all. Although the Company has undertaken to create appropriate security in favour of the Debenture Trustee to the Issue for the Secured NCD Holders on the assets adequate to ensure 100% security cover on the outstanding amounts of the Secured NCDs and interest thereon, the realisable value of the secured assets may be lower than the outstanding principal and/or interest accrued thereon in connection with the Secured NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the Secured NCDs could expose you to a potential loss.

4. Changes in interest rates may affect the trading price of the NCDs.

All securities where a fixed rate of interest is offered, such as the NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e., when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon rate, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the trading price of the NCDs.

5. Any downgrading in credit rating of our NCDs may affect the trading price of our NCDs.

CRISIL has by way of its letter no. RL/MUFILT/288627/NCD/0321/04689/92003555 dated February 25, 2022 assigned a rating of CRISIL A+/Stable to the NCDs, letter no. RL/MUFILT/296169/NCD/0622/36549/92003526 dated June 17, 2022 assigned a rating of CRISIL A+/Stable to the NCDs, which was revalidated by way of letter no. RL/MUFILT/296169/NCD/0622/36549/92003526/1 dated June 20, 2022, further revalidated by way of letter no. RL/MUFILT/296169/NCD/0622/36549/92003526/2 dated July 20, 2022. We cannot guarantee that these ratings will not be downgraded. These ratings may be suspended, withdrawn or revised at any time. Any revision or downgrading in the credit rating may lower the trading price of the NCDs and may also affect our ability to raise further debt.

6. Securities on our Secured NCDs rank as subservient residual charge on the current assets of the Company

Substantially all of our Company's current assets represented mainly by the gold loan receivables are being used to secure our Company's debt. As on March 31, 2022, our Company's secured debt outstanding is ₹ 15,32,946.05 lakhs. The Secured NCDs being issued shall be secured by way of subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee to be held on *pari-passu* basis among the present and / or future NCD holders, as may be applicable. Residual loan receivables amount available to secure the Secured NCDs are adequate to ensure 100.00% asset cover for the total value of the Secured NCDs the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the Secured NCDs. A failure or delay in recovering the expected value from a sale or disposition of the assets charged as security in connection with the Secured NCDs could expose you to a potential loss.

7. ***Payments made on the NCDs will be subordinated to certain tax and other liabilities preferred by law.***

The Secured NCDs will be subordinated to certain liabilities preferred by law such as claims of GoI on account of taxes, and certain liabilities incurred in the ordinary course of our transactions. In particular, in the event of bankruptcy, liquidation or winding-up, our assets will be available to pay obligations on the Secured NCDs only after all of those liabilities that rank senior to these Secured NCDs have been paid in accordance with the provisions of the Companies Act. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the Secured NCDs.

8. ***The Company may raise further borrowings and charge its assets after receipt of necessary consents from its existing lenders.***

The Company may, subject to receipt of all necessary consents from its existing lenders and the Debenture Trustee to the Issue, raise further borrowings and charge its assets. The Company is free to decide the nature of security that may be provided for future borrowings and this may rank *pari passu with similar ranking* with the security created for this Issue. In such a scenario, the NCD Holders will rank *pari passu* with other creditors of similar ranking, after exhausting the first *pari passu* holders' liabilities and to that extent, the amounts recoverable by the NCD Holders upon the Company's bankruptcy, winding-up or liquidation may stand reduced.

9. ***The Issuer, being a NBFC is not required to maintain a debenture redemption reserve ("DRR")***

Pursuant to a Ministry of Corporate Affairs notification dated August 16, 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, an NBFC is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs.

10. ***There are other lenders and debenture trustees who have pari passu charge over the Security provided.***

There are other lenders and debenture trustees of the Company who have *pari passu* charge over the security provided for the Issue. While the Company is required to maintain security cover of 100% of the outstanding amount of the NCDs and the interest thereon, upon the Company's bankruptcy, winding-up or liquidation, the other lenders and debenture trustees of similar ranking will rank *pari passu* with the secured NCD holders, after exhausting the first *pari passu* holders and to that extent, may reduce the amounts recoverable by the secured NCD holders. Pursuant to the SEBI NCS Regulations, the Company is required to obtain permissions / consents from the prior creditors in favour of the debenture trustee for creation of such similar ranking *pari passu* charge and the same is required to be disclosed. The company has applied for and received consents/permissions from the prior creditors.

11. ***The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.***

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending, financing and for repayment of interest and principal of existing borrowings of our Company. For further details, see "*Objects of the Issue*" beginning on page 55. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, according to the provisions of the SEBI NCS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for this Issue.

12. ***There may be no active market for the NCDs on the retail debt market/capital market segment of the BSE. As a result, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.***

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market price of our Equity Shares, (iii) the market for listed debt securities, (iv) general economic conditions, and, (v) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

13. The liquidity for the NCDs in the secondary market is very low and it may remain so in the future and the price of the NCDs may be volatile.

The Issue will be a new public issue of NCDs for our Company and the liquidity in NCDs at present is very low in the secondary market. Although an application has been made to list the NCDs on BSE, there can be no assurance that liquidity for the NCDs will improve, and if liquidity for the NCDs were to improve, there is no obligation on us to maintain the secondary market. The liquidity and market prices of the NCDs can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence market price of NCDs. Such fluctuations may significantly affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs.

SECTION III : INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated on June 10, 1997, as Muthoot Debt Management Services Limited as a public limited company under the provisions of the Companies Act, 1956 and was granted a certificate of incorporation by the RoC *vide* a certificate dated June 10, 1997. The Company received a certificate for commencement of business on June 10, 1997. Subsequently, the name of the Company was changed to Muthoot Fincorp Limited, and a fresh certificate of incorporation dated March 19, 2002 was issued to the Company by the RoC.

The Company was registered as a non-deposit accepting NBFC with the RBI pursuant to the certificate of registration No. 16.00170 dated July 23, 2002 issued by the RBI under Section 45 IA of the RBI Act.

For further details regarding the Promoter and the group companies please see "*Our Promoter*" at page 115. For further details regarding changes to the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 88.

Registrar of Companies

Our Company is registered with the Registrar of Companies, Kerala & Lakshadweep, which is situated at the following address:

Registrar Of Companies,
Company Law Bhawan,
BMC Road, Thrikkakara,
Kochi 682 021, Kerala

Registered Office

Muthoot Fincorp Limited
Muthoot Centre,
TC No 27/3022, Punnen Road
Trivandrum 695 001, Kerala
Tel: +91 471 491 1550

Corporate Office

Muthoot Fincorp Limited
Muthoot Centre
Spencer Junction
Trivandrum 695 001, Kerala
Tel: +91 471 491 1430

Registration no.: 011518

Corporate Identification Number: U65929KL1997PLC011518

Legal Entity identifier: 335800CBWTUJAMOFVP96

Board of Directors

The following table sets out the details regarding the Board of Directors as on the date of this Prospectus:

Name	Designation	DIN	Address
Thomas John Muthoot	Managing Director	00011618	TC 4/1008, (1), Kawdiar, PO, Trivandrum 695 003, Kerala, India
Thomas George Muthoot	Director	00011552	Muthoot Towers, College Road, P.O. M G Road, Ernakulam 682 035, Kerala, India
Thomas Muthoot	Executive Director and Chief Financial Officer	00082099	7/59 A, Near Kaniyampuzha Bridge Cherukad, Eroor P O, Ernakulam, Kerala, India

Name	Designation	DIN	Address
Arrattukkulam Peter Kurian	Independent Director	00008022	9, Friendship, 23rd Road, TPS III, Bandra (W), Mumbai 400 050, Maharashtra, India
Preethi John Muthoot	Director	00483799	TC 4/1008, (1), Kawdiar, PO, Trivandrum 695 003, Kerala, India
Vikraman Ampalakkat	Independent Director	01978341	G-3 V B Royal Apartments, Elamakkara Road, Edappally, Kochi, 682 024, Kerala, India

For further details of Directors of our Company, please see "*Our Management*" on page 99.

Chief Financial Officer

Mr. Thomas Muthoot
Muthoot Towers, 6th Floor
M.G. Road, Opp. Abad Plaza
Ernakulam 682 035, Kerala
Tel: +91 484 236 6870
Email: tthomas@muthoot.com

Compliance Officer and Company Secretary

Mr. Sachu Sivas
Muthoot Centre, Punnen Road
Trivandrum 695 001, Kerala
Tel: +91 471 491 1563/621
Email: sachu.sivas@muthoot.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre- Issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, or interest on application money etc.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name of the Applicant, Application Form number, Applicant's DP ID, Client ID, PAN, address of Applicant, number of NCDs applied for, ASBA Account number in which the amount equivalent to the application, Amount was blocked or the UPI ID (for UPI Investors who make the payment of Application Amount through the UPI Mechanism), date of Application Form and the name and address of the relevant Designated Intermediary where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicant.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchanges Mechanism (app based/wed interface platform) of the Stock Exchanges, or through Trading Members, may be addressed directly to the Stock Exchange, with a copy to the Registrar to the Issue.

Lead Manager

SMC Capitals Limited
A – 401/402, Lotus Corporate Park
Jai Coach Junction, Off Western Express Highway
Goregaon (East),
Mumbai 400 063, Maharashtra
Tel: +91 22 6648 1818
Website: www.smccapitals.com
Email: mflncd2022@smccapitals.com
Contact person: Mr. Satish Mangutkar / Mr. Bhavin Shah
SEBI Registration No.: INM000011427

Debenture Trustee

Vardhman Trusteeship Private Limited
The Capital, 412 A. 4th Floor, A-Wing,
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051, Maharashtra
Tel: +91 22 4264 8335
E-mail: nilesh@vardhmantrustee.com
Website: www.vardhmantrustee.com
Contact Person: Mr. Nilesh Palav
SEBI Registration No.: IND000000611

Vardhman Trusteeship Private Limited has pursuant to Regulation 8 of SEBI NCS Regulations, by its letter dated June 17, 2022 given its consent for its appointment as the Debenture Trustee to the Issue and for their name to be included in this Prospectus and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Issue.

All the rights and remedies of the NCD Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the NCD Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by our Company to the NCD Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company pro tanto from any liability to the NCD Holders.

Registrar

Integrated Registry Management Services Private Limited

II Floor, Kences Towers
No. 1 Ramakrishna Street
North Usman Road, T. Nagar,
Chennai 600 017, Tamil Nadu
Tel: +91 44 28140801, 802, 803
Fax: +91 44 2814 2479
Email: mfinipo@integratedindia.in
Website: www.integratedindia.in
Contact Person: Mr. Yuvaraj S
SEBI Registration No.: INR000000544

Applicants or prospective investors may contact the Registrar to the Issue or the Company Secretary & Compliance Officer in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice, demat credit, refunds or transfers, etc. All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant ("**DP**") and the collection center of the relevant members of the Designated Intermediaries appointed in relation to the Issue ("**Syndicate**") where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Designated Intermediary and the relevant Designated Branch of the SCSB in the event of an Application submitted by an Applicant at any of the Syndicate ASBA Centers, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for and amount blocked on Application.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchanges Mechanism or through Designated Intermediaries of the Stock Exchanges may be addressed directly to the relevant Stock Exchange.

Joint Statutory Auditors

M/s. Krishnan Retna & Associates
201 Block A, Nandini Gardens, Fort,
Thiruvananthapuram, Kerala – 695023
Tel: +91 471 2476356
Email: trivandrum@krishnanretna.com
Contact Person: Nikhil R. Kumar
Firm Registration No.: 001536S

M/s. Rangamani & Co
Rose Gardens, North of Iron Bridge,
Alappuzha, Kerala – 688011
Tel: +91 477 2251474
Email: rangamanis@rediffmail.com
Contact Person: Krishnan R
Firm Registration No.: 025927

M/s Krishnan Retna & Associates and M/s. Rangamani & Co. have been the joint statutory auditors of the Company since March 28, 2022.

Credit Rating Agency

CRISIL
An S&P Global Company

CRISIL Ratings Limited
CRISIL House, Central Avenue,
Hiranandani Business Park,
Powai, Mumbai 400076, Maharashtra
Tel: 91 22 3342 3000
Email: crisilratingdesk@crisil.com
Contact Person: Krishnan Sitaraman
SEBI Registration No.: IN/ CRA/ 001/ 1999

Legal Advisor to the Issue

KHAITAN & CO ADVOCATES SINCE 1911

Khaitan & Co.
One World Center
13th Floor, Tower 1C
841 Senapati Bapat Marg
Mumbai 400 013, Maharashtra
Tel: +91 22 6636 5000

Public Issue Account Bank, Sponsor Bank and Refund Bank

Axis Bank Limited
Daniels Tower, Pattom PO,
Thiruvananthapuran 695004
Tel: +91 471 4400511
Website: www.axisbank.com
Contact Person: Operations Head
Email Id: trivandrum.operationshead@axisbank.com
SEBI Registration No.: INBI00000017

Lead Broker

SMC Global Securities Limited
17, Netaji Subhash Marg,

Daryaganj,
New Delhi 110 002
Tel: +91 11 6662 3300, 9910644949, 8595851823
Website: www.smctradeonline.com
Contact Person: Sushil Joshi, Neeraj Khanna
Email Id: skj@smcindiaonline.com, neerajkhanna@smcindiaonline.com
SEBI Registration No.: INZ000199438

Designated Intermediaries

Self-Certified Syndicate Banks

The banks which are registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available at http://www.sebi.gov.in/ or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Applications submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

SCSBs eligible as issuer banks for UPI Mechanism and eligible mobile applications

In accordance with SEBI Operational Circular, UPI Investors making an Application in the Issue using the UPI Mechanism, may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI at www.sebi.gov.in, and updated from time to time.

RTAs / CDPs

The list of the RTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of BSE at http://www.bseindia.com, for RTAs and CDPs, as updated from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI Operational Circular, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

(a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
(b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013"*

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹10 lakh or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹10 lakh or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakh or with both.

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 working days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Underwriting

The Issue is not underwritten.

Arrangers to the Issue

There are no Arrangers to the Issue.

Expert Opinion

Except the following, our Company has not obtained any expert opinions in connection with this Prospectus:

Our Company has received consent from the Joint Statutory Auditors of our Company dated July 25, 2022 to include their name as an expert under Section 26(5) of the Companies Act, 2013 in the Prospectus in relation to (i) Statutory Auditor's report on Reformatted Audited Standalone Ind AS Financials for the Financial Years ending March 31, 2022, March 31, 2021 and March 31, 2020 issued by M/s. Krishnan Retna & Associates and M/s. Rangamani & Co., dated July 21, 2022 and the report on Reformatted Audited Consolidated Ind AS Financials for the Financial Years ending March 31, 2022, March 31, 2021 and March 31, 2020; and (ii) Credit rating issued by CRISIL Ratings Limited *vide* letter no. RL/MUFILT/288627/NCD/0321/04689/92003555 dated February 25, 2022, letter no. RL/MUFILT/296169/NCD/0622/36549/92003526 dated June 17, 2022 assigned a rating of CRISIL A+/Stable to the NCDs, which was revalidated by way of letter no. RL/MUFILT/296169/NCD/0622/36549/92003526/1 dated June 20, 2022, further revalidated by way of letter no. RL/MUFILT/296169/NCD/0622/36549/92003526/2 dated July 20, 2022, in respect of the credit rating issued for this Issue which furnishes the rationale and press release for its rating, our Company has not obtained any expert opinions.

Credit Rating and Rationale

The NCDs proposed to be issued under this Issue have been rated "CRISIL A+/Stable" for an amount of ₹ 40,000 lakhs by CRISIL *vide* its letter no. RL/MUFILT/288627/NCD/0321/04689/92003555 dated February 25, 2022 and for an amount of ₹ 10,000 lakhs by CRISIL *vide* its letter no. RL/MUFILT/296169/NCD/0622/36549/92003526 dated June 17, 2022, which was revalidated by way of letter no. RL/MUFILT/296169/NCD/0622/36549/92003526/1 dated June 20, 2022, further revalidated by way of letter no. RL/MUFILT/296169/NCD/0622/36549/92003526/2 dated July 20, 2022. The rating of CRISIL A+/Stable by CRISIL indicates that instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other ratings.

The rationale for the aforementioned rating issued on June 17, 2022 by CRISIL along with the press release has been provided in Annexure A.

Utilisation of Issue proceeds

For details on utilization of Issue proceeds please see "*Objects of the Issue*" on page 55.

Issue Programme

ISSUE PROGRAMME*	
ISSUE OPENS ON	Friday, August 5, 2022
ISSUE CLOSES ON	Thursday, September 1, 2022
DEEMED DATE OF ALLLOTMENT	Tuesday, September 6, 2022

** The Issue shall remain open for subscription on Working Days from 10 A.M. to 5 P.M. (Indian Standard Time) during banking hours for the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Authorised Personnel, as the case maybe, subject to necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through advertisements in a leading national daily newspaper and a local malyalam language news paper in the state of Kerala, with wide circulation on or before such earlier date of Issue Closure or initial date of Issue closure, as the case may be. On the Issue Closing Date Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.*

*Further please note that Application (including Application under the UPI Mechanism) shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, "**IST**") ("**Bidding Period**") during the Issue Period as mentioned above by the (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs as mentioned on the Application Form, except that on the Issue Closing Date when Applications shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by Stock Exchange(s). Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchange. It is clarified that the Applications not uploaded in the Stock Exchange(s) Platform would be rejected.*

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in thist Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time.

Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Manager, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs nor the Stock Exchange are liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Please note that, within each category of investors, the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

CAPITAL STRUCTURE

Details of share capital

The following table lays down details of our authorised, issued, subscribed and paid-up share capital and securities premium account as on June 30, 2022:

(in ₹)

Share Capital	Amount
Authorised share capital	
22,50,00,000 Equity Shares of ₹10 each	2,25,00,00,000
20,00,00,000 preference shares of ₹10 each.	2,00,00,00,000
Issued share capital	
19,38,00,800 Equity Shares of ₹10 each, fully paid up	1,93,80,08,000
15,00,00,000 Preference Shares of ₹10 each, fully paid up	1,50,00,00,000
Subscribed share capital	
19,37,05,560 Equity Shares of ₹10 each, fully paid up	1,93,70,55,600
15,00,00,000 Preference Shares of ₹10 each, fully paid up	1,50,00,00,000
Paid up share capital after the Issue	
19,37,05,560 Equity Shares of ₹10 each, fully paid up	1,93,70,55,600
15,00,00,000 Preference Shares of ₹10 each, fully paid up	1,50,00,00,000

Issue size

Public issue by our Company of secured, redeemable, non-convertible debentures aggregating up to ₹ 25,000 lakhs, with a green shoe option of up to ₹25,000 lakhs, aggregating up to ₹50,000 lakhs, on the terms and in the manner set forth herein, in the terms and in the manner set forth herein.

Changes in Capital Structure

Details of change in share capital of our Company as on June 30, 2022 for last three years:

Date of shareholders' resolution	Particulars
October 26, 2020	The Company increased its authorised share capital from ₹ 200,00,00,000 (Rupees Two Hundred Crores) to ₹ 4,25,00,00,000 (Rupees Four Hundred and Twenty-Five Crores) by addition of: (i) 250,00,000 (Two Crores Fifty Lakhs) equity shares having a face value of ₹ 10 (Rupees Ten only) each, of the aggregate nominal value of up to ₹ 25,00,00,000 (Rupees Twenty-Five Crore); and (ii) 20,00,00,000 (Twenty Crore) preference shares having a face value of ₹ 10 (Rupees Ten only) each of the aggregate nominal value of up to ₹ 200,00,00,000 (Rupees Two hundred Crore only), on October 26, 2020.
May 28, 2021	The Company approved the Private Placement of 15,00,00,000 Cumulative Compulsorily Convertible Preference Shares of INR 10 (Rupees Ten) each aggregating to ₹ 150,00,00,000 (Rupees One Hundred and Fifty Crores Only). The Shares were allotted on June 7, 2021.

Equity Share Capital History

There is no change in equity capital history of our Company for the last three years prior to June 30, 2022.

Issue of debt securities/borrowings for consideration other than cash

Our Company has not issued any debt securities/borrowings for other than cash in the two years prior to the date of this Prospectus.

Acquisition or Amalgamation or Reconstruction or Re-organisation in the last one year

There has been no acquisition, amalgamation, reconstruction or re-organisation in the last one year.

Details of change in the promoter holding in our Company during the last financial year beyond 26% (as prescribed by RBI)

Nil.

Shareholding pattern of our Company

The following is the shareholding pattern of our Company, as of June 30, 2022:

Sr. No. (I)	Category of shareholder (II)	Number of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held** (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			
								No of Voting Rights (IX)			Total as a % of (A+B+C) (X)
								Class e.g.: x	Class e.g.: y	Total	
1.	Promoter & Promoter Group	3	15,43,68,123	Nil	Nil	15,43,68,123	79.68	15,43,68,123	Nil	15,43,68,123	79.68
2.	Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3.	Non-Promoter - Non-Public	13	3,93,37,437	Nil	Nil	3,93,37,437	20.32	3,93,37,437	Nil	3,93,37,437	20.32
4.	Shares Underlying DRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5.	Shares Held by Employee Trust	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total		**19,37,05,560**				**100.00**				**100.00**

*** All the equity shares of the Company are held in dematerialized form.*

Statement of the aggregate number of securities of our company purchased or sold by our promoters, our directors and/or their relatives within six months immediately preceding the date of filing of the Prospectus:

Nil

Details of holding of Equity Shares by our Directors as on the date of this Prospectus

For details of shareholding of our Directors in the Company, please see "*Our Management- Shareholding of Directors*" on page 105.

Top 10 Equity Shareholders of our Company as on June 30, 2022:

Sr. No.	Particulars	Designation	No. of Shares in Demat Form	Total Shareholding as % of total no. of Equity Shares
1.	Thomas John Muthoot	Managing Director and Shareholder	5,14,56,049	26.56
2.	Thomas George Muthoot	Director and Shareholder	5,14,56,021	26.56
3.	Thomas Muthoot	Executive Director cum CFO and Shareholder	5,14,56,053	26.56
4.	Preethi John Muthoot	Director and Shareholder	1,29,13,704	6.67
5.	Nina George	Shareholder	1,29,13,704	6.67
6.	Remmy Thomas	Shareholder	1,29,13,704	6.67
7.	Muthooot Exim Private Limited	Shareholder	4,76,200	0.25
8	Muthoot Kuries Private Ltd	Shareholder	1,19,050	0.06
9	Janamma Thomas	Shareholder	1,039	0.00
10.	Shiney Thomas	Shareholder	6	0.00
	Total		**19,37,05,530**	**100.00**

Top 10 Holders of Non-Convertible Debentures (secured and unsecured) as on June 30, 2022

Sr. No.	Name	Amount (₹ in lakhs)	% of total non-convertible securities outstanding
1.	Union Bank of India	10,000.00	2.38%
2.	Ofb Tech Private Limited	7,250.00	1.73%
3.	Balkrishna Industries Limited	3,500.00	0.83%
4.	Ajanta Pharma Limited	3,000.00	0.71%
5.	Hero Motocorp Ltd	2,500.00	0.60%
6.	Geeta Poddar	2,500.00	0.60%
7.	Radhakrishna Ramnarain Private Limited	2,500.00	0.60%
8.	Curefit Healthcare Private Limited	2,500.00	0.60%
9.	Ajanta Pharma Limited	2,300.00	0.55%
10.	Kotak Mahindra Investments Limited	1,875.00	0.45%

Debt Equity Ratio of the Company as on March 31, 2022:

Parameters	Consolidated basis	Standalone basis
Debt Equity Ratio before Issue of the Debt Securities	6.29	5.29
Debt after Issue of the Debt Securities	6.42	5.44

Note 1*: The debt equity ratio post issue is indicative and is on account of inflow of ₹ 50,000 lakhs from the proposed public issue.*

Note 2*: The debt equity ratio pre-issue is calculated based on the Reformatted Consolidated Financial Statements and the Reformatted Standalone Financial Statements for the year ended March 31, 2022*

Note 3*: The events that occurred after March 31, 2022 which may have an impact on the Debt Equity Ratio (on standalone basis) are as below:*

i. *The Company has during the period beginning from April 1, 2022 till the date of this Prospectus availed the following borrowings from Banks / Financial Institutions:*

(₹ in lakhs)

Date	Name of the lender	Amount sanctioned	Amount availed	Remarks
12/04/2022	Ujjivan Small Finance Bank	5,000.00	5,000.00	₹ 25 crores availed on April 30, 2022 and ₹ 25 crores on May 31, 2022
02/06/2022	Central Bank of India	30,000.00	10,000.00	₹ 30 crores availed on June 10, 2022 and ₹ 70 crores June 21, 2022
24/06/2022	Canara Bank	20,000.00	20,000.00	₹ 100 crores availed on June 29, 2022 and ₹ 100 crores availed on June 30, 2022
Total		**55,000.00**	**35,000.00**	

ii. *The Company has, during the period beginning from April 1, 2022 till the date of this Prospectus repaid the following borrowings from Banks / Financial Institutions:*

(₹ in lakhs)

Name of Bank	Repayment date	Amount Repaid
Bank of Maharashtra	April 01, 2022	556.00
UCO Bank	April 02, 2022	1,250.00
UCO Bank	April 02, 2022	937.50
Bank of Baroda	April 02, 2022	3,000.00
Indian Bank	April 02, 2022	833.00
Indian Bank	April 13, 2022	833.00
Bajaj Finance Limited	April 30, 2022	146.00
Bank of Maharashtra	May 01, 2022	556.00
Central Bank of India	May 04, 2022	3,000.00
Central Bank of India	May 04, 2022	1,875.00
UCO Bank	May 04, 2022	1,250.00
UCO Bank	May 04, 2022	781.25
Punjab National Bank	May 04, 2022	3,000.00
State Bank of India	May 04, 2022	3,500.00
Indian bank	May 13, 2022	833.00
Bank of India	May 16, 2022	30,000.00
UCO Bank	May 16, 2022	625.00
Bank of Maharashtra	May 16, 2022	1,500.00
Central Bank of India	May 16, 2022	3,600.00
Indian Bank	May 16, 2022	30,000.00
Bank of Baroda	May 16, 2022	1,000.00
Canara Bank	May 16, 2022	4,318.00
Punjab National Bank	May 16, 2022	1,667.00
Punjab & Sind Bank	May 16, 2022	1,000.00
Central Bank of India	May 20, 2022	2,500.00
UCO Bank	May 20, 2022	600.00
UCO Bank	May 20, 2022	500.00
Bank of Baroda	May 20, 2022	2,500.00
Indian bank	May 20, 2022	833.00
Punjab & Sind Bank	May 20, 2022	1,000.00
Punjab National Bank	May 28, 2022	334.00
Punjab & Sind Bank	May 31, 2022	500.00
Bajaj Finance Limited	May 31, 2022	146.00
Bank of Maharashtra	June 01, 2022	556.00
Central Bank of India	June 04, 2022	50.00
Central Bank of India	June 04, 2022	400.00

Name of Bank	Repayment date	Amount Repaid
UCO Bank	June 04, 2022	1,000.00
Central Bank of India	June 06, 2022	47.00
Indian bank	June 13, 2022	833.00
Central Bank of India	June 15, 2022	100.00
UCO Bank	June 23, 2022	250.00
Canara Bank	June 23, 2022	2,500.00
Yes bank	June 30, 2022	711.00
Canara Bank	June 30, 2022	500.00
Ujjivan Small Finance Bank	June 30, 2022	1,300.00
Bajaj Finance Limited	June 30, 2022	146.00
Bank of Maharashtra	July 01, 2022	556.00
UCO Bank	July 01, 2022	650.00
UCO Bank	July 01, 2022	437.50
Bank of Baroda	July 01, 2022	500.00
Indian Bank	July 13, 2022	833.33
Bank of Baroda	July 13, 2022	300.00
Total		**1,16,643.58**

iii. *The Company has issued unsecured, rated, non-convertible, unlisted perpetual debt instruments aggregating to ₹2,500 lakhs on July 12, 2022.*

iv. *The Company has issued, unsecured, rated, non-convertible, unlisted, subordinated debt aggregating to ₹2,500 lakhs on July 13, 2022.*

v. *The Company has issued, unsecured, rated, non-convertible, unlisted, subordinated debt aggregating to ₹2,500 lakhs on July 18, 2022.*

vi. *The Company has made the following issues of Commercial Paper during the period beginning from April 1, 2022 till the date of this Prospectus:*

ISIN Number	Investor	Amount (₹ in lakhs)	Value Date	Maturity Date
INE549K14BI1	Indian Energy Exchange Limited	2,500.00	June 21, 2022	August 22, 2022

vii. *The Company has made the following repayment of non-convertible debentures covered bond / Market Linked Debentures during the period beginning from April 1, 2022 till the date of this Prospectus:*

ISIN Number	Nature	Amount (₹ in lakhs)	Value Date	Maturity Date
INE549K07634	Retail Investors	20,000.00	May 22, 2020	April 21, 2022
INE549K07899	Retail Investors	12,500.00	November 24, 2020	May 24, 2022
INE549K07907	Retail Investors	7,500.00	December 10, 2020	June 10, 2022
INE549K07915	Retail Investors	7,500.00	December 16, 2020	June 16, 2022
INE549K07AR8	Kotak Mahindra Investments Limited	1,875.00	August 17, 2021	May 22, 2022

viii. *The Company has made the following repayment of Secured Non-Convertible Debentures issued through Public Issue during the period beginning from April 1, 2022 till the date of this Prospectus:*

ISIN Number	Investor	Amount (₹ in lakhs)	Value Date	Maturity Date
INE549K07667	Retail Investors	2,300.53	July 17, 2020	July 17, 2020
INE549K07691	Retail Investors	730.34	July 17, 2020	July 17, 2020
INE549K07725	Retail Investors	4,637.53	July 17, 2020	July 17, 2020

Employee Stock Option Scheme:

Our Company has no employee stock option scheme.

Details on the total outstanding debt of our Company

For details on the total outstanding debt of our Company, please see *"Financial Indebtedness"* on page 303.

OBJECTS OF THE ISSUE

Our Company has filed this Prospectus for a public issue of secured, redeemable, non-convertible, debentures of face value of ₹ 1,000 each ("**Secured NCDs**") aggregating to ₹ 25,000 lakhs with an option to retain over subscription up to ₹ 25,000 lakhs, aggregating to ₹ 50,000 lakhs.

The funds raised through this Issue, after deducting the Issue related expenses to the extent payable by our Company (the "**Net Proceeds**"), are estimated to be approximately ₹ 49,500 lakhs. The Net Proceeds of the Issue are intended to be utilised by our Company for the following objects (collectively, referred to herein as the "**Objects**") subject to applicable statutory and regulatory requirements:

1. For the purpose of Working Capital - 75% of the amount raised and allotted in the Issue; and

2. For General Corporate Purposes - 25% of the amount raised and allotted in the Issue

The details of the Net Proceeds of the Issue are summarised in the table below:

(₹ in lakhs)

Particulars	Amount
Gross Proceeds of the Issue	50,000
Less: Issue Related Expenses*	500
Net Proceeds of the Issue	49,500

**The above Issue related expenses are indicative and are subject to change depending on the actual level of subscription to the Issue, the number of allottees, market conditions and other relevant factors.*

The main objects clause of the Memorandum of Association permits the Company to undertake its existing activities as well as the activities for which the funds are being raised through the Issue.

Requirement of funds and Utilisation of Net Proceeds

The following table details the objects of the Issue and the amount proposed to be financed from the Net Proceeds:

Sr. No.	Objects of the Fresh Issue	Percentage of amount proposed to be financed from Net Issue Proceeds
1.	For the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of our Company#	At least 75%
2.	General corporate purposes*	up to 25%
	Total	**100%**

#The Company shall not utilize the proceeds of this Issue towards payment of prepayment penalty, if any

**The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the gross proceeds, in compliance with the SEBI NCS Regulations.*

The main objects clause of the Memorandum of Association permits the Company to undertake its existing activities as well as the activities for which the funds are being raised through the Issue.

Funding plan

Not Applicable

Summary of the project appraisal report

Not Applicable

Schedule of implementation of the project

Not Applicable

Interests of Directors/Promoters

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter except in ordinary course of business.

Interim use of Proceeds

Our Management, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds in high-quality interest-bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

Issue Expenses

The following are the estimated Issue expenses*, proposed to be met from the Issue proceeds:

(₹ in lakhs except percentages)

Activity	Amount	Percentage of Overall Issue Size
Fees to intermediaries (Lead Manager's fees, brokerage, rating agency, Registrar to the Issue, Sponsor Bank, legal advisor, Debenture Trustee, etc.)	300.00	0.60%
Advertising and Marketing Expenses	100.00	0.20%
Printing, Stationery and Distribution	75.00	0.15%
Other Miscellaneous Expenses	25.00	0.05%
Total	500.00	1.00%

**Assuming the Issue is fully subscribed, and our Company retains oversubscription.*

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of allottees, market conditions and other relevant factors.

Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Manager/ Consortium Members/ Sub brokers/Trading Members and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹ 10 per Application Form procured (plus applicable taxes). However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee.

Further, our Company shall pay the Sponsor Bank ₹ 6 (plus applicable taxes) for every valid Application that is blocked. The payment will be made on the basis of valid invoices within such timelines mutually agreed to/prescribed by the Company with the Designated Intermediaries/Sponsor Bank.

Monitoring of Utilisation of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Board shall monitor the utilization of the proceeds of the Issue. For the relevant Fiscals commencing from Fiscal 2020, our Company will disclose in our financial statements, the utilisation of the Net Proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue. Our Company shall utilise the proceeds of the Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from the Stock Exchange.

For more information, see "*Terms of the Issue - Monitoring & Reporting of Utilisation of Issue Proceeds*" on page 400.

Other Confirmation

In accordance with the SEBI NCS Regulations, our Company will not utilize the proceeds of the Issue for providing loans to or for acquisition of shares of any person who is a part of the same group as our Company or who is under the same management of our Company.

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter except in the usual course of business.

The Issue proceeds shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company.

The Issue Proceeds from NCDs allotted to Banks will not be utilized for any purpose which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations.

Our Company confirms that it will not use the proceeds of the Issue for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, the acquisition of any immovable property or acquisition of securities of any other body corporate.

All monies received out of the Issue shall be credited/ transferred to a separate bank account maintained with a Scheduled Bank as referred to in section 40(3) of the Companies Act 2013.

Details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested.

We shall utilize the Issue proceeds only upon execution of Debenture Trust Deed, filing of the PAS 3 with the RoC, receipt of the listing and trading approval from the Stock Exchange(s) as stated in this Prospectus in the section titled "*Issue Related Information*" beginning on page 379.

No benefit/interest will accrue to our Promoters/ Directors out of the proceeds of the Issue.

The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.

Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.

Variation in terms of contract or objects in Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act 2013, at any time, vary the terms of a contract referred to in the Prospectus or objects for which the Prospectus is issued, except subject to the approval of, or except subject to an authority given by the shareholders in general meeting by way of special resolution and after abiding by all the formalities prescribed in Section 27 of the Companies Act, 2013.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless otherwise indicated, all of the information and statics disclosed in this section are extracted from an industry report titled 'Gold Loan Market in India 2021 – December 2021' ("**IMaCS Report**"), prepared and issued by ICRA Management Consulting Services ("**IMaCS**"). For details of risks in relation to IMaCS Report and other publications, see "Risk Factors" on page 17. We have not independently verified certain industry data in this Prospectus. The information presented in this section, including forecasts and projections, have not been prepared or independently verified by us, our Directors, our Promoters, the Lead Manager or any of our or their respective advisors.*

The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in the IMaCS Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

Following is the disclaimer of IMaCS Report: "All information contained in this document has been obtained by ICRA Analytics from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA Analytics in particular, make no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained herein must be construed solely as statements of opinion, and ICRA Analytics Limited shall not be liable for any losses incurred by users from any use of this document or its contents in any manner. Opinions expressed in this document are not the opinions of ICRA Analytics Limited's holding company, ICRA Limited (ICRA), and should not be construed as any indication of credit rating or grading of ICRA for any instruments that have been issued or are to be issued by any entity."

Summary

Gold loans (also known as loans against gold) refer to short-term loans sanctioned by banks, non - banking financial companies (NBFCs) and other lenders against the pledge of gold ornaments and jewellery, and are popular with farmers looking to meet agricultural expenses and individuals or households who need to meet planned or unplanned expenses. Indians regard gold as a vital symbol of social status, financial security, and intergenerational legacy, and such is the emotional and cultural attachment to gold that households prefer to use gold as collateral for financing for key life goals like healthcare, farming, small business, education, and weddings, rather than liquidate the metal outright for cash. The gold loan is therefore a historically popular instrument, and the overall gold loan market consists of the organised sector (with regulated players such as banks, NBFCs, and Nidhi companies) as well the unorganised/informal finance sector (run by pawnbrokers and moneylenders). The World Gold Council (WGC) estimates that the overall gold loan market (organised and unorganised) in India has grown from Rs. 600 billion in FY2009-10 to Rs. 9,000 billion in FY2019-20, at a CAGR of 31.1 percent.

The Indian economy and society in the fiscal year 2020-21 and the first half of FY2022 has continued to be impacted for a second year running by the ongoing COVID-19 pandemic. In particular, the devastating second wave of April-June 2021 and the series of resultant lockdowns presented a double whammy of unprecedented adverse shocks on economic activity, household finance, employment, and double-digit inflation in food and fuel prices. This tidal wave of economic distress ensured a captive market and sustained demand for gold loans, to the extent that large public sector banks like SBI started refocusing on the product and grew its loan book and market share, despite significant volatility in gold prices throughout CY2021. Our outlook for FY2022-2026 is therefore uniquely structured, with steeper growth in FY2022 followed by four years of milder but sustained growth in the gold loan segment as the Indian economy slowly rebuilds following a gradual return to economic activity and widespread vaccination uptake.

Overview

Gold has a central role in India's culture where it is considered as a store of value, a symbol of wealth and status and fundamental part of many rituals. India is one of the largest markets for gold, making it the second largest consumer of the metal according to the World Gold Council, while its gold reserves have grown substantially in the past couple of decades, propelling India into the list of top ten countries in terms of gold reserves (668 metric tons as of September 2020 based on IMF/WGC data) . Among the country's rural population investment in gold has always been viewed as a fall-back mechanism in times of need. Gold is also central to personal life events, as gifting gold is perceived auspicious in marriage rituals. According to the World Gold Council, weddings generate approximately 50 per cent of annual gold demand.

Borrowing against gold is one of the popular instruments based on physical pledge of gold and it has been working well with Indian rural household's mindset, which typically views gold as an important saving instrument that is liquid and can be converted into cash instantly to meet any urgent needs. The market is very well established in the southern states of India, which accounts for the highest accumulated gold stock. The major players in the organised gold loans market in India are commercial banks, cooperative banks and gold loan NBFCs known as no deposit taking, systemically important NBFCs. In addition to a growing organised gold loans market, there is a large, long-operated, unorganised gold loans market which is believed to be several times the size of organised gold loans market. There are no official estimates available on the size of this market, which is marked with the presence of numerous pawnbrokers, moneylenders and landlords operating at a local level. However, these players are completely unregulated leaving the customers vulnerable to exploitation at the hands of these moneylenders and pawnbrokers. Seizing the vast untapped potential available for lending against gold, the organised players such as NBFCs became more aggressive in the gold loans market and a significant part of the gold loans likely to have shifted from the un-organised lenders to the organised lenders, thus fuelling a strong growth in the organised market.

Studies such as the WGC report on India's gold market, the 2013 RBI report of the "Working Group to Study the Issues Related to Gold Imports and Gold Loans NBFCs in India" , and the IFMR-LEAD Working Paper show that Indians have a strong emotional connection with gold, particularly gold ornaments and jewellery, and are unwilling to sell their gold holdings except in cases of severe financial hardship. They are, however, more amenable to pledge their gold as collateral to secure loans, with the reassurance that they can retrieve their original gold once the loan principal and interest is paid off in full.

The boom in the gold loans segment up until FY2020 can be attributed to favourable gold prices and increased disposable incomes coupled with high level of rural indebtedness, easy availability of gold loans at extreme flexible terms, relatively stricter underwriting of personal loans by banks (this segment grew only 0.57% growth in FY2021 according to CIRF-Highmark) and rising acceptability of the idea of pledging gold ornaments. It was also realized that there was potential to expand gold loans market to the Northern and Western regions of India, provided the branch network is expanded and the loans are available easily with flexible options. As a result, the Specialised Gold Loan NBFCs initiated an aggressive drive to expand their business, first in Southern India and then to other geographies.

India's gold loan market has also been subject to significant policy changes over the years, such as the 60 per cent LTV cap introduced for NBFCs in March 2012, which may have caused NBFCs to lose a significant part of their market share to banks and unorganised lenders. However, the trend was reversed to some extent in FY2015, when the LTV cap was revised to 75 per cent in January 2014 for NBFCs. For banks, there was no regulatory cap on LTV, until the January 2014 circular which enforced the same 75 per cent cap for both NBFCs and banks, which somewhat evened out the playing field. The LTV cap was subsequently increased to 90 per cent only for banks on a temporary basis from August 2020 to March 2021. For NBFCs, the time of regulatory uncertainty appears to have passed, even amidst the pandemic, and the specialised gold loan NBFCs have been able to lay down the foundation for a more rational, organic and healthy growth over the next few years.
The Demand – Side Scenario

India is the world's second largest consumer of gold, behind China, as per World Gold Council (WGC) data. More interestingly, India has the largest amount of gold stocks in households, according to the WGC's MD, Somasundaram PR, who estimates this private gold holding to be around 25,000 tonnes in 2020. For comparison, the Reserve Bank of India has about 704 tonnes of gold in its reserves as of Q2 2021.

The WGC, in its specialised study on India's gold market, estimated that around 1250 tonnes is pledged across the gold loan market, as of 2015. Of this gold loan market, there are two segments of lenders: formal, regulated institutions viz. banks and NBFCs on one hand, and the informal, unregulated lending sector in the form of money lenders and pawnbrokers. The reach of the informal credit sector in the gold loan market is dominant, widespread, particularly in the rural and/or underbanked areas, and historically persistent; even in the absence of hard data, the WGC estimates the informal credit sector to account for about two-thirds of the market.

Gold loan borrowers can be split into two categories: retail borrowers, and agricultural borrowers. Bank loans to agricultural borrowers have been designated as "priority sector loans" by the RBI, as part of measures to regularise lending to the agricultural sector and introduce fair lending practices. The focus of this report will be on retail lending.

Understanding the Indian retail borrower

From the Reserve Bank of India (RBI) Household Finance Committee report (published July 2017) and detailed studies on Indian household finance by economists Cristian Badarinza, Vimal Balasubramaniam and Tarun Ramadorai, we can draw the following picture of Indian households and the composition of their wealth, and understand how this drives their penchant for borrowing against gold:

1. The average Indian household holds 11 per cent of its wealth in gold (ornaments, jewellery, gold coins) along with 77 per cent in real estate and 7 per cent in other physical goods (such as vehicles, livestock and poultry, agricultural machinery and non-farm business equipment) and 5 per cent in retail financial assets (such as deposits and savings accounts, shares, mutual funds, life insurance and retirement accounts).

2. The traditional social arrangement in which Indian families bequeath wealth (typically concentrated in physical assets such as gold and real estate) to their younger generations whilst receiving the latter's support in old age has been found to be an underlying determinant of these balance sheet patterns. These traditional financial structures, in turn, can partly be attributed to the negligible amount and rarity of pension wealth in traditional households.

3. The committee found high levels of unsecured debt (56 per cent on average per household) as well as debt taken from informal, unregulated lenders (such as moneylenders and pawnbrokers and chit funds) at very high interest rates compared to that set by formal financial institutions. This phenomenon has persisted throughout the decades despite greater financial literacy. Out of secured debt, 7.6 per cent of Indian household debt is in the form of gold loans.

4. Insurance penetration is at low levels, leaving households exposed without mitigation to numerous risks such as inadequate rainfall wiping out agricultural incomes, natural disasters, and adverse health events or sudden death of earning family members. The report found evidence that households tend to deal with risks after they happen through high-cost borrowing. This may explain why gold jewellery is considered an alternative to insurance that can be cashed in, whether by selling or borrowing against, in hard times.

As Table 1 shows, there is a clear direct relationship between the prevalence of gold holdings and the prevalence of gold loans.

Table 1 – State – wise allocation of wealth and debt by asset type

	Allocation of wealth by asset category				**Allocation of debt by product type**			
	Real estate	**Gold**	**Financial Assets**	**Retirement Accounts**	**Mortgage Debt**	**Gold Loans**	**Unsecured Debt**	**Non-Institutional Debt**
Bihar	90.50%	2.70%	1:00%	0.50%	8.20%	0.30%	81.90%	82.20%
Rajasthan	79.40%	9.50%	1.40%	1.70%	21.30%	1.00%	70.20%	68.70%
Nagaland	82.60%	1.60%	1.50%	7.30%	8.00%	0.00%	30.80%	40.30%
Manipur	84.00%	5.10%	1.60%	2.80%	3.10%	14.20%	30.40%	77.70%
Uttar Pradesh	85.00%	5.60%	1.80%	1.50%	27.30%	1.30%	63.00%	59.20%
Madhya Pradesh	82.20%	7.40%	1.90%	1.70%	30.40%	1.00%	60.00%	53.60%
Telangana	70.50%	17.50%	2.00%	2.40%	11.30%	2.90%	73.00%	55.80%
Orissa	78.90%	10.00%	2.10%	2.00%	26.90%	2.30%	59.10%	47.10%
Gujarat	72.50%	13.70%	2.10%	3.50%	38.00%	2.80%	38.20%	39.90%
Uttaranchal	78.70%	10.00%	2.20%	2.20%	18.80%	0.00%	67.60%	45.40%

	Allocation of wealth by asset category				Allocation of debt by product type			
	Real estate	Gold	Financial Assets	Retirement Accounts	Mortgage Debt	Gold Loans	Unsecured Debt	Non-Institutional Debt
Lakshadweep	80.40%	11.20%	2.50%	3.10%	9.70%	9.30%	66.70%	24.20%
Jharkhand	85.60%	4.40%	2.50%	1.90%	12.90%	0.20%	79.70%	62.80%
Chhattisgarh	81.70%	6.80%	2.70%	1.10%	14.70%	0.20%	65.20%	54.30%
Kerala	78.90%	13.10%	2.80%	1.80%	38.30%	17.20%	31.60%	20.00%
Jammu & Kashmir	84.20%	4.70%	2.90%	3.10%	10.10%	0.00%	62.20%	56.30%
Tripura	76.50%	10.00%	3.00%	3.80%	3.80%	0.20%	72.70%	44.70%
Maharashtra	76.60%	10.40%	3.10%	3.60%	47.00%	1.40%	36.00%	27.90%
Tamil Nadu	59.40%	28.30%	3.10%	3.20%	11.30%	41.30%	37.90%	42.10%
Punjab	81.60%	4.90%	3.10%	4.50%	25.70%	2.10%	57.40%	57.70%
Haryana	81.10%	5.90%	3.40%	3.00%	27.80%	0.00%	53.20%	48.10%
Goa	60.00%	20.20%	3.70%	6.00%	18.10%	3.50%	19.00%	8.00%
Andhra Pradesh	62.80%	21.60%	3.80%	3.10%	9.50%	9.50%	55.30%	48.90%
West Bengal	81.20%	6.70%	4.00%	3.30%	16.70%	2.80%	69.50%	47.40%
Meghalaya	80.70%	3.00%	4.30%	3.50%	2.30%	0.20%	74.00%	24.70%
Mizoram	79.60%	1.20%	5.00%	5.70%	40.70%	0.00%	34.00%	17.20%
Karnataka	67.10%	16.10%	5.00%	4.40%	24.80%	3.40%	53.80%	49.20%
Assam	76.10%	6.60%	5.30%	2.60%	15.80%	1.20%	62.90%	48.00%
Andaman & Nicobar	42.50%	23.50%	6.30%	18.10%	6.40%	13.10%	66.40%	36.20%
Himachal Pradesh	71.80%	13.60%	6.80%	3.50%	35.60%	0.00%	42.40%	35.10%
Pondicherry	56.90%	25.70%	7.20%	4.50%	3.40%	50.10%	33.30%	40.20%
Arunachal Pradesh	63.30%	5.10%	8.30%	5.00%	18.10%	1.30%	33.30%	45.70%
Chandigarh	57.00%	10.20%	8.30%	14.10%	47.10%	0.00%	23.00%	9.50%
Delhi	54.90%	17.40%	9.80%	6.20%	15.60%	0.40%	63.90%	46.60%
Dadra & Nagar Haveli	62.80%	6.50%	10.50%	12.40%	52.70%	2.40%	34.60%	31.30%
Sikkim	55.60%	14.60%	11.60%	10.30%	27.00%	0.00%	48.20%	17.80%
Daman & Diu	48.00%	24.40%	11.80%	10.80%	5.00%	0.00%	69.10%	66.90%

Source: RBI Household Finance Committee Report (July 2017)

<u>Lending Institutions</u>

The lending environment in the gold loan market in India consists of the following:

1. The organised sector which consists of financial institutions such as public sector banks, private banks, specialised gold loan NBFCs, small finance banks, peer-to-peer lending platforms, Nidhi companies and some retail jewellers. Almost all these parties are regulated by various authorities such as RBI for finance companies, Ministry of Corporate Affairs for Nidhi, and Bureau of Indian Standards for jewellers.

    a. The organised sector provides an array of gold-based products with a diverse range of features to suit various customer needs, such as gold deposits, loans, coins, gold monetisation schemes, gold metal loan schemes, gold bonds, and gold-linked savings accounts.
    b. The organised sector accounts for about 35 per cent of the gold loan market.

2. The unorganised sector consists of all other entities that are not regulated, such as moneylenders, pawnbrokers, goldsmiths, and jewellery shops. Such entities are easily accessible and widespread among millions of villages, towns, and cities in India, and are known for charging very high interest rates even as they offer immediate liquidity.

    a. This sector accounts for about 65 per cent of the gold loan market and it is a lion's share that has historically been difficult to significantly chip into.
    b. According to Dvara Research, the popularity and prevalence of unorganised players can be attributed to its intrinsic features such as personal rapport or relationship with the moneylenders/pawnbrokers who tend to be well-known and well-respected in the community or village, high loan-to-value (LTV), quick turnaround time, low burden of paperwork or documentation, cash- rather than bank account-

based transactions, no maximum loan limit, no processing fee, flexible repayment arrangements, and no scrutiny on purpose of gold loan.

Table 2 – Overview of Gold Products by Lender

	Gold Loan NBFCs	SFBs	Banks	Nidhi Companies	Informal (moneylenders and pawnbrokers)
LTV ratio	< 75%	No information	< 75% (90% between Aug '20 – March '21)	< 80%	>75%
Processing fee	Nil/minimal	Nil	Nil for small loans, nominal fees for big ticket loans	Nil	Nil
Interest rate	11%-24% p.a.	11%-12% p.a.	7%-15% p.a.	12%-21% p.a.	25%-50% p.a.
Minimum Loan amount	Rs 1000	Rs 5000	Rs 1000	Rs 1000	No limit
Maximum Loan amount	No limit	Rs 1 lakh	3 lakhs for agri loans	<2 lakhs for companies with <2 crore deposits	No limit
Penetration	High	High	Low	Low	Very high
Mode of loan disbursal	Cash upto Rs 20,000, account transfer beyond that amount	Cash, account transfer	Account transfer	Cash, account transfer	Cash
Regulator	RBI	RBI	RBI	MCA	None
Repayment Plans	Monthly interest, end of tenure lump sum, EMIs	Quarterly, Semi-annual and annual	Monthly interest, end of tenure lump sum	Anytime loan closure permitted	Flexible options

Source: Dvara Research, Savings in Gold by Low Income Households

Phase 1: Early Growth (FY04-09)

1. Concentrated in South India, comprises more than 85 per cent of the market. Prominence of unorganised sector.
2. South based public sector and old private sector banks hold a significant portion of the market through priority sector lending.
3. Specialised NBFCs gradually increase their market share from 20 per cent in FY07 to 22 per cent in FY09.
4. Growth in Gold Loan Sector picks up at a CAGR of 30-35 per cent.

Phase 2: Rapid Expansion (FY09-12)

1. Aggressive expansion of Specialised NBFCs, market share of 36.4 per cent in FY12 due to their focus and unique capabilities to cater to the segment.
2. Share of non-south geographies increase to 20 percent in FY 12 and increasing pene tration of organized providers with many new entrants.
3. RBI imposed LTV cap of 60 per cent on gold lending for NBFCs and removed priority lending status of gold loan portfolio sales by NBFCs to banks. NBFCs in a disadvantaged position vis-à-vis banks.

Phase 3: Consolidation (FY 12-15)

1. Gold Loan portfolio remains almost flat with a marginal growth rate of 5 per cent grow marginally during FY13- FY15, share of non-south geographies estimated at 25 per cent in FY15
2. Regulatory parity between banks and NBFCs restored with an LTV cap of 75 per cent.
3. As prescribed by 2012 guidelines, NBFCs primarily engaged in gold lending were required to maintain a Tier 1 Capital Adequacy ratio of 12 per cent and overall Capital Adequacy ratio of 15 per cent.

Phase 4: Stable Growth (FY 15-20)

1. Retail Gold demand expected to remain stable and see growth again, though lower than historic levels.
2. Specialised NBFCs prove their unique business model and capabilities to operate in the sector and expected to regain their market share, going forward.
3. Banks instructed to maintain an LTV of 75 per cent.
4. Any further decline in gold prices and consequent changes in the regulatory environment remain the biggest challenges.

Phase 5: Systemic shock from Pandemic and Recession (FY 21)

1. Current scenario is that of a severe recession globally and widespread economic distress across households and small enterprises.
2. Gold loans have become a valuable channel for quick and low-bureaucratic liquidity for those with gold holdings.
3. RBI temporarily relaxes LTV limit on gold loans to 90 per cent but this doesn't apply to NBFCs
4. Wait and watch to see how gold loan market develops as not clear how long the economic recession is likely to last even if a vaccine is found and economies reopen. Could be U, V, or W shaped recovery.

Market Share of Organised Gold Loan Sector

The market share picture has tipped in favour of specialised gold loan NBFCs in recent years, and especially so during the COVID-19 pandemic. During the period of FY2012-FY2015, strict regulatory measures levied by the RBI on NBFCs (as detailed in the next section) in order to curb unfair lending practices caused specialised gold loan NBFCs to lose some ground to banks. However, this changed from FY2015 as the regulatory environment for NBFCs stabilised, and specialised gold loan NBFCs returned to and stayed at the top of the market share leader board, namely Muthoot Finance, followed by Manappuram Finance and Muthoot Fincorp. Other, non-specialised, NBFCs, which have a varied loan product mix, have not been as successful in claiming significant market share, while banks were strategically prioritising other retail loan products and agricultural gold loan products until FY2020, and thus their retail gold loan market share has either declined or stagnated until that time.

From April 2020 onwards, banks such as SBI, Bandhan Bank and private sector banks strategically moved to ramp up their gold lending portfolio to seize on the comparatively better asset quality and security afforded by rising gold prices. As a result, gold loans of banks more than doubled to Rs 604.64 billion in by March 31, 2021, from Rs 261.92 billion a year earlier, according to RBI data. However, banks still lag in market share terms behind specialised NBFCs. The specialist knowledge, brand recognition, geographic prevalence and one-stop availability of assessment, storage, loan approval and disbursal made specialised gold loan NBFCs increasingly popular with customers. This was evident during FY2020 and the second wave of summer 2021 as the pandemic-related lockdown and resultant economic distress drove borrowers new and old to these NBFCs rather than banks with their limited hours and distant locations. FY2021 thus has been another strong year vis-à-vis FY2019 for specialised gold loan NBFCs in terms of growth of both loan book and market share growth.

Gold Lending Institution	Estimated Gold Loan Portfolio (Amount in Rs. Crore)				Estimated Market Share			
Period	**FY2018**	**FY2019**	**FY2020**	**FY2021**	**FY2018**	**FY2019**	**FY2020**	**FY2021**
Muthoot Finance	28,848	33,585	40,772	51,927	19.59%	19.42%	20.35%	17.88%
Manappuram Finance	11,735	12,962	16,967	19,077	7.97%	7.50%	8.47%	6.57%
Muthoot Fincorp	11,445	12,302	14,140	18,068	7.77%	7.11%	7.06%	6.22%
Shriram City Union Finance	3,374	2,712	3,119	3,789	2.29%	1.57%	1.56%	1.30%
India Infoline Finance Limited	4,037	6,195	9,125	13,149	2.74%	3.58%	4.55%	4.53%
Indian Bank	23,571	29,136	30,357	39,776	16.01%	16.85%	15.15%	13.70%
Indian OverseasBank	12,679	15,387	19,015	28,101	8.61%	8.90%	9.49%	9.68%
Federal Bank	1,965	7,288	9,301	15,816	1.33%	4.21%	4.64%	5.45%
HDFC Bank	5,500	5,187	5,318	7,221	3.73%	3.00%	2.65%	2.49%
Catholic Syrian Bank	2,500	3,333	3,799	6,131	1.70%	1.93%	1.90%	2.11%
South Indian Bank	4,766	2,216	2,752	2,588	3.24%	1.28%	1.37%	0.89%
Dhanalaxmi Bank	795	1,031	1270	1,862	0.54%	0.60%	0.63%	0.64%

Source: ICRA Analytics analysis, company financials

Specialised Gold Loan NBFCs

Specialised gold loan NBFCs centre their brand, vision, and business model around providing a variety of gold-backed loans across different tenures and purposes, although lately they have been diversifying into other loan products. The best-known names are Muthoot Finance, Muthoot Fincorp, Manappuram Finance, and Muthootu Mini. Most of these specialised lenders started out in the southern states, where gold buying and gold-backed financing activity is high and prevalent, and then expanded throughout the country, capitalising on their sharpened, specialist knowledge of gold and gold loans.

The following chart shows the portfolio of Specialised Gold Loan NBFCs along with their growth:

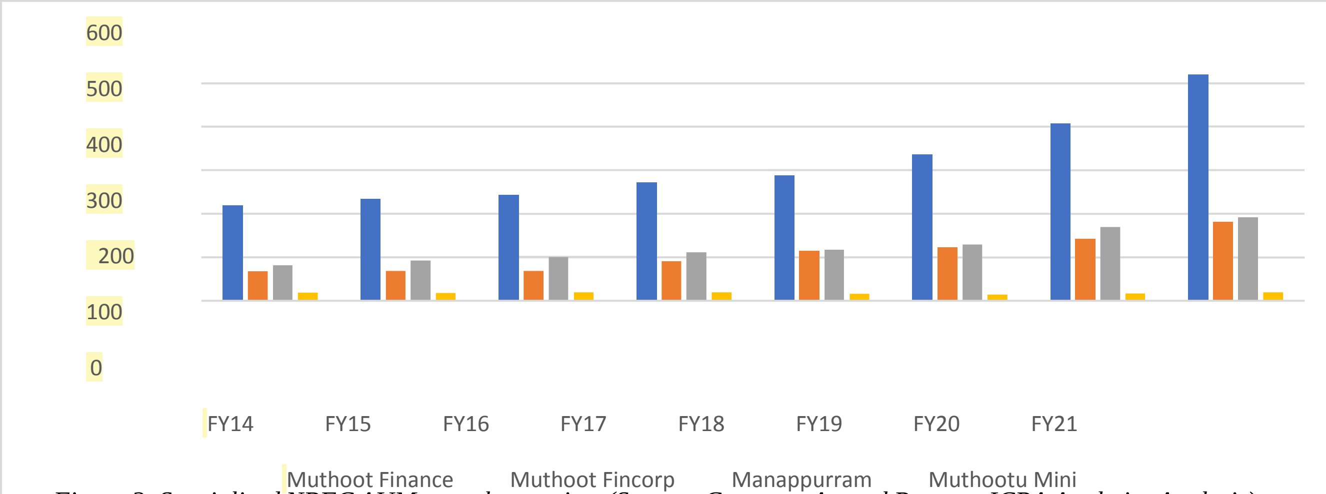


Figure 2: Specialised NBFC AUM growth over time (Source: Company Annual Reports, ICRA Analytics Analysis)

<u>Competitive Strategies of Specialised Gold Loan NBFCs:</u>

Banks have a considerable volume of low-cost money at their disposal which keeps their cost of funds low. As a result, banks are able to extend gold loans at lower rate of interest, unlike NBFCs which have to raise funds through various other sources for which they need to pay a higher price. However, specialised gold loan NBFCs have put in place successful competitive strategies. Despite the higher rate that NBFCs charge on their products, customers are more likely to approach specialised gold loan NBFCs for availing gold loans for the following reasons:

1. **Turnaround time:** The turnaround time in NBFCs is much faster compared to banks. This is attributed to a smaller loan ticket size, the desire of the borrower to procure the loan amount as quickly as possible, and the availability of employees well-trained and experienced in the assessment and valuation of the gold collateral being pledged.
2. **Convenience and geographic reach:** NBFCs have a geographic wider reach especially in the southern regions with high coverage in non-metro, semi-urban and rural areas. Borrowers keen to avail gold loans are more likely to choose a specialised NBFC over a bank if the location is convenient and minimises the risk of travelling a distance with valuable assets.
3. **Localised familiarity:** Unlike in banks, employee transfers are less frequent in NBFC branches, which ensures staff are around for much longer and become familiar with the customers in a town or village. Generally, the employees are local and can communicate with the borrowers in the local language which ensures familiarity and comfort particularly whilst understanding the financial terms and conditions.
4. **Availability:** Since gold loan is only a part of the whole portfolio of a bank they do not have full-time employees specialised for appraisal and advancing gold loan, and appraisal is done by a professional appraiser therefore, loans can be extended only when he is available. On the other hand, specialised NBFCs have several trained and specialised employees to appraise collateral and quickly disburse loans. Therefore, a customer can reach out to NBFCs anytime to avail gold loan.

Specialised gold loan NBFCs also strengthened their market position by creating a first mover advantage in the non-Southern India gold loan market, where till recently competition was negligible from other categories of lenders. The table given below represents the growth of NBFCs in terms of their coverage and business share in non-south geography:

Table 7: Geographic Diversification of specialised NBFCs

No of Non-South Branches	FY15	FY16	FY17	FY18	FY19	FY20	FY21	CAGR (FY16- FY21)
Muthoot Finance	1,486	1,601	1,637	1,634	1,747	1,827	1,854	3.0%
Manappuram Finance	1,054	1,054	1,057	1,090	1,134	1,301	1,296	4.2%
% of total portfolio from Non-South branches	**FY15**	**FY16**	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**	**CAGR (FY16- FY21)**

Muthoot Finance	43.0%	46.0%	48.0%	50.0%	51.0%	51.0%	50.0%	1.7%
Manappuram Finance	32.0%	35.0%	36.0%	40.0%	41.0%	42.0%	43.0%	4.2%

Source: Annual Reports, ICRA Analytics Analysis

<u>Outlook 2022-2027: Five key drivers</u>

Driver #1: Indian demand for gold and gold jewellery

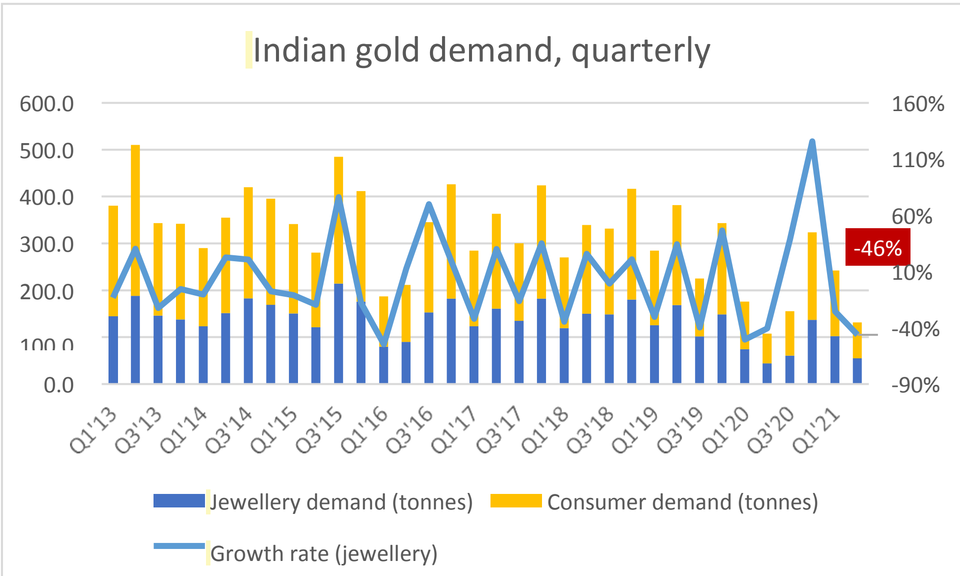
A key component of the demand for gold loans is the demand for gold jewellery. With gold in hand, a potential borrower has the avenue to raise finance for his needs, and the sentimental attachment to gold gives the borrower the impetus to repay and recover his pledged gold. Indians' long-standing and sentimental attachment to gold and the motivation to accumulate gold is seen as the bedrock and the mainspring for the gold loan industry.

Gold is bought in times of plenty and throughout the year during auspicious festival days and for major occasions such as weddings and ceremonies. Over the last 10 years, the country has imported 8400 tonnes of gold22, an amount bigger than the gold holdings of the biggest central banks in the world. This is despite high tariffs, premiums over the global gold price, and other measures to reduce import dependency.

Indian retail gold demand slid in Q2 2020 (April to June 2020) due to the strict nationwide lockdown that shuttered jewellery shops, effectively cancelled both weddings and crucial gold-buying festivals such as Akshaya Tritiya and caused a major economic jolt that threw millions of workers and businesses into financial distress. According to the WGC's Gold Demand Trends Q2 and H1 2020, Indian jewellery demand fell 74 per cent y/y to 44 tonnes, the lowest quarterly total in years, while H1 demand was down 60 per cent to another all-time low. While the WGC says that only those jewellery retailers with online sales portals were able to meet demand during the lockdown, sales were still trivial relative to last year, presumably as deliveries were heavily restricted to cover only essential goods and hampered by the lack of inter-state and intra-state transportation logistics. The performance of gold bar and coin sales was no better, as demand slid 39 per cent y/y to 47.8 tonnes for H1, with bullion dealers closed alongside jewellery shops.

On the supply side, Indian gold jewellery retailers are facing a triple whammy of high prices for gold bullion, the loss of most of their manufacturing output as units were shut down for weeks to months and artisans returned en masse to their hometowns, and the spike in demand of gold jewellery buybacks as those financially affected by the pandemic rush to jewellers to sell off their gold holdings for cash.

Figure 6: Indian consumer and jewellery demand has been volatile recently



As the country and economy gradually opened up midway through the quarter, there were grass shoots of activity in gold purchases in select region, presumably due to pent-up demand, as seen in the slight improvement in June numbers. However, the many postponements/cancellations of weddings in the second half of 2020 due to ongoing restrictions, fear of infection, and logistical difficulties and the lack of auspicious gold-buying days in the months of June meant that any recovery in demand was immaterial. The surging gold price (which averaged just over Rs 46,000 for 10 gms), a reflection of the global economic health and outlook in the pandemic, also dampened purchases, while incentivising gold sales (for both profit-taking and urgent liquidity needs) and borrowing against gold. Discretionary spending on gold jewellery also shrank as customers took in the bleak economic outlook and threat to incomes alongside gold prices that have been on an upward trajectory since March.

According to the WGC via industry estimates, total trading volumes of digital gold in 2019 were between 4-5 tonnes, a small fraction of annual gold retail volumes, but with an estimated 2.5 million active investors aggregated across all digital gold platforms. While digital gold is a very small component of overall gold retail volumes and unlikely to pose a competitive threat to purchases of physical gold in all but the most urban areas, it will be interesting to examine going forward how this could feed into the gold loan market.

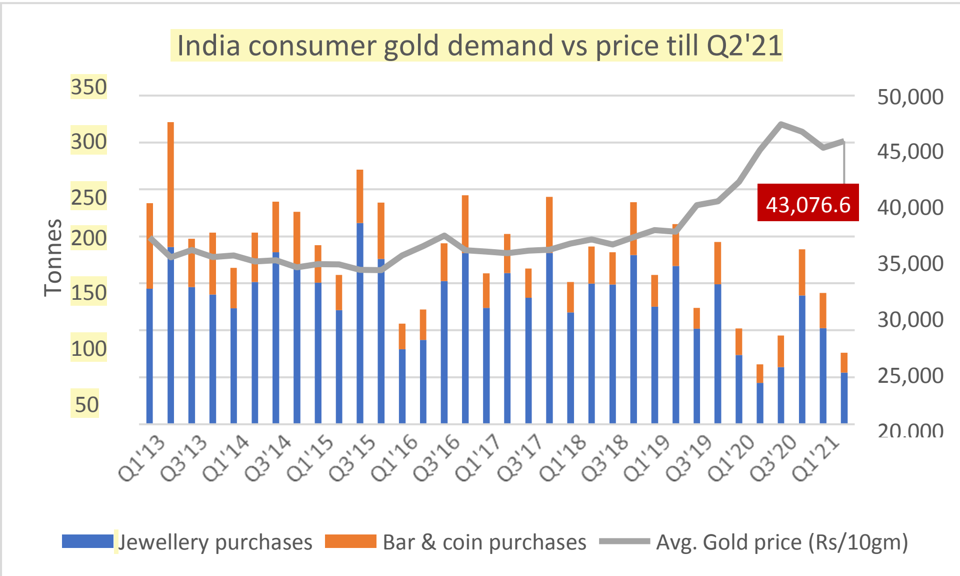
ICRA Analytics View: On gold jewellery demand as a key driving force for gold loan growth, ICRA Analytics expects a significant contraction in demand for gold jewellery till end of calendar year 2022 due to pressure on rural, semi-rural and urban poor household income streams and discretionary spending stemming from the economic fallout of the COVID-19 pandemic, but expects demand to pick up significantly from 2023 onwards and gradually recover match or slightly exceed demand growth rates from pre-pandemic (20 per cent to 30 per cent) as pent-up demand is released and consumer confidence regains lost ground.

Driver #2: Gold Prices

The KUB Rao Report also finds that the increase in gold price has a causal effect where it directly leads to an increase in gold loans outstanding. This can be explained as an increase in gold prices (provided it is a consistent upward trend) incentivising borrowers to tap into their gold holdings and be able to realise a higher sum of cash against their gold than would have been possible in times of relatively lower gold prices (i.e. the liquidity motive). This “chain of causation” is noted by the report committee to be self-sustaining as long as the upward trend is fairly steady and does not exhibit volatility. Note that the Granger causality test showed that the inverse was not true, i.e. an increase in gold loans outstanding does not affect gold prices.

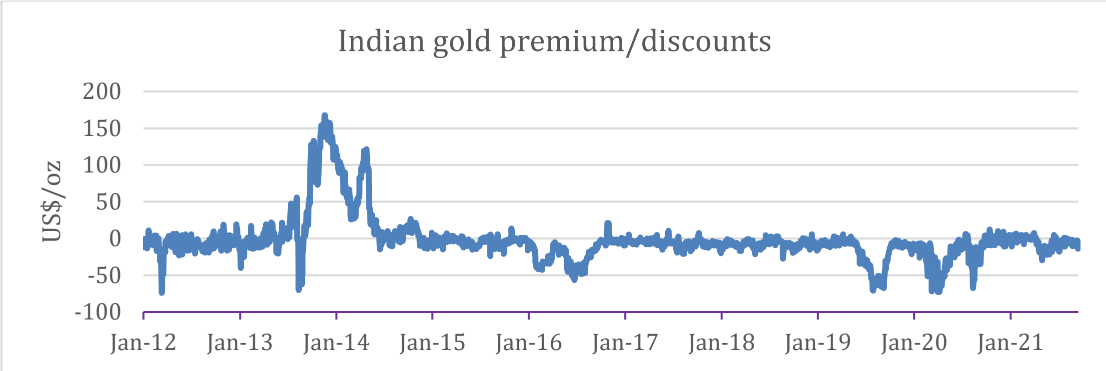
Gold prices can also help feed an investment motive, as a reliable hedge against inflation and as a safe asset in times of high market volatility.

Figure 7: Quarterly Indian purchases of gold jewellery, bar and coin vis-à-vis average gold price movements



Source: World Gold Council data, ICRA Analytics analysis

WGC data on Indian gold premia/discounts (relative to the global gold price) show that Indian gold bullion dealers have been forced to sell gold to jewellers and industries at a discount since early 2020, and at least at zero premia for the past several months. This is reflective of weak consumer gold demand and ties in with the pre-pandemic economic downturn.



Source: World Gold Council data, ICRA Analytics analysis

ICRA Analytics View: Based on several market expert forecasts which anticipate gold prices to average USD1841/ounce by the end of CY2021 and USD1785/ounce for CY202223, and given the national and global macro outlook for FY2022 and FY2023, ICRA Analytics expects gold prices to be fairly flat and at correctional levels from the highs of FY2021. The key macro indicators driving the gold price outlook in India are a successful COVID-19 vaccination regime implementation in India, enabling full re-opening of domestic and international economic activity, along with potential marginal upside to Indian gold prices from the high inflation trajectory (see Driver #4). Indian gold prices are closely linked to the global gold price at USD/oz, which in turn has several flashpoints in the upcoming 12 months - the ongoing global supply chain and energy crisis, China's domestic economic concerns, and the prospect for full resumption of global trade. As Figure 7 shows, upward trend in gold prices since 2010 are fairly sticky and the degree of correction from all-time highs is relatively low.

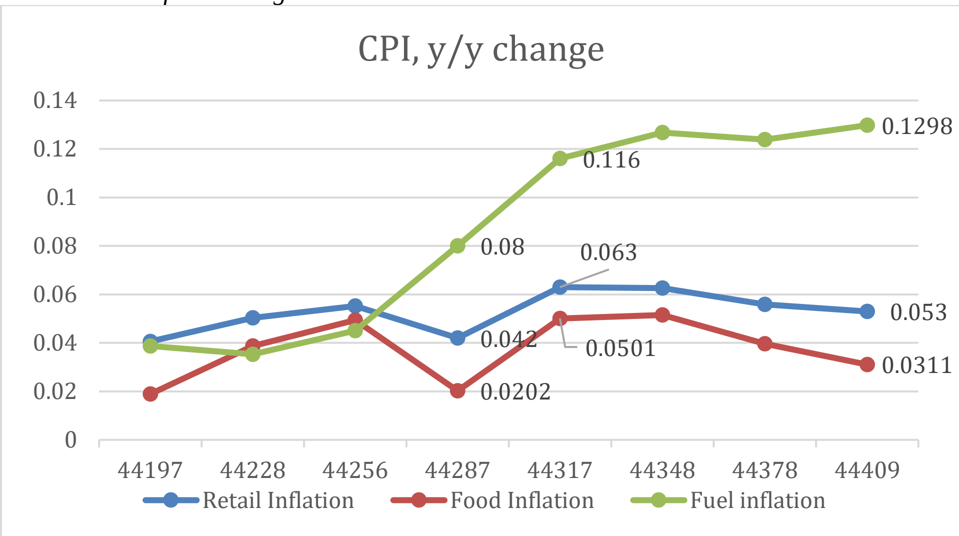
Driver #3: Timely Digitalisation

It has become a must for Indian banks and financial services providers to adapt and retool their product portfolio, processes, operations and strategies to align with the rapidly evolving make-up of customer financial behaviour as the latter becomes more and more technology-savvy. With the high and increasing penetration of smartphones among Indians, regardless of region or income/education levels, and the boom in popularity of internet banking, mobile banking and payment apps and wallets to conduct transactions, it is no longer sufficient to rely on the traditional model of physical in-branch activity for new customer acquisition, product sales, and customer service. This need has become more acute in recent months given the impact of the nationwide, and later state- and city-wide, lockdowns on the viability of the physical interaction model.
Specialised gold loan NBFCs have been the quickest to subscribe to the digital revolution, and therefore were able to adapt smoothly in the weeks post-lockdown.

Driver #4: Stagflationary concerns

FY2021 began not just with the devastating second wave of the COVID-19 pandemic, but a series of months marked by very high inflation, measured by CPI, in retail, food and fuel and light (covering cooking gas as well as petrol and diesel), even breaching the RBI's inflation tolerance level of 6% for a few months in a row as seen below:

Figure 9: Recent Indian inflation surge



Source: MOSPI and RBI statistics, ICRA Analytics analysis

Petrol and diesel prices are now firmly in the Rs 100 per litre territory throughout most of the country, while LPG cooking gas cylinder prices are regularly hiked each month and are nearly Rs 900 per 14.2kg cylinder as of October 2021 vs Rs 538.95 for the same unit in October 2019. While food inflation dipped slightly below the highs of Q1 2021-22, the on-ground retail prices for essential foodstuffs are likely to be sticky, i.e. unlikely to come down significantly from higher prices set by retailers, and definitely more expensive compared to 2019.

Households, already constrained by lower incomes due to restricted economic activity and unemployment, now have to deal with financing the basic necessities of life, namely essential foodstuffs, petrol, and cooking gas, as well as other consumer staples which have seen their prices rise due to not only higher petrol costs but also higher raw material, commodity, and power costs as a result of the global supply chain crisis.

In such a situation, not only do gold loans present a feasible channel of short-term and more accessible financing, but also investment in gold jewellery now looks more attractive as a hedge against inflation and as a future financing channel. With the RBI sticking to its accommodative stance and unlikely to increase policy rates any time soon from the current 4%, gold does appear a more reliable hedge against inflation than cash and most bank saving products, even if gold prices are unlikely to breach the Rs 50,000/10 gm mark any time in the medium term.

Driver #5 (Special Driver) – The Economic Aftermath of the Covid-19 pandemic

The impact of the pandemic in 2020 and the second wave in 2021 and the resultant lockdowns has badly dented the economy in a double whammy, as hundreds of thousands of victims died of the disease, business activity and transportation ground to a halt for several weeks, leaving millions jobless and households without their primary earners. Hundreds of thousands of migrant labourers were forced to trek home, and not many of them will be able to return to resume work until and unless intrastate and interstate transportation is fully restored, and states are willing and prepared to welcome them back. With offices, schools, colleges, theatres, hotels, sports arenas, and other large locations of commerce and activity shut, the trickle-down adverse effect on businesses that service these markets has been an immense and sudden flood. The result is a widespread network of millions of households and small enterprises in financial distress.

Despite measures such as continuous decrease in interest rates designed to stimulate bank lending and central and state government actions to provide essential grains and goods, households in distress turned to gold lenders, whether in formal or informal finance, to raise cash for basic needs in a very short amount of time. To exacerbate this issue, inflation of essentials such as foodgrains, vegetables, cooking fuel, and petrol has consistently surged in the first half of FY2022, further squeezing household purchasing power for necessities. The need to raise funds in the absence of any other revenue/relief stream could continue for several months till the time economic activity returns to pre-2020 levels.

From an investor point of view, the stock market has not escaped the impact of the shutdown in business and manufacturing and thus equity investments have seen reduction in value as well as increased volatility. Global trade has been greatly weakened by border closures and supply chain crises, and the rupee has also weakened vis-à-vis fiat currencies as Indian GDP and manufacturing indices contracted severely in Q1and Q2 2021-22.

Across the economic pyramid, gold loans could be very important not only as an urgent liquidity channel, but also as a safe haven against price volatility in other assets such as equities and mutual funds, a more lucrative asset compared to fixed deposits and savings accounts given the steady reduction in key interest rates.

ICRA Analytics View: ICRA Analytics sees increased uptake of gold loans from not only individuals and households meeting basic sustenance and financial needs in a time of deep stress, but also small and medium enterprises trying to raise working capital to restart business and pay salaries. This could result in a higher growth rate in the volume and number of gold loans disbursed in the fiscal years 2022 to 2023 compared to earlier years as banks move in and expand activity in this segment, in which they had largely participated only marginally in earlier years. This growth may taper off in 2023 or earlier if widespread economic recovery occurs and is sustained, inducing banks to move back towards corporate and larger-ticket retail lending.

All-In Outlook:

ICRA Analytics has estimated the size of the formal Indian gold loan market in FY2021 to be Rs. 2,903.65 billion, which reflects an atypical 42.7 per cent increase year-on-year vis-à-vis FY2020.

For FY2022 and FY2023, we expect the gold loan market in India to grow at a rate of 12 to 14 per cent, to a maximum quantum of Rs. 3,774 billion by the end of FY2023. On the demand side, an increasing number of individuals, households, and businesses in India are likely to avail of gold loans in a time of tighter credit and high inflation as well as increased unemployment and double-digit negative economic growth, tightening credit norms for other financial products, and may continue to borrow on a repeated basis (re-pledging their gold collateral to draw further new loans), thereby leading to a quasi-multiplier effect. On the supply side, banks have already reshaped their strategic thrust towards a multi-fold growth in their gold loan assets whilst upgrading their existing digital lending platforms to make their turnaround time and pricing more competitive.

For FY2024, FY2025, and FY2026, we expect that as the global and domestic economy enters a gradual recovery underpinned by widespread COVID-19 vaccine regimes and restoration of global and local economic activity, gold prices shall see a gradual correction while the credit environment opens up and the financial health of households and small enterprises improve. Thus, there will be a shift in borrowers' motive for using gold loans away from urgently assuaging financial distress towards the traditional motive of meeting financial goals or reasonable needs (such as health, education, and marriage). This will lead to a correction in the growth of gold loans to 10 per cent-12 per cent for FY2024-26, culminating in a total organised gold loan market size of maximum Rs. 5,301 billion by the end of FY2026. These projections must be weighed against key risks, which include a longer-than-expected duration of pandemic, climate crisis events, a delayed or volatile economic recovery, and/or adverse regulation or policy reforms.

OUR BUSINESS

In this section any reference to "we", "us" or "our" refers to Muthoot Fincorp Limited. Unless stated otherwise, the financial data in this section is according to our Reformatted Ind AS Consolidated Financial Statements, Reformatted Ind AS Standalone Financial Statements prepared in accordance with the requirements of the SEBI NCS Regulations and the Companies Act set forth elsewhere in the Prospectus.

The following information should be read together with the more detailed financial and other information included in the Prospectus, including the information contained in the chapter titled "Risk Factors" on page 17.

Overview

We are, a non-deposit taking, systemically important NBFC registered with the RBI bearing registration no. 16.00170 dated July 23, 2002 under Section 45 IA of the RBI Act. Our Company is one of the prominent gold loan players in the Indian market. From FY2016 to FY2022, Muthoot Fincorp has shown a significant increase in its Gold Loan Portfolio at a compound annual growth rate of around 15 % *(Source: IMaCS Report).* The personal and business loans secured by gold jewellery and ornaments ("**Gold loans**") offered by our Company are structured to serve the business and personal purposes of individuals who do not have ready or timely access to formal credit or to whom credit may not be available at all, to meet unanticipated or other short-term liquidity requirements.

The Gold loan portfolio of our Company as of March 31, 2022 comprised approximately 33.12 lakhs loan accounts. As of March 31, 2022, our Company operated out of 3,657 branches located across 24 states, including union territory of Andaman and Nicobar Islands and the national capital territory of Delhi and employed 17,031 employees including 199 contracted experts in its operations.

We have been engaged in the Gold loans business for over two decades and are headquartered in Kerala, India. Our Company provides retail loan products, primarily comprising of Gold loans. Our Gold loan products include Muthoot Blue Guide Gold loan, Muthoot Blue Bright Gold loan, Muthoot Blue Power Gold loan, Muthoot Blue Bigg Gold loan, Muthoot Blue Smart Gold loan and 24x7 Express Gold loan. The product of our Company, the "24x7 Express Gold loan" can be utilised by individuals who require quick loans against their gold jewellery and who have an existing loan with the Company. This is a type of top up loan. "Smart Plus Gold loan", the other Gold loan variant of our Company is specifically designed for salaried customers, with tenure of up to 24 months.

For the Fiscal 2022, Fiscal 2021 and Fiscal 2020 revenues from our Gold loan business constituted 93.04%, 93.60% and 87.84% of our total income on standalone basis as per Ind AS, respectively. For the Fiscal 2022, Fiscal 2021 and Fiscal 2020 the gold loan portfolio of our Company earned an interest of ₹ 3,09,629.21 lakhs, ₹2,91,839.88 lakhs and ₹ 2,39,327.28 lakhs on standalone basis as per Ind AS, respectively.

In addition to the Gold loan business, our Company provides foreign exchange conversion and money transfer services as sub-agents of various registered money transfer agencies. Our Company is also engaged in following business:

i. generation and sale of wind energy through its wind farms located in Tamil Nadu; and

ii. real estate business through joint venture developers of the company owned land parcels;

Main Business of our Subsidiary Companies

Our Company's subsidiaries are engaged in the following businesses:

i. our subsidiary Muthoot Housing Finance Company Limited providing affordable housing loans; and
ii. our subsidiary Muthoot Microfin Limited, providing micro credit facility to aspiring women entrepreneurs;

Our Company is also authorised to act as a depository participant of CDSL as category II.

Our Company is a part of the "Muthoot Pappachan Group" which has diversified business interests ranging from hospitality, financial services, inflight catering, infrastructure for information technology, automobile sales and services and real estate.

Our gross loans under management as of March 31, 2022, March 31, 2021 and March 31, 2020 was ₹ 17,32,313 lakhs, ₹18,68,938 lakhs and ₹14,14,013 lakhs, respectively on a standalone basis as per Ind AS. For the period ended March 31, 2022, March 31, 2021 and March 31, 2020, our Company held 54.03 tonnes, 59.40 tonnes and 50.59 tonnes of gold jewellery respectively, as security for all Gold loans.

Our capital adequacy ratio as of March 31, 2022, March 31, 2021 and March 31, 2020 computed on the basis of applicable RBI requirements was 19.42%, 16.85% and 19.56%, respectively, on standalone basis as per Ind AS, compared to RBI stipulated minimum requirement of 15%, with Tier I Capital comprising 14.73%, 12.09%, and 13.04%, respectively.

Our Stage 3 Assets as a percentage of total loan assets as per Ind AS was 2.88%, 1.92% and 1.86% as of March 31, 2022, March 31, 2021 and March 31, 2020, respectively. Our Stage 3 Assets net of Stage 3 Provision as per Ind AS as on March 31, 2022, March 31, 2021 and March 31, 2020 were 1.57%, 1.01% and 0.61 %, respectively, on a standalone basis.

Our Competitive Strengths

We believe that the following competitive strengths position us well for continued growth:

The Company is one of the largest Indian NBFCs engaged primarily in the Gold loans business in terms of the size of our Gold loans portfolio. Accordingly, we have extensive experience and a strong brand image and track record in the Gold loans business across India.

We believe that the "Muthoot Pappachan" and the "Muthoot Fincorp" brands are well established in the Gold loans business predominantly in South India. We have been engaged in the Gold loans business for over 25 years (twenty five) and as an NBFC specializing in the Gold loans business, we believe that we have created a niche in the Gold loans market by meeting the expectations of a typical Gold loan customer. Our Company is one of the three largest Indian NBFCs engaged primarily in the Gold loans business in terms of the size of our Gold loans portfolio (Source: IMaCS Report). A typical Gold loan customer expects rapid and accurate appraisals, easy access, low levels of documentation and formalities, quick approval and disbursal of loans, lockers to ensure safety of pledged gold and a team of expert valuers. We believe we meet those expectations. We attribute our growth, in part, to our market penetration, particularly in areas less served by organised lending institutions and the efficient and streamlined procedural formalities which our customers need to complete in order to complete a loan transaction with us, which makes us a preferred medium of finance for our customers. Our targeted focus on the otherwise fragmented nature of this market segment, widespread branch network particularly in South India, as well as our large customer base has enabled us to build a strong brand. We also attribute our growth to customer loyalty which in turn leads to repeat business. We believe that a large portion of our customer base returns to us to avail credit facility when they are in need of funds. Our efficient credit approval procedures, credit delivery process and Gold loan products designed to suit the requirements of our customers have also aided in increasing customer loyalty which in turn leads to repeat business.

Widespread Branch Network and Strong Presence in South India

As on March 31, 2022, the Company had 3,657 branches located across 24 states, including union territory of Andaman and Nicobar Islands and the national capital territory of Delhi, with a significant presence in South India. The customers of the Company are typically retail customers, small businessmen, vendors, traders, farmers and salaried individuals, who for reasons of convenience, accessibility or necessity, avail of our credit facilities by pledging their gold with us rather than by taking loans from banks and other financial institutions. A significant proportion of the Company's branches are located in rural locations and in semi-urban locations. We believe that we have a wide reach in rural markets as compared with other competition in this category. This reach in rural and semi-urban locations gives the Company an added advantage of being able to reach out to a large set of potential rural customers. Having such a network enables us to service and support our existing customers from proximate locations which gives our customers easy access to our services and enables us to reach new customers especially potential rural customers. We believe we can leverage on this existing network for further expansion and for fulfilling our customer requirements.

High-quality customer service and short response time

The products and services of the Company are aligned to the lifestyle needs of its customers. We adhere to a strict set of market survey and location guidelines when selecting branch sites to ensure that our branches are set up close to our customers. We believe that our customers appreciate this convenience, as well as extended operating hours that we typically offer, which are often more compatible with our customers' work schedules. Various loan products tailor made for MSME and salaried / household segments are offered. In addition to the physical environment, it is equally important to have professional and attentive staff at both the branch level and at our regional and centralised customer support centers. Each of the Company's branches across India is staffed with persons who possess local knowledge and understanding of customers' needs and who are adequately trained to appraise collateral and disburse loans within a few minutes. Although disbursement time may vary depending on the loan ticket size and the number of items pledged, we endeavour to service the customers within a short span of time. Furthermore, since our loans are all over-collateralized by gold jewellery, there are minimal documentary and credit assessment requirements, thereby shortening our turnaround time. We believe our high-quality customer service, short response time and different product variants are significant competitive strengths that differentiate our services and products from those provided by commercial banks and other NBFCs.

Access to a range of cost-effective funding sources

The Company predominantly access capital/ funding by means of term loans from banks, issuances of redeemable non-convertible debentures on a private and or public placement basis, issuances of commercial paper and cash credit facilities from banks including working capital loans. The Company has in the past issued secured redeemable non-convertible debentures on a private placement basis as a means to access capital/funding for its Gold loan business. The Company utilises funds from a number of credit providers, including nationalized banks and private Indian banks, and its track record of prompt debt servicing has allowed it to establish and maintain strong relationships with these financial institutions. The Company also issued subordinated debt which is considered as Tier II Capital of the Company. The Company has /undertaken securitization/ assignment transactions to increase the efficient use of its capital and as a cost effective source of funds. As of March 31, 2022, the total secured borrowings utilised by the Company aggregated to ₹ 15,32,946.05 lakhs and unsecured borrowings utilised by our Company aggregated to ₹ 2,38,526.64 lakhs and zero outstanding securitization, respectively.

As on date of the Prospectus, the Company has been assigned CRISIL A+ (Stable) rating by CRISIL and BWR A+(Stable) rating by Brickworks for our bank facilities respectively, CRISIL A+/Stable rating by CRISIL and BWR A+/Stable rating by Brickworks for our various non-convertible debt instruments, CRISIL A-(Stable) for ₹30,400 lakhs and BWR A (Stable) rating by Brickworks for ₹37,400 lakhs of perpetual bonds and "CRISIL A1+" rating by CRISIL for its short term debt programme. Brickworks has assigned a BWR A1+ (Outlook: Stable) rating for our short term debt programme. Crisil A+/Stable rating by CRISIL and BWR A+/Stable by Brickworks for Subordinated Debt issue of ₹ 5,000 lakhs.

xperienced senior management team and a skilled workforce

The Board of Directors consists of six Directors (including the Promoters) with extensive experience in the financial services sectors. The Promoters and key managerial personnel have significant experience and in-depth industry knowledge and expertise. In order to strengthen the credit appraisal and risk management systems, and to develop and implement credit policies, the Company has hired a number of senior managers who have extensive experience in the Indian banking and financial services sector and in specialized finance firms providing loans to retail customers. We believe that the in-depth industry knowledge and loyalty of our management and professionals provide us with a distinct competitive advantage.

Further, the Company has been successful in attracting, fostering and retaining the best talent. The recruitment and business strategy has been seamlessly aligned right through the years and this strong pool of talent gives the Company a competitive edge in its growth. For recruiting, the Company has a well laid down recruitment policy which includes minimum standards that a prospective candidate should meet. The prospective candidate is rated on various factors like qualifications and academic knowledge, communication skills, family background, experience in relevant field, personality, mental ability and behavioral competencies. The employee welfare initiatives like provident funds, group mediclaim policy etc. ensures a conducive work environment for all. To uphold its performance-oriented culture, the Company conducts training programmes and online skill assessments on a periodic basis, continuously monitoring and augmenting the performance level of the employees.

Our Strategies

The business strategy of the Company is designed to capitalize on its competitive strengths and enhance its market position. Key elements of its strategy include:

Further grow our Gold loan business

Historically, Indians have been one of the largest consumers of gold due to the strong preference for gold jewellery among Indian households and its widespread use as a savings instrument. Rural India population views investment in gold as a fallback option in the times of need. As a result, the market for Gold loan financing in India is largely untapped and offers good potential for further growth.

We intend to increase our presence in under-served rural and semi-urban markets, where a large portion of the population has limited access to credit either because they do not meet the eligibility requirements of banks or financial institutions, or because credit is not available in a timely manner at reasonable rates of interest, or at all. A typical Gold loan customer expects rapid and accurate appraisals, easy access, low levels of documentation, quick approval and disbursement and safekeeping of their pledged gold. We believe we meet those expectations, and thus our focus is to expand our Gold loan business.

Expansion of business into Tier 2 and Tier 3 tows and in select Tier 1 cities across India

In addition to our continuing focus on rural and semi-urban markets in the states that we are present, we are also focusing on opening branches in Tier 2 and Tier 3 towns and in select Tier 1 cities where we believe our business has high growth potential. We carefully assess the market, location and proximity to target customers when selecting branch sites to ensure that our branches are set up close to our target customers. We believe our customers appreciate this convenience and it enables us to reach new customers.

In-house training capabilities to meet our branch requirements

The Company has been continuously investing in developing advanced learning solutions for preparing its employees for the future as well as to equip them with necessary skills to cater to the ever-increasing needs of its customers. The training department is functioning under the Department of Training & Development. The department understands that it has a key role to play in keeping the employee's aspirations and organizational goals aligned. They work on the principle that better knowledge helps employees to serve customers better.

Target new customer segments

The market for our loan products was traditionally confined to lower and middle income groups, who viewed Gold loans as an option of the last resort in case of emergency. We intend to undertake sustained marketing efforts to diminish the stigma attached to pledging gold jewellery in India. We have introduced new product variants to expand our customer base to include small traders, upper-middle income and upper income groups. We intend to emphasize our Gold loan products' key advantages of expediency and minimal documentation and alter the image of Gold loans from an option of the last resort to an option of convenience.

Strengthening our Brand Equity

Staying true to our purpose "To transform the life of the common man by improving their financial well-being", which stems from the life and values of our founder Muthoot Pappachan, we have constantly strived to "**Empower Human Ambitions (our Group Credo)**", by offering our customers with innovative and simple products, in sync with their needs and desires.

We, at Muthoot Pappachan Group, or as we are fondly called "**Muthoot Blue**", believe in supporting and giving wings to the "ambitions" of all our customers. Our un-flinching adherence to our Group Credo and values of – integration, collaboration and excellence, all under our over-arching value of TRUST, made us come up with our Brand Positioning - **"Blue Is Belief".** Blue is the color of the sea and the sky; it is all pervasive, all encompassing. In line with this definition of "Blue", we have our brand positioning of **"Blue Is Belief"**, the belief that we can fly higher, the belief that there is so much more to achieve!

Staying true to our brand positioning, we came up with our "**Blue Soch Campaign**" in 2018. Blue Soch is the belief that with hard work and determination, one can move mountains. It is this very belief that helps us "empower our customers" towards a better tomorrow.

Particularly regarding nano, micro, small and Medium Enterprises ("**NMSME**"). We brought in a new campaign #RestartIndia that is empathetic and in line with our higher purpose. We developed a portal www.restartindia.in, launched by Shri Nitin Gadkari, Union Minister for MSME, a one-stop solution that gives free mentoring support to the NMSME sector. This was an initiative taken by the management to the doorsteps of the common man.

To set the ball rolling on this holistic idea of #RestartIndia, as an initial step, we came out with a multi-lingual campaign to instill confidence in the common man. This was aired across India on digital and electronic platforms. We also came out with multiple advertisements in national dailies to instill the confidence of the people back.

To completely rejuvenate the NMSME sector, after bringing in hope, confidence; providing financial services; free advice, and mentoring support; the next important step is to make sure that they have adequate demand for their offerings. So, to have a demand Increase for this sector was the next leg of the campaign. As part of this initiative, we ran a 'Shopping Festival' as a pilot campaign "Muthoot Blue Shopping Dhamakka" in Southern Districts of Kerala, wherein more than 12 lakh consumers participated and it helped increase revenue for more than 12000+ small businesses. We plan to take this campaign to other parts of the country as a whole in the coming days.

The disruptive changes and innovations are creating new market and opportunities for NMSMEs. Our Company has made the decision to expand its horizons in this segment; and as a first step, a secured and unsecured lending business team is being formulated. We believe that this vertical will leverage fresh talent, explore wider market opportunities, optimise the existing market opportunities and help in growing the secured and unsecured lending business. Our Company will continue to deliver end-to-end solutions tailored to our target group of NMSME(s).

Our Company is associated with Royal Challangers Bangalore ("**RCB**") as their title sponsors, and in the IPL 2022, we ran a series of adverstisements in digital media, print media and on television. The advertisements featured the players of RCB. This association has helped the company in marking our place in the market and has effectively communicated our services to the general public, and subsequently increasing our brand visibility.

Continue to implement advanced processes and systems

We have invested and continue to invest in latest technology, systems and processes to create a stronger organization and ensure good management of customer credit quality. Our information technology strategy is designed to increase our operational and managerial efficiency. This year we have planned to upgrade our CRM systems to serve our customers with even better services and faster turnaround time. With this system we have planned to integrate all our group company systems to provide One Muthoot Blue Customer experience. planning to enhance our analytics capabilities to extract deeper insights about customers which would help us in designing better products and services for them.

Digitalization and ecosystem partnership

In an attempt to modernize their IT Infrastructure. The Muthoot Pappachan Group has tied up with UST Global for outsourcing of our IT Infrastructure as a turnkey management solution, thus embarking on the path of digitalization. This new state-of-the-art IT Infra will enable powerful new age applications which will drive growth/customer experience and allow us in focusing on our core business.

In the recent times fintechs, working in the domain of digital lending are experiencing the demand of gold loans. We are partnering with such digital players to enhance the distribution network of our company's product and services.

Muthoot Fincorp along with its associated companies has acquired stake in Speckle Internet Solutions Private Ltd ("**Paymatrix**"), a Fintech start-up through a combination of primary and secondary investment, with an objective to play a key role in the growth plan of our Digital initiatives. Paymatrix will be our delivery vehicle to create and incubate any new digital platform/product.

Strengthen our operating processes and risk management systems

Risk management forms an integral part of our business as we are exposed to various risks relating to the Gold loan business. The objective of our risk management systems is to measure and monitor the various risks we are subject to and to implement policies and procedures to address such risks. We intend to continue to improve our operating processes and risk management systems that will further enhance our ability to manage the risks inherent to our business. We have internal audit systems which consists of audit and inspection, for risk assessment and internal controls. The audit system comprises of accounts audit and gold appraisal. In accordance with our internal audit policy, all of our branches are subject to surprise gold audit every month and accounts audit once in very four months. Further the staffs are strictly advised to make the acid test, sound test etc., at the time of making the pledge for checking whether the ornament is of acceptable quality or not. For example, we have commenced installing offsite surveillance cameras in our branches and intend to implement this across our branch network. Tamper evident envelopes have also been introduced in all branches across the country to reduce frauds.

We have invested in our technology systems and processes to create a stronger organization and ensure good management of customer credit quality. Our information technology strategy is designed to increase our operational and managerial efficiency. We continue to implement technology led processing systems to make our systems and processes more efficient to augment the benefits of our relationship based approach. We also believe that deploying strong technology systems will enable us to respond to market opportunities and challenges swiftly, improve the quality of services to our customers, monitor our process and performance and improve our risk management capabilities.

Please see sections *titled "Risk Factors" and "Outstanding Litigations and Defaults"* on pages 17 and 324, respectively.

Key Operational and Financial Parameters on an unconsolidated basis

The table below sets out the key operational and financial parameters of the Company as of Fiscal 2022, Fiscal 2021 and Fiscal 2020 as per Ind AS:

(*₹ in lakhs*)

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Balance Sheet			
Net Fixed Assets	39,853.01	42,147.49	45,760.00
Current Assets	19,43,306.03	19,31,871.01	14,08,711.99
Non-Current Assets	347,071.05	3,02,157.34	3,61,178.87
Total Assets	22,90,377.08	22,34,028.35	17,69,890.86
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)	775,898.88	7,06,683.49	6,70,673.08
Financial (borrowings, trade payables, and other financial liabilities)	749,484.62	6,79,333.35	6,39,014.47
Provisions	2,746.00	2,629.82	2,218.01
Deferred tax liabilities (net)	23,668.26	24,720.32	29,440.60
Other non-current liabilities	-	-	-
Current Liabilities (including maturities of long-term borrowings)	11,69,528.87	12,07,266.06	8,03,779.68
Financial (borrowings, trade payables, and other financial liabilities)	11,67,680.17	12,05,806.43	7,99,848.36
Provisions	213.81	194.00	162.88
Current tax liabilities (net)	-	-	287.56
Other current liabilities	1,634.89	1,265.63	3,480.88
Equity (equity and other equity)	344,949.33	3,20,078.80	2,95,438.08
Total equity and liabilities	22,90,377.08	22,34,028.35	17,69,890.86
Profit and Loss			
Total revenue	332,791.64	3,23,298.46	2,72,467.64
From operations	332,633.60	3,23,207.67	2,72,090.82
Other income	158.05	90.79	376.82
Total Expenses	285,978.01	2,73,841.27	2,42,039.31
Total comprehensive income	36,492.86	24,640.72	15,619.98
Profit / loss	34,685.13	36,953.74	21,907.51
Other comprehensive income	1,807.73	-12,313.02	-6,287.53
Profit / loss after tax	34,685.13	36,953.74	21,907.51
Earnings per equity share			
Continuing operations			
(a) basic	17.91	19.08	11.31
(b) dilute	17.36	19.08	11.31
Discontinued operations			
(a) basic	-	-	-
(b) dilute	-	-	-

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Total Continuing and discontinued operations			
(a) basic	17.91	19.08	11.31
(b) dilute	17.36	19.08	11.31
Cash Flow			
Net cash generated from operating activities	222,709.17	-4,40,126.12	-1,50,079.42
Net cash used in / generated from investing activities	-2,212.69	-2,705.48	-4,876.76
Net cash used in financing activities	-25,433.09	4,53,731.52	1,59,584.08
Cash and cash equivalents	235,980.59	40,917.19	30,017.28
Balance as per statement of cash flows	235,980.59	40,917.19	30,017.28
Additional information			
Net worth	344,949.33	3,20,078.80	2,95,438.08
Cash and Cash Equivalents	235,980.59	40,917.19	30,017.28
Current Investments	2,111.56	2,957.96	2,239.80
Assets Under Management	17,32,313.47	18,68,937.99	14,14,012.90
Off Balance Sheet Assets	-	1,111.52	1,75,389.25
Total Debts to Total assets	79.72%	81.89%	76.24%
Debt Service Coverage Ratios (times)*	0.58	0.94	0.98
Interest Income	318,760.74	2,98,476.23	2,39,311.54
Interest Expense	150,679.20	1,55,277.73	1,27,279.35
Interest service coverage ratio (times)*	1.35	1.37	1.33
Provisioning & Write-offs	7,152.74	5,041.91	7,959.93
Bad debts to Account receivable ratio*	0.00%	0.20%	0.35%
Gross NPA (%)	2.88%	1.92%	1.86%
Net NPA (%)	1.57%	1.01%	0.61%
Tier I Capital Adequacy Ratio (%)	14.73%	12.09%	13.04%
Tier II Capital Adequacy Ratio (%)	4.69%	4.76%	6.52%

***Notes**

Debt Service Coverage Ratio = (PAT + Interest + Depreciation) / (Interest + Principal repayments of Term Loans)
Interest Service Coverage Ratio = (PAT + Interest + Depreciation) / (Interest costs)
Bad debts to Account receivable ratio = Bad debts written off / (Trade Receivables + Loans)

Key Operational and Financial Parameters on a consolidated basis

The table below sets out the key operational and financial parameters of the Company on consolidated basis as of and for the Fiscal 2022, Fiscal 2021 and Fiscal 2020 as per Ind AS.

(₹ in lakhs)

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Balance Sheet			
Net Fixed Assets	45,345.82	47,435.17	50,935.38
Current Assets	23,42,410.5	22,30,548.64	16,47,450.77
Non-Current Assets	499,823.47	3,97,905.63	4,76,730.23
Total Assets	28,42,233.98	26,28,454.27	21,24,181.00
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)	10,20,309.85	8,75,958.41	8,69,097.88
Financial (borrowings, trade payables, and other financial liabilities)	10,15,427.85	8,73,248.26	8,63,526.75
Provisions	886.86	2,476.58	2,364.57
Deferred tax liabilities (net)	3,995.14	233.57	3,206.56
Other non-current liabilities	-	-	-
Current Liabilities (including maturities of long-term borrowings)	14,48,808.06	14,49,025.81	9,89,780.35
Financial (borrowings, trade payables, and other financial liabilities)	14,46,129.63	14,46,860.54	9,85,199.83
Provisions	303.7	249.61	185.72
Current tax liabilities (net)	58.26	-	287.56
Other current liabilities	2,316.47	1,915.66	4,107.23
Equity (equity and other equity)	373,116.06	3,03,470.05	2,65,302.78

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Total equity and liabilities	28,42,233.98	26,28,454.27	21,24,181.00
Profit and Loss			
Total revenue	435,513.34	4,10,119.36	3,76,598.51
From operations	435,355.3	4,10,028.57	3,76,221.69
Other income	158.04	90.79	376.82
Total Expenses	379,827.13	3,56,872.99	3,41,304.32
Total comprehensive income	44,583.81	37,960.78	25,845.85
Profit / loss	41,255.11	39,728.13	25,792.81
Other comprehensive income	3,328.70	-1,767.34	53.04
Profit / loss after tax	41,255.11	39,728.13	25,792.81
Earnings per equity share:			
Continuing operations			
(a) basic	20.22	20.14	12.75
(b) diluted	19.60	20.14	12.75
Discontinued operations			
(a) basic	-	-	-
(b) diluted	-	-	-
Total Continuing and discontinued operations			
(a) basic	20.22	20.14	12.75
(b) diluted	19.60	20.14	12.75
Cash Flow			
Net cash generated from operating activities	106,541.72	-5,12,089.73	-1,88,183.09
Net cash used in / generated from investing activities	-12,980.55	-12,025.05	32,872.90
Net cash used in financing activities	122,692.84	4,73,093.02	2,09,409.65
Cash and cash equivalents	315,233.84	98,979.83	1,50,001.60
Balance as per statement of cash flows	315,233.84	98,979.83	1,50,001.60
Additional information			
Net worth	373,116.06	3,03,470.05	2,65,302.78
Cash and Cash Equivalents	315,233.84	98,979.83	1,50,001.60
Current Investments	6,187.95	3,252.48	4,870.69
Assets Under Management	23,22,035.20	23,37,538.08	17,95,792.52
Off Balance Sheet Assets	167,158.19	1,50,664.53	3,98,083.66
Total Debts to Total assets	82.57%	85.16%	81.81%
Debt Service Coverage Ratios (times)*	0.43	0.60	0.62
Interest Income	407,859.45	3,77,880.19	3,16,386.61
Interest Expense	193,611.95	1,93,976.87	1,65,305.14
Interest service coverage ratio (times)*	1.32	1.32	1.29
Provisioning & Write-offs	1,9061.92	18,984.61	36,902.36
Bad debts to Account receivable ratio *	0.46%	0.66%	1.04%
Gross NPA (%)	3.64%	2.85%	2.81%
Net NPA (%)	1.90%	1.40%	1.18%
Tier I Capital Adequacy Ratio (%)	14.73%	12.09%	13.04%
Tier II Capital Adequacy Ratio (%)	4.69%	4.76%	6.52%

***Notes**

Debt Service Coverage Ratio = (PAT + Interest + Depreciation) / (Interest + Principal repayments of Term Loans)
Interest Service Coverage Ratio = (PAT + Interest + Depreciation) / (Interest costs)
Bad debts to Account receivable ratio = Bad debts written off / (Trade Receivables + Loans) equity ratio

Debt Equity Ratio

For details of the debt-equity ratio of our Company, see "*Capital Structure*" beginning on page 49.

Loan-Book as on March 31, 2022, March 31, 2021 and March 31, 2020

The product-wise loan book of the Company as on March 31, 2022, March 31, 2021 and March 31, 2020 as per Ind AS is as follows:

Particulars	Total Book Size (₹ in lakhs) as of			% of Total Book Size (%) as of		
	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2022	March 31, 2021	March 31, 2020
Gold loan	16,75,825	18,05,713	13,17,001	97%	97%	93%
Other Loan Receivables	56,489	63,225	97,012	3%	3%	7%
Total**	**17,32,313**	**18,68,938**	**14,14,013**	**100%**	**100%**	**100%**

***Gross loans including interest receivable*

Our Company's Business

Gold loans

Our core business is disbursement of Gold loans, which are typically small ticket loans secured by the pledge of gold jewellery. As of March 31, 2022, we had approximately 33.12 lakh Gold loan accounts, aggregating to ₹ 16,75,825.00 lakhs, which comprised 96.74% of our total loan portfolio.

For the Fiscal 2022, Fiscal 2021 and Fiscal 2020 revenues from our Gold loan business constituted 93.04%, 93.60% and 84.37% of our total income on standalone basis as per Ind AS, respectively.

For the Fiscal 2022, Fiscal 2021 and Fiscal 2020, our Gold loan portfolio yield (representing interest income on gold loans as a percentage of average outstanding of Gold loans), were 18.74%, 21.62% and 21.73% per annum, respectively, on standalone basis as per Ind AS.

Loan disbursement process

Initial Evaluation and Loan Origination Process

The principal form of security that we accept is wearable, household, used, gold jewellery. While these restrictions narrow the pool of assets that may be provided to us as security, we believe that it provides us with the key advantages. It filters out spurious jewellery that may be pledged by jewellers and goldsmiths. We find that household, used jewellery is less likely to be spurious or fake. The emotional value attached by each household to the pledged jewellery acts as a strong incentive for timely repayment of loans and revoking the pledge. As we only accept the pledge of household jewellery, the value of the pledged gold is typically only as much as the worth of gold that is owned by an average Indian household. This prevents our exposure to large sized loans where the chances of default and subsequent losses are high.

The amount that we finance against the pledged gold jewellery is typically based on a fixed rate per gram of gold content in the jewellery. We value the gold jewellery brought by our Gold loan customers based on our centralized policies and guidelines. We lend up to 75% of the 22 carat gold price based on 30 day average Mumbai Bullion Association price of 22 carat gold as per the recent RBI guidelines. While accepting the gold as collateral, as per the applicable regulatory norms, the Company gives a certificate of estimated purity of the appraised gold to the customer. If the gold is of purity less than 22 carats the Company translates the collateral into 22 carat and specifies the exact grams of the collateral. In other words, jewellery of lower purity of gold is valued proportionately. The certified purity is applied for determining the maximum permissible loan and the reserve price for auction. While jewellery can be appraised based on a variety of factors, such as total weight, weight of gold content, production cost, style, brand and value of any gemstones, we appraise the gold jewellery solely based on its gold content. Our Gold loans are therefore generally well collateralized because the actual value of the gold jewellery is higher than our appraised value of the gold jewellery when the loan is disbursed.

The amount we lend against an item and the total value of the pledged gold we hold fluctuates according to the market price of gold. However, an increase in the price of gold will not automatically result in an increase in the value of gold brought in by potential customers unless the rate per gram is revised by our corporate office. Similarly, since adequate margins are built in at the time of the loan disbursement and owing to the short tenure of these loans on average, a decrease in the price of gold generally has little impact on our interest income. However, a sustained decrease in the market price of gold could cause a decrease in the growth rate of Gold loans in our loan portfolio and interest income.

Gold loans are sanctioned only to genuine borrowers. Before sanctioning the Gold loan, the branch manager takes all precautions to ensure that the applicant, pledging the ornaments, is the owner of those ornaments and that the borrower is genuine. The branch manager obtains ID proof and photograph of the borrower and makes reasonable enquiry about the residence, job, personal details, ownership of the ornaments etc. and makes a note in the pledge form. We also undertake a field verification to authenticate the genuineness of the borrower in case of high value Gold loans. Since the disbursement of loans is primarily based on the value of collateral, the customer's creditworthiness is not a factor in the loan decision. However, we comply with 'know your customer' ("**KYC**") norms adopted by the Board of Directors and require proof of identification and address proof. Compliance with the KYC policies ensures that the personal data provided by a particular customer is accurate. We also photograph customers with web-cameras installed in our branches at the time of each pledge. For all loans, the customer must produce the original document that confirms the customer's identity and address, which could be a Government issued document, such as a passport, driver's license, Permanent Account Number ("**PAN**") card, election card or ration card. The KYC details (including proof of identity and the customer's photograph) are maintained electronically at every branch. The unique customer identification code (UCIC) provided to every customer ensures that the customer need not provide the ID proof again in future instances. For loans above ₹5,00,000 and below ₹10,00,000, the customer's gold is checked for its authenticity by our team of gold inspectors in the immediate vicinity or senior staff in nearby branch, followed by a background verification by the vigilance team after disbursal of the loan. For loans above ₹10,00,000 the gold is inspected by a gold inspector and the background of the customer is checked by our vigilance team before disbursal of the loan. Pursuant to the circular dated September 16, 2013 issued by the RBI, Gold loan NBFCs have been mandated to insist on a copy of the PAN card of the borrower for all transactions above ₹5,00,000. Further, where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams, NBFCs must keep record of the verification of the ownership of the jewellery. Our internal policies have been suitably modified.

Loan Approval process

The first step in the process is the appraisal and evaluation of the gold to be used as security for the Gold loan. Each of our branches has designated personnel for gold appraisal who operate in accordance with a clear policy regarding their function and responsibilities. The initial appraisal is performed by a trained employee who has experience in appraising the gold content of jewellery. The initial appraisal is then verified by another trained employee. This process involves several principal tests, which include the nitric acid test, the touchstone test and filling test. For loans above ₹5,00,000 and below ₹10,00,000, the customer's gold is checked for its authenticity by our team of gold inspectors in the immediate vicinity or senior staff in nearby branch, followed by a background verification by the vigilance team after disbursal of the loan. For loans above ₹10,00,000 the gold is inspected by a gold inspector and the background of the customer is checked by our vigilance team before disbursal of the loan. The gross weight of the gold jewellery is determined by weighing the jewellery. An amount in connection with the purity of the gold as also the weight is deducted from the gross weight to arrive at net weight. We have determined a constant percentage deduction that applies depending on the purity of the gold, which is based on the proportion of gold contained in the jewellery in relation to other metals. As purity decreases, the percentage deduction to the gross weight for arriving at the net weight increases. The weight of stones and other material that is embedded in the jewellery is also deducted from the gross weight to determine the net weight.

During the appraisal and evaluation, the customer fills the application form in his handwriting. Details required in the application form in connection with the gold purported to be provided as security are thereafter recorded by an appraiser after the gold has been appraised and evaluated. The application is then signed by both the customer and the appraiser/staff. The pledge form is then printed, one copy is maintained with the branch, and one copy is handed over to the customer. The disbursement of the loan from our branches at this stage is immediate. Loans of ₹ 2 lakh and above are disbursed only by way of bank transfer or cheque. The gold items are then packed and immediately stored in the strong room. We also have an option of transferring the amount to the customer's bank account for loans less than ₹2 lakh. Our Company provides loans up to 75.00% of the value of the gold jewellery based on the 30 day average Mumbai Bullion Association price of 22 carat gold as per the recent RBI guidelines. The remainder 25.00% is set aside as margin for the loan extended

<u>Post disbursement process</u>

Custody of gold collateral

The Gold ornaments pledged by the customers are kept in specially made tamper evident envelopes supplied to the branches for this purpose and then in plastic cover and then kept in a brown cover and sealed with a numbered sticker made for this purpose. The sticker no. is also entered in the system at the time of pledge. The details of the ornaments like item description and weight are noted on the packets. These ornaments are appraised by the appraiser and verified by the branch manager and joint custodian. The packets are then kept inside steel almirahs with a dual lock system in the strong room. When the packets/covers are kept inside, entry is made in the securities register which is also kept inside the strong room. In some of our branches where sufficient space is not available for building a strong room, the gold ornaments are stored in safes. The safes and strong rooms in which the gold jewellery is kept are built as per industry standards and practices. Pursuant to the circular dated September 16, 2013 issued by the RBI, the business of granting loans against the security of gold cannot be transacted at places where there are no proper facilities for storage/security of the gold jewellery. Further, no new branches can be opened without suitable storage arrangements having been made thereat.

Inventory control

The ornaments pledged are stored in serially numbered packets and entry is made in securities register under the joint signatures of the branch manager and the joint custodian. Entries are also made in this register at the time of release of the pledged ornaments. The cumulative number of packets inside the strong room as per the securities register is verified and tallied with the consolidated stock statement generated from the system at the end of the day, on a daily basis. The stock statement is also verified and tallied with the general ledger on the last working day of the month and at the time of internal audit and gold inspection.

Branch security and safety measures

Ensuring the safety and security of the branch premises is vital to our business since our cash reserves and gold inventory are stored in each branch. Our branch security measures mainly comprise the following:

1. Strong rooms where the gold ornaments and cash are kept are constructed as per RBI specifications.

2. Majority of our branches are provided with burglar alarms and fire alarms.

3. Security guards are deployed in 800 branches on the basis of potential security risks.

4. Surveillance systems consisting of CCTV cameras have been installed in a majority of our branches.

5. We have introduced ERT (Emergency Response Team) to ensure security of our branches and currently they cover 1,500 MFL branches, during night time. Each ERT will have 2 able-bodied male members in the age group of 25 to 45 years and they perform duties as Driver-cum-Guard. Each team will be entrusted with a cluster consisting of about 20 to 25 branches & these branches will be visited during night time. The ERT personnel will move around the branches in Branded and GPS enabled four-wheeler vehicles and check the surroundings to ensure the security and safety of branches and premises. ERT personnel are given class-room training and practical training by experienced officers in MPG SG who are retired officers either from Police or Military Forces. ERT Training, Reporting, Action Process, Monitoring, Documentation and Follow-up actions are conducted as per the Standard Operating Procedure (SOP) and Training Manual specially prepared by the MPGSG. Since the ERT vehicles are GPS enabled, it helps the Regional Control Rooms to effectively track and monitor its movements & performances.

6. We have 9 Regional Control Rooms across India to monitor the security and safety of our Branches, offices, sites, and valuable assets therein. All these Control Rooms (RCRs) are under the direct supervision and control of respective S&V Managers and Central Control Room (CCR) functioning at Thiruvananthapuram. In addition, we have another Control Room (Corporate Office Control Room) at our HO for facilitating, coordinating, and expediting variety of functions assigned to it by the Corporate Office, Senior Officials, Management Heads etc. All these 11 Control Rooms are in operation on all days on 24 X 7 basis and are manned by Retired Military Personnel.

Collection and Recovery Processes

At present our Gold loans have a tenure that vary from six-months to 12 months, however, customers may redeem the loan at any time prior to the full tenure. As per the current policy of our Company, interest is to be paid in accordance with the scheme. In the event that a loan is not repaid on time and after providing due notice to the customer, the unredeemed pledged gold is disposed of, on behalf of the customer in satisfaction of the principal and interest charges in accordance with the applicable RBI guidelines. Any surplus arising out of the disposal of the pledged gold is refunded to the customer or is appropriated towards any other liability by the borrower. In the event that the recoverable amount is more than the realisable value of the pledged gold, the customer remains liable for the shortfall.

Our Company has an internal collection process wherein a customer is intimated by means of short messaging service and phone calls in the event of defaults in repayment in a timely manner. When a customer does not repay a loan on or before its maturity, we initiate the recovery process and dispose off the pledged gold to recover the amount owed to us, including both the principal and accrued interest. Before initiating the recovery process, we inform the customer through registered letters or legal notices. We advise and encourage the customers to service the interest regularly to avoid migration of interest rates to higher slabs. Gold ornaments pledged with the company, if not redeemed within a period of 9 months / 12 months from the date of pledge, will be disposed by the company by way of public auction, after the expiry of 9 months/ 12 months (as the case may be) and seven days of grace. The Company will give due notice of auction to the customer by way of registered post/courier at least 15 days before the date of auction. Details about the auction will be published in a vernacular newspaper and also in a national daily.

Pursuant to the circular dated September 16, 2013 issued by RBI, the following additional stipulations have been made in respect to auctioning of gold jewellery:

1. Auction should be conducted in the same town or taluka in which the branch that has extended the loan is located;

2. While auctioning the gold, NBFCs have been mandated to declare a reserve price for the pledged ornaments. The reserve price for the pledged ornaments should not be less than 85% of the previous 30 day average closing price of 22 carat gold as declared by BBA and value of the jewellery of lower purity in terms of carats should be proportionately reduced;

3. NBFCs have been mandated to provide full details of the value fetched in the auction and the outstanding dues adjusted and any amount over and above the loan outstanding should be payable to the borrower; and

4. NBFCs shall disclose in their annual reports, the details of the auctions conducted during the Financial Year including the number of loan accounts, outstanding amounts, value fetched and whether any of its sister concerns participated in the auction.

Apart from Gold loans, we also provide financial assistance to micro MSMEs for their working capital needs which is known as “Muthoot Small Business Loans”

The features of MSME small business loans are given below:

These are business loans where target customers engaged in micro business sector (micro & small sectors) mostly in trading and service sectors. MSME loans offer a maximum loan amount of ₹25,000 and ₹2,00,000 respectively for various fund requirements like working capital needs, expansion of business etc. at nominal rates of interest and with daily instalment or monthly instalment options. MSME Small business loans are tailor made to manifest company’s vision to assist the common man to fulfil their business dreams and would contribute to the larger cause of financial inclusion.

Particulars of scheme	EDI Loans
Description	Daily instalment product designed to help small shops, which collect cash on daily basis
Target Customers	Very small proprietary concerns viz, kirana shops, medical shops, smaller cloth shops etc. which primarily transact in cash and doesn’t have enough documentation to prove business turnover and business vintage is above 2 year
Type of facility	Short Term Loan- Unsecured loan for 122 days tenure with 104 EDI payments for purpose of purchasing more inventory
Repayment Mode	Repayment to be made in Equated Daily Instalment (EDI) and Equated Weekly instalment (EWI)
Important Benefits to Borrowers	Easy to avail at nearest branch, fast processing and collection in cash on daily basis making it easier to repay faster

Particulars of scheme	EDI Loans
Minimum Loan Amount	₹ 25,000
Maximum Loan Amount	₹ 2,00,000
Instalment Payment	EDI daily collection by branch staff
Minimum Loan Tenure	104 EDI to be paid in 122 days

Other Business Initiatives

Money Transfer and Foreign Exchange Conversion Services

We provide fee based services including money transfer and foreign exchange services for the Fiscal 2022, Fiscal 2021 and Fiscal 2020, our money transfer and foreign exchange services business generated ₹ 913.87 lakhs, ₹ 755.04 lakhs and ₹1,661.78 lakhs, or 0.27%, 0.23% and 0.61% of our total income, respectively, on a standalone basis as per Ind AS. We act as direct agents for Western Union Money Transfer and as sub-agents to Indian representatives and enter into representation agreements for inward money transfer remittance. Under these agreements, we are entitled to receive a commission for the services provided depending on the number of transactions or the amount of money transferred and the location from which the money is transferred to us.

Wind Energy

Our Company is also engaged in the generation and sale of wind energy through our wind farms located in Tamil Nadu. We operate 19 wind turbine generators in the state of Tamil Nadu with a total installed capacity of more than 24 megawatts. For the Fiscal 2022, Fiscal 2021 and Fiscal 2020 income from our windmills business was ₹ 920.85 lakhs, ₹ 974.21 lakhs and ₹ 996.20 lakhs, or 0.28%, 0.30% and 0.37%, respectively, of our total income on a standalone basis as per Ind AS.

Other loans

Our Company has in the past disbursed loans secured against non-convertible debentures of the Company held by customers (issued on a private placement basis). However, pursuant to the guidelines on private placement introduced by the RBI, we will no longer be able to disburse such loans. As on March 31, 2022, ₹ 6.22 lakhs out of such loans remained outstanding. Further, our Company has also disbursed certain loans secured by a charge over immovable property.

Third party businesses

Pursuant to agreements entered into between the Company and some of its Group entities, the Company’s branches/ premises and officials are utilised in connection with the business operations of the Group entities such collection and disbursal of loans and sale of jewellery etc. The Company is entitled to a specific fee/ commission pursuant to these agreements. For further details, see section titled “*History and Certain Corporate Matters – Material Agreements*” and “*Financial Statements*” on pages 88 and 120, respectively.

Our Company’s Operations

Business Outlet Network

Over the years our Company has established a pan-India presence, with 3,657 branches located across 24 states, including union territory of Andaman and Nicobar, and the national capital territory of Delhi (as of March 31, 2022), with a significant presence in south India. The distribution of branches across India by region as ofMarch 31, 2022, March 31, 2021 and March 31, 2020 is as set out in the following table:

State	As of		
	March 31, 2022	March 31, 2021	March 31, 2020
Andaman & Nicobar	4	4	4
Assam	3	3	3
Andhra Pradesh	344	344	341
Delhi	110	110	108
Goa	11	11	11

State	As of		
	March 31, 2022	March 31, 2021	March 31, 2020
Gujarat	116	115	106
Haryana	73	73	64
Jharkhand	7	7	4
Karnataka	549	549	552
Kerala	797	798	827
Madhya Pradesh	46	45	35
Maharashtra	193	192	191
Orissa	56	56	45
Punjab	79	79	58
Rajasthan	65	65	59
Tamil Nadu	784	786	808
Telangana	251	251	248
Uttar Pradesh	62	61	48
Uttarakhand	5	5	6
West Bengal	88	87	79
Chattisgarh	2	2	-
Bihar	9	7	-
Himachal Pradesh	2	2	-
Jammu & Kashmir	1	-	-
Total	**3657**	**3,652**	**3,597**

As of March 31, 2022, the Company employed 17,031 employees including 199 contracted experts in its operations. Most of our branches operate with one branch manager and at least three customer service executives depending upon the transaction volumes in that branch. In addition to the customer service executives, certain branches also have a relationship manager. Further, each branch falls under the purview of an area manager, such area manager being in charge of a group of branches. The area managers report to a regional manager and all the regional managers in a particular State report to the relevant Zonal head.

The core role of each of our branches is to co-exist as sales cum servicing points for all the needs of our Gold loan customers. The branch manager and the senior most customer care executive act as the joint custodian for such gold jewellery. All our branches are computerized and connected with our central server located at Bangalore

Marketing, Sales and Customer Care

Our Company undertakes publicity through media, both print and electronic to increase the visibility of our brand. Our media plan ensures the visibility and reach of our Muthoot brand within the desired budget. These advertisements are carried out across various states wherever our Company has presence. This helps individual branches to target the public and thereby generate business from the locality. For Fiscal 2022, Fiscal 2021 and Fiscal 2020, our total advertisement expenditure was ₹ 8,384.85lakhs , ₹ 7,882.59 lakhs and ₹ 3,286.98 lakhs, respectively on a standalone basis as per Ind AS.

In promoting our brand, our advertisement campaigns focus on "**Blue is Belief**", to differentiate our loan products from other NBFCs and financial institutions and emphasize the convenience, accessibility and expediency of Gold loans.

Asset Quality

We maintain our asset quality through the establishment of prudent credit norms, the application of stringent credit evaluation tools, limiting customer exposure, and direct interaction with customers. In addition to our credit evaluation and recovery mechanism, our asset-backed lending model and adequate asset cover has helped maintain low gross and net NPA levels.

Details of Stage 3 asset and provisions thereon of our Company, as of the specified dates are set out in the table below:

(₹ in lakhs)

Particulars (as per Ind AS)	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Gross Stage 3 Assets for Gold loan	21,758.28	9,526.78	8,667
Gross Stage 3 Assets for Other Loans	28,201.01	26,431.67	17,593
Net Stage 3 Loans and advances	**27,190.39**	**18,937.67**	**8,569**
Net Stage 3 Assets to Net Loans and advances	1.59%	1.01%	0.61%

Details of Stage 3 asset and provisions thereon of our Company, as of the specified dates are set out in the table below:

(₹ in lakhs)

Particulars	As at March 31, 2022	As of March 31, 2021	As of March 31, 2020
Gross Stage 3 Assets	49,959.289	35,958.45	26,260.00
Provisions for Stage 3 Assets	22,768.90	17,020.78	17,691.00
Net Stage 3 Assets	27,190.39	18,937.67	8,569.00
Gross Outstanding Loans and advances	17,32,313.00	18,68,938.00	14,14,013.00
Net Outstanding Loans and advances	17,01,521.00	18,45,298.00	13,91,802.00
Gross Stage 3 Assets to Gross Loans and advances	2.88%	1.92%	1.86.00%
Net Stage 3 Assets to Loans and advances	1.57%	1.01%	0.61.00%
Stage 3 Assets Coverage Ratio	45.57%	47.33%	67.37.00%

Provisioning policy with respect to Non-Performing Assets

Our Company's provisioning policy was as per the RBI prudential norms up to Fiscal 2018. However, on transition to IndAS, the Company is bound to follow the Expected Credit Loss model as per IndAS norms to provide for Impairment of Loan Assets. Accordingly, the IndAS financials as of the Fiscal 2022, Fiscal 2021 and Fiscal 2020, with the transitioned figures as on March 31, 2018 have been worked as per the ECL model.

Funding Sources

We have expanded our sources of funds in order to reduce our funding costs, protect interest margins and maintain a diverse funding portfolio that will enable us to achieve funding stability and liquidity. Our sources of funding comprise term loans from banks and financial institutions, cash credit/ working capital demand loans/ short term loans from banks, issuances of (i) redeemable non-convertible debentures; (ii) subordinated debt instruments; (iii) perpetual debt instruments; and (iv) short term commercial paper and inter-corporate deposits, and assignment and securitization of gold loan in addition to equity infused by the Promoters.

As of March 31, 2022, March 31, 2021 and March 31, 2020, the total secured borrowings utilised by the Company aggregated to ₹ 15,32,946.00 lakhs, ₹ 15,35,423.30 lakhs and ₹ 10,54,427.00 lakhs including securitization of Nil, Nil and Nil (pass through certification) and unsecured borrowings utilised by the Company aggregated to ₹ 238,526.64 lakhs, ₹ 2,49,512.07 lakhs and ₹ 2,60,167.00 lakhs, respectively.

The following table sets forth the principal components of our secured loans as per Ind AS of the dates indicated**:**

(₹ in lakhs)

Secured Loans	As of March 31, 2022	As of March 31, 2021	As of March 31, 2020
Redeemable non-convertible debentures	379,379	4,36,586	86,113
Compulsorily Convertible Debentures	Nil	Nil	
Term loans:			
Term loans from banks	4,23,033	3,82,710	1,88,184
Term loans from other parties	2,183	943	2,688
Working Capital Loan and Overdraft from Banks	728,351	7,15,184	7,77,441
Loans repayable on demand from Other Parties (PTC)	Nil	Nil	Nil
Total	**15,32,946**	**15,35,423**	**10,54,427**

The following table sets forth the principal components of our unsecured loans as per Ind AS as of the dates indicated:

(₹ in lakhs)

Unsecured Loans	As of March 31, 2022	As of March 31, 2021	As of March 31, 2020
Inter-corporate deposits	Nil		
Subordinated debt	200,108	2,23,380	2,34,077
Perpetual debt instrument	38,419	26,132	26,090
Total	**238,527**	**249,512**	**2,60,167**

Increasingly, we have depended on loans from banks the issue of redeemable non-convertible debentures the issue of subordinate debt as the primary sources of our funding. We believe that we have developed stable long-term relationships with our lenders and established a track record of timely servicing of our debts and have been able to secure concessionary /competitive interest rate from the lenders to bring down the cost of borrowings.

Capital Adequacy

We are subject to the capital adequacy ratio ("**CAR**") requirements prescribed by the RBI. We are currently required to maintain a minimum CAR of 15.00% based on our total capital to risk-weighted assets. Further, for a NBFC primarily engaged in lending against gold jewellery such as us, we are required to maintain an overall capital adequacy ration of 15.00%. We had a capital adequacy ratio of 19.42%, 16.85% and 19.56 % for Fiscal 2022, Fiscal 2021 and Fiscal 2020 computed based on Ind AS financials.

Risk Management

Risk management forms an integral element of our business strategy. At an entity level, the objective of risk management is to align the risk appetite of our Company with its strategy. At an operational level, it is intended to enable our Company to make consistent business and operational decisions across all units and departments within the broad risk appetite of our Company. The major risks we face are credit risk, collateral risk, market risk, interest rate risk, liquidity risk and operational risk.

Credit risk

Credit risk is the risk of loss due to the failure of counterparty in meeting its obligations in accordance with agreed terms. Our Company's credit risk arises from the loans that it extends to its borrowers. The management of credit risk starts with robust procedures for approval of the rate per gram used to calculate the loan amount and appraisal of the collateral. However, the risk is minimized since all loans are granted against the collateral of gold jewellery which can be liquidated with relative ease to recover all amounts due to our Company.

Collateral risk

Collateral risk arises from a decline in the value of the gold collateral due to fluctuation in gold prices. Our Company has an ongoing process whereby the lending rate per gram of gold is calculated at the average of the closing price of 22 carat gold for the preceding 30 days on quote by Bombay Bullion Association (BBA), which is provided by AGLOC We are currently maintaining a loan to value of 75.00%, in accordance with the directions issued by RBI.

Market risk

Market risk is the risk that the value of a portfolio, either an investment portfolio or a trading portfolio, will decrease due to the change in value of the market risk factors. Our Company has a very small investment portfolio and does not trade in equities or other financial instruments. The Company's foreign currency operations are restricted to the sale and purchase of currencies from retail customers, purchases being made on a need basis and currency receipts being sold in the market within a short time. Our Company is therefore not exposed to a significant market risk.

Interest rate risk

Interest rate risk refers to the impact that fluctuating interest rates may have on the net interest margin. Our Company's interest rate exposure is not significant, considering that most of its fixed interest earning assets have an average maturity period of three to four months only while a major part of its interest bearing liabilities are not expected to be repriced significantly during the period.

Liquidity risk

Liquidity risk is the risk of being unable to raise necessary funds from the market to meet operational and debt servicing requirements. Liquidity is managed by monitoring short to medium term forecasts of business growth, estimation (based on historic data) of the risk of potential liabilities and our Company's other debt service obligations. Typically, the average tenor of our Company's lending portfolio is three to four months whereas the liabilities are of a longer term.

Operational risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. Our Company has laid down detailed policies and procedures for all its operational activities including a manual of instructions for all activities performed at the branches. All strong rooms, which are built according to RBI specifications at the branches are under dual/joint custody. The company has introduced tamper evident envelopes in all the branches across the country. The tamper evident envelope is expected to bring about a higher degree of safety to the gold pledged with us by our customers.

A centralised team of internal auditors and gold inspectors perform regular and surprise reviews and inspections at all locations and follow up with the management on all audit observations until these are satisfactorily resolved. In accordance with our internal audit policy, all of our branches are subject to periodic inspection. Feedback is provided to the operations department and the process management team on all process improvement/enhancement issues. Each branch data is reviewed centrally. Exceptions or deviations that are identified through the use of automated software are discussed and followed up with the respective branches. Our Company places emphasis on the development of its employees through a formal training and induction process after recruitment and a continuous learning process through various means including e-learning. We also continuously review and enhance operational processes as part of our continuous improvement philosophy.

Credit Rating

We have been CRISIL A+ (Stable) rating by CRISIL and BWR A+(Stable) rating by Brickworks for our bank facilities respectively, CRISIL A+/Stable rating by CRISIL and BWR A+/Stable rating by Brickworks for our various non-convertible debt instruments, CRISIL A-(Stable) for ₹30,400 lakhs and BWR A (Stable) rating by Brickworks for ₹37,400 lakhs of perpetual bonds and "CRISIL A1+" rating by CRISIL for its short-term debt programme. Brickworks has assigned a BWR A1+ (Outlook: Stable) rating for our short-term debt programme. Crisil A+/Stable rating by CRISIL and BWR A+/Stable by Brickworks for subordinated debt. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. For instance, CRISIL had on November 22, 2016, downgraded its ratings on the bank facilities and debt instruments of the Company to 'CRISIL A-/ Stable/CRISIL A1' from 'CRISIL A/Stable CRISIL A1. Crisil A+/Stable rating by CRISIL & BWR A+/Stable by Brickwork Rating for Subordinated Debts issue of ₹ 5000 lakhs.

Treasury Operations

Majority of our gold loan disbursals and repayments are in cash which necessitates maintaining a certain level of cash holding at the branches at all times to ensure a quick service to the customer. We retain cash up to 0.5% of the Gold loan outstanding of the branch or ₹2 lakhs, whichever is higher. Additional fund requirements of the branches are met from the head office of the Company by way of bulk RTGS/ NEFT transfers through designated banks in accordance with the treasury policy. This enables the Company to disburse funds to the branches promptly upon requests from the branches. Excess funds available at the branches are transferred to the bank account of the head office of the Company on a daily basis. This ensures an efficient utilisation of the funds, minimizing the holding of idle cash. Branches can also transfer funds/cash from /to nearby branches in case of need.

Competition

Although the business of providing loans secured by gold is a time-honored business (unorganized pawn-broking shops being the main participants), the Gold loan business in India remains very highly fragmented. Our Board believes that we can achieve economies of scale and increased operating efficiencies by increasing the number of branches under operation and utilising modern point-of-sale systems and proven operating methods. We operate in largely un-tapped markets in various regions in India where banks currently provide Gold loans. We also compete with pawnshops and financial institutions, such as consumer finance companies. Other lenders may lend money on an unsecured basis, at interest rates that may be lower than our service charges and on other terms that may be more favorable than ours. We believe that the primary elements of competition are the quality of customer service and relationship management, branch location and the ability to loan competitive amounts at competitive rates. In addition, we believe the ability to compete effectively will be based increasingly on strong general management, regional market focus, automated management information systems and access to capital. Our main competition is from various Kerala based banks and other specialised Gold loan NBFCs.

Insurance Coverage

We maintain insurance coverage on all our assets located at our head office, on all our movable assets in branch premises and locations of our wind energy business owned by us against fire and special perils. Our insurance policies are generally annual policies that we renew regularly. We have also established a scheme of insurance with the Life Insurance Corporation of India for providing gratuity benefits to the employees of the Company are in the name and style – "*Muthoot Fincorp Employees Group Gratuity Assurance Scheme*".

Intellectual Property

The trademark/service mark and logo in connection with the "Muthoot Pappachan" brand and the "Muthoot Fincorp" logo are pending registration in various classes including classes which pertain to our Company's business. Our Promoters have applied for but not obtained registrations in connection with protection of the aforesaid trademarks and logos. There can be no assurance that our Promoters would be able to obtain registrations of the aforesaid logos and trademarks under each or all of the classes. Once such trademarks and/or logos are registered we intend to enter into an agreement with our Promoters for the use of such logos and/or trademarks. For further details, see section titled "*Risk Factors*" on page 17.

Property

Our registered office is at Muthoot Centre, TC No 27/3022 Punnen Road Trivandrum 695 001, Kerala which is being used by us on a leasehold basis. We typically enter into lease agreements for these strategic business unit and branch locations. If these leases are not renewed on a timely basis or at all, we do not think that relocating would materially and adversely affect our operations and profitability.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as a public limited company known as Muthoot Debt Management Services Limited, pursuant to receipt of a certificate of incorporation dated June 10, 1997, from the ROC. Our Company received a certificate for commencement of business on June 10, 1997. Subsequently, the name of our Company was changed to Muthoot Fincorp Limited and a fresh certificate of incorporation dated March 19, 2002 was issued to our Company by the ROC.

Our Company was registered as a non-deposit accepting NBFC with the RBI pursuant to the certificate of registration No. 16.00170 dated July 23, 2002 issued by the RBI under Section 45 IA of the RBI Act.

Registered Office

The Registered Office of our Company is located at Muthoot Centre, TC No. 27/ 3022, Punnen Road, Thiruvananthapuram – 695 001, Kerala, India.

Corporate Office

The Corporate Office of our Company is located at Muthoot Centre, Near Spencer Junction, M.G. Road, Thiruvananthapuram – 695 001, Kerala, India.

Changes in Registered Office

The registered office of our Company has been changed from Muthoot Centre, TC 14/2074 – 7, Punnen Road, Trivandrum – 695 039, Kerala to Muthoot Centre, TC 27/3022, Punnen Road, Trivandrum – 695 001, Kerala with effect from September 17, 2021.

Main objects of our Company

The main objects of our Company, as contained in the Memorandum of Association are:

1. To carry on the business of a loan company as per RBI guidelines and to carry on and undertake financing by way of giving loans and/or advances and financing otherwise of the activities of others and to receive money on deposits at interest or otherwise for fixed periods as prescribed from time to time by RBI.

2. To carry on the business of money lending in accordance with the RBI guidelines and other applicable laws in force and also giving loans and advances to the weaker sections of the society at preferential rate of interest subject to the ceiling fixed from time to time as prescribed by the RBI, but the Company shall not carry on the business of banking as defined in The Banking Regulation Act, 1949.

3. To carry on the business as authorised dealer, money changer, offshore banker or any other person for the time being authorised to deal in foreign exchange or foreign securities or such other activities and to undertake cross border inward money transfer activities subject to the rules and regulations of the RBI.

4. To take over as going concern, the business of the partnership firms, Muthoot Bankers with their assets and liabilities, manage their affairs and dissolve the firms after the takeover.

The main objects clause and the objects incidental or ancillary to the main objects of the Memorandum of Association enable our Company to undertake its existing activities and the activities for which the funds are being raised through the Issue.

We have not received any awards and recognitions in the in the last three fiscals.

Key terms of our Material Agreements

Material Agreements:

I. **For sharing of services among the Group Companies, the Company had entered into agreements with various Group Companies. Now, the parties concerned have decided to introduce a concept of Master Service Agreement ("MSA") along with Service Level Agreements ("SLAs") towards each shared**

service. As per the same, the general terms and conditions are captured in the MSA and the terms specific to each service, including the agreed commercials, are captured in the SLA. Accordingly, the Company has entered into the following agreements:

(a) Master Service Agreement dated April 1, 2019 with Muthoot Capital Services Limited ("MCSL") for sharing / providing various services. The following SLAs are executed wherein the services shared are detailed:

i. SLA dated April 1, 2019 for sharing the branch network and infrastructure of the Company in connection with its business, inter alia, consisting of disbursing two wheeler vehicle loans and collecting the instalments of two wheeler loans from their Customers;
ii. SLA dated April 1, 2019 for acting as the broker of MCSL for canvasing Public Deposits and collecting application forms along with the supporting documents from prospective depositors and forward to MCSL.
iii. SLA dated April 1, 2019 for utilizing the safe custody facility for the gold jewellery pledged with MCSL by its vehicle loan customers at MFL branches;
iv. SLA dated April 1, 2019 for sourcing of MCSL's used car loan and collecting EMI from the Customers;
v. SLA dated April 1, 2019 for utilizing the space specifically allotted at branches of the Company;
vi. SLA dated April 1, 2019 for the collection of EMI from the Customers who availed SME Loans from MFL; and
vii. Agreement for Gold Loan business Sourced.

(b) Master Service Agreement dated April 1, 2019 with Muthoot Microfin Limited ("MML") for sharing / providing various services. The following SLAs are executed wherein the services shared are detailed:

i. SLA dated April 1, 2019 for disbursement of microfinance loans and collection of receipts from their Customers;
ii. SLA dated April 1, 2019 to acquire Customers, collect repayment of Muthoot Small and Growing Business Loans (MSGB);
iii. SLA dated April 1, 2019 to acquire Customers, collect repayment from OLA Auto and Cab drivers to purchase of smart phone;
iv. SLA dated April 1, 2019 to acquire Customers, collect repayment of Consumer Durable loan along with interest;
v. SLA dated April 1, 2019 for utilizing the space specifically allotted at branches of the Company;
vi. SLA for sourcing Gold Loan business; and
vii. SLA services for Gold Appraisal, Custody of Gold, Auctioning of Gold, the Customer Due Diligence including KYC verification etc.

(c) Master Service Agreement dated April 1, 2019 with Muthoot Housing Finance Company Limited ("MHFL") for sharing / providing various services. The following SLAs are executed wherein the services shared are detailed:

i. SLA dated April 1, 2019 for utilizing the space specifically allotted at branches of the Company;
ii. Agreement for Referral Incentive Program for home loan referrals; and
iii. SLA dated July 22, 2020 for utilizing the space specifically allotted at branches of the Company.

(d) Master Service Agreement dated February 26, 2019 with Muthoot Pappachan Chits (India) Limited ("MPCIPL") for distributing and collecting chit application forms and collect chit instalments through the branch network of the Company. The following SLA is also executed wherein the services shared are detailed:

SLA dated April 30, 2019 for utilizing the branch space at Mankavu of the Company.

(e) Master Service Agreement dated June 23, 2020 with Muthoot Housing Finance Company Limited ("MHFL") for Gold Loan sourcing services. The following SLA is executed wherein the services shared are detailed:

SLA dated June 23, 2020 for Sourcing Gold Loan Services

(f) Space Sharing Arrangements

As per the above arrangements, among others, the Company has agreed to provide identified physical space located at its branches/ offices at various locations for use of authorised employees/ representatives of MML, MCSL, MHFCL and MPCIPL respectively. The identified premises are being provided for developing and servicing the businesses undertaken and carried on by MML, MCSL MHFCL and MPCIPL.

A gist of the said arrangements is as provided below:

Company	Agreement Date	Live Branches	Total Rent (in ₹) as on June 30, 2022	Period
MML	April 1, 2019	4	83,682/-	10 (ten) years
	April 1, 2018	1	17,250/-	10 (ten) years
	April 1, 2021	1	17,000/-	8 years
MHFCL	April 1, 2019	19	1,35,714/-	10 (ten) years
	July 22, 2020	2	15,146/-	10 (ten) years
	January 29, 2020	3	7,240/-	10 (ten) years
	January 20, 2022	1	3,800/-	10 (ten) years
	March 23, 2022	1	21,017/-	9 years
MCSL	April 1, 2019	9	1,64,518/-	-
MPCIPL	April 1, 2013	1	35,740/-	Upto January 21, 2023
	May 1, 2019	1	8,352/-	up to November 30,2022
	May 19, 2022	1	19,756/-	Up to June 30,2026

II. Lease Agreements:

(a) The Company has entered into lease agreements with MML, MAIPL and Muthoot Motors (Cochin), the details of which are provided below:

Company	Lease Agreement	Location	Rent as on June 30, 2022 (in ₹)	Security Deposit (₹)	Period (Years)
MML	May 1, 2016	Vellanad Junction, Trivandrum	30,018/-	67,200	10
	February 1, 2016	Vellanad Junction, Trivandrum	18,225/-	40,800	10
	December 1, 2015	Vellanad Junction, Trivandrum	13,991/-	31,320	10
MAIPL	March 29, 2022	Kollam Showroom	4,69,035/-	-	3

(b) The Company has entered into lease agreements with Group Companies, the details of which are provided below:

Company	Lease Agreement	Live branches	Rent per month as on June 30, 2022 (in ₹)	Validity up to	Location
Muthoot Motors	February 1, 2013	1	4,82,308	January 31, 2028	Pattom
	February 6, 2017	1	89,412.50	February 5, 2027	Ulloor
Muthoot Exim	October 1, 2018	1	1,58,700.00	April 30, 2023	Sunshine Towers

(c) The Company has entered into sub-lease agreement with Group Companies, the details of which are provided below:

Company	Lease Agreement	Live branches	Rent per month as on June 30, 2022 (in ₹)	Validity Up to	Location
MRIBS	August 16, 2019	1	10,473/-	January 31, 2023	STN Chambers, Vazhuthacaud
	July 1, 2014	1	142830/-	January 31, 2023	STN Chambers, Vazhuthacaud
MPG Hotels	April 1, 2018	1	9600/-	March 31, 2023	STN Chambers, Vazhuthacaud
	August 1, 2016	1	1,24,550/-	January 31, 2023	STN Chambers, Vazhuthacaud
MPG Security	September 15, 2013	1	67,592/-	September 14, 2023	Calicut
	January 1, 2010	1	61,251/-	December 31, 2022	Subash Palace, Delhi
	November 14, 2010	1	45,768/-	November 13, 2030	Infantry Road, Bangalore
	November 1, 2013	1	24821/-	October 31, 2023	Vishakhaptnam
	February 1, 2012	1	50,305/-	January 31, 2032	Thane, Maharashtra
	November 1, 2011	1	7,300/-	October 31, 2031	Madhurai, Tamil Nadu
	August 11, 2021	1	13,865/-	August 11, 2029	West Mambalam

III. Agreement dated March 31, 2016 with MML and Addendum dated November 1, 2016 and January 31, 2017 to the original agreement

The agreements cover sale of identified assets of the Company, including *inter alia* computers, printers, scanners, office furniture to MML. In consideration of the sale, it has been agreed in the agreement that MML shall pay to MFL a lump sum amount of ₹1,58,75,655. The effective date for sale of assets on which the assets shall be transferred was identified as March 31, 2016 in the agreement. By way of addendum agreements, the Company has further agreed to sell some assets to MML for a lump sum amount of ₹27,73,271 as on November 1, 2016 and ₹25,79,907 as on January 31, 2017.

IV. Agreement dated January 31, 2022, between the Company and Mr. Thomas Muthoot, Executive Director, and agreement dated January 31, 2022, between the Company and Mr. Thomas John Muthoot, Managing Director

The board of directors of the Company had pursuant to unanimous resolution passed at its meeting held on January 31, 2022 re-appointed Mr. Thomas Muthoot as the Executive Director of the Company and Mr. Thomas John Muthoot as the Managing Director of the Company for a period of five years with effect from February 1, 2022. The agreements have been entered into pursuant to the said re-appointment. The members of the Company at the Extra-Ordinary General Meeting held on March 28, 2022 has approved the said re-appointments.

The Company has the right to terminate the services by giving not less than three months' notice in writing or three months' salary in lieu thereof.

V. Agreement in relation to Terms of Inter Se Project Engagement dated December 14, 2015 with MPG Hotels and Infrastructure Ventures Private Limited ("MPG")

The Company has a valid title over the property as described in the agreement located in Thiruvananthapuram, Desom, Kowdiar Village, Thiruvananthapuram Taluk, and Thiruvananthapuram District. The Company vide the agreement (the "**Development Agreement**") authorised and empowered MPG to develop the said property into a premium residential complex at its own cost as per the specifications, terms and conditions laid down in the agreement (the "**Development**"). MPG has agreed to complete the construction of the flats/ units within 48 months from the date of receiving final building permit from the government agencies/ statutory authorities. In consideration of permitting the Development, MPG shall pay to the Company 30% of the full sale value of each unit while MPG may retain the balance. The parties may terminate the Development Agreement by giving 30 days' written notice to the other party in the event of delay in getting the required building permits within one year from the date of the Development Agreement or MPG failing to commence construction within one year from the date of receipt of building permit or MPG failing to progress the construction according to agreed timelines. The Development Agreement was cancelled vide the cancellation deed dated March 30, 2016. The Development Agreement was cancelled in view of restructuring of project execution. An amount of ₹9,00,000 paid by MPG to the project consultant was instructed to be refunded.

VI. Agreement for asset management services dated March 30, 2016 with MPG and Amendment letter dated April 25, 2018

MPG has been appointed as an asset manager for *inter alia* keeping all relevant records/ documents pertaining to the properties of the Company, maintenance of building, compound wall, utility lines, facilitating payment of utility bills etc., and advising regarding prospective business opportunity of the properties. The agreement provides that MPG shall be paid a retainer fee of the amount of ₹1,10,000 plus applicable taxes per month by the Company in consideration of the services with effect from April 1, 2018 as per amendment letter dated April 25, 2018. The agreement may be terminated by either party upon failure of other party to remedy its default in the performance or breach of any terms of the agreement after giving a 30 days' notice, upon occurrence of an irremediable default in the performance or breach of terms by the other party or on the other party becomes insolvent or bankrupt or makes a composition with its creditors.

VII. Agreement dated April 1, 2020 with Muthoot Pappachan Technologies Limited ("MPT") for providing consultancy, advisory, and other services to MFL

Pursuant to the aforementioned agreement the Company is desirous of engaging MPTL to provide consultancy, advisory, and other services related to IT and also providing training to its staff on IT and related activities. The Company is required to pay fee for the services availed from MPTL in accordance with the agreement. The period of the agreement is for five years, commencing April 1, 2020. Either party would have the right to terminate the agreement by giving thirty days' notice in writing to the other party.

VIII. Loan to Directors

As per the loan agreements dated March 21, 2020, March 23, 2020 and March 24, 2020 respectively in relation to the Director named below, the Company has advanced the following loans to its Directors. The term of each agreement is 30 months as provided below:

Sr. No.	Name of Director	Amount (₹ in crore)	Interest Rate	Period
1.	Thomas John Muthoot	70.00	12.00%	Repayable by September 30, 2022
2.	Thomas George Muthoot	70.00	12.00%	Repayable by September 30, 2022
3.	Thomas Muthoot	59.00	12.00%	Repayable by September 30, 2022

IX. Space Allocation agreement dated April 1, 2019 with Muthoot Risk Insurance Broking Services Private Limited (MRIBS) for advertising various insurance products by utilizing branch spaces of the Company.

Pursuant to the aforementioned agreement, Our Company has agreed to allow MRIBS to exhibit advertising materials of their various insurance products by displaying its signages, hoardings, at about 1000 Branches of the Company at a time on rotational basis. The said agreement dated April 1, 2019 has been amended to renew and extend the duration for a further period of three years from April 1, 2022 till March 31, 2025.

X. Agreement dated March 26, 2018 with Muthoot Estate Investments (MEI) for hiring of Office Space at Attingal.

The Company has entered into agreements with MEI for hiring 815 sq.ft of building premises at Ground Floor, Muthoot Buildings, NH Road, Near Civil Station, Attingal, Thiruvananthapuram for a period of ten years with effect from January 1, 2018 at a monthly rent of ₹48,900 and security deposit of ₹1,46,700.

XI. Agreement dated May 19, 2017 between Mr. Thomas John Muthoot, Mr. Thomas George Muthoot, Mr. Thomas Muthoot and M/s Muthoot Estate Investments ("MEI") and the Company for purchase of shares of MPG Hotels and Infrastructure Ventures Private Limited ("MHIVPL") and the addendum thereto dated March 28, 2018, December 28, 2018 and December 31, 2019, March 31, 2020 and March 24, 2022 ("Addendums").

Pursuant to the aforementioned agreement dated May 19, 2017 read with the Addendums the Company has agreed to purchase 23,14,750 shares of MPG Hotels & Infrastructure Ventures Private Limited at ₹153 per share and has advanced an amount of ₹2,209.63 lakhs as on date of the Prospectus. The period for completing the transaction is agreed as June 30, 2023.

Key terms of our other key agreements

NA

Holding Company

Our Company does not have a holding company.

Subsidiaries

As on the date of the Prospectus, our Company has the following subsidiaries:

I. Muthoot Housing Finance Company Limited ("MHFCL")

MHFCL was incorporated pursuant to a certificate of incorporation dated March 5, 2010 and obtained a certificate of commencement of business dated June 1, 2011, issued by the Registrar of Companies, Kerala and Lakshadweep. It obtained a certificate of registration dated February 11, 2011, from the National Housing Bank, to commence the business of a housing finance institution, without accepting public deposits. The registered office of MHFCL is situated at TC No. 27/3022, Muthoot Centre, Punnen Road, Thiruvananthapuram 695 001.

Our Company currently owns 80.66% shareholding of MHFCL.

Shareholding pattern as on June 30, 2022:

Sr. No.	Name of Shareholder	No. of equity shares held	Percentage of issued equity share capital (%)
1.	Muthoot Fincorp Limited	5,93,48,840	80.66
2.	Thomas John Muthoot	42,97,885	5.84
3.	Thomas George Muthoot	42,97,890	5.84
4.	Thomas Muthoot	42,97,890	5.84
5.	MHFL Employee Welfare Trust	13,28,766	1.81
6.	Preethi John Muthoot	3,265	0.004
7.	Nina George	3,265	0.004
8.	Remmy Thomas	3,265	0.004
	Total	**7,35,81,066**	**100.00**

Board of directors:

The board of directors of MHFCL comprises of the following persons:

i. Thomas Muthoot, Managing Director;
ii. Thomas John Muthoot; Director;
iii. Thomas George Muthoot; Director;
iv. Vijayaraghavachari Ranganathan, Director;
v. Vasudevan Ramaswami, Director; and
vi. Santanu Mukherjee, Director.

II. Muthoot Microfin Limited (“MML”)

Muthoot Microfin Limited was originally incorporated as Panchratna Stock and Investment Consultancy Services Private Limited pursuant to a certificate of incorporation dated April 6, 1992 at Mumbai, Maharashtra, India as a private limited company under the Companies Act, 1956. The Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the EGM held on April 30, 1994 and the name of the Company was changed to Panchratna Stock and Investment Consultancy Services Limited pursuant to the fresh certificate of incorporation dated June 9, 1994.

Subsequently, the name of Panchratna Stock and Investment Consultancy Services Limited was changed to Panchratna Securities Limited pursuant to the fresh certificate of incorporation dated June 22, 1994. The Reserve Bank of India (“**RBI**”) granted a certificate of registration dated March 18, 1998 bearing no. 13.00365 to our Company for registration as an NBFC under Section 45 IA of the Reserve Bank of India Act, 1934.

As a part of diversification programme and to offer more impetus to micro finance business, the Promoters of Muthoot Pappachan Group has acquired equity holding in Panchratna Securities Limited in September 2012. Subsequently, the name of Panchratna Securities Limited was changed to Muthoot Microfin Limited to reflect the group identity of the Promoters, i.e., “Muthoot Pappachan Group” and operations of the Company and a fresh certificate of incorporation dated November 6, 2012 was issued by the Registrar of Companies, Mumbai. Subsequently, the Company was granted NBFC-Microfinance Institution (“NBFC-MFI”) status by the RBI with effect from March 25, 2015. The registered office of the Company is situated at 13th floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai 400 051.

Shareholding pattern as on June 30, 2022

Name of Shareholder	Equity Shares	Preference Shares	Total Shares	Percentage of shareholding
Thomas John Muthoot	63,28,806	-	63,28,806	4.75%
Preethi John	27,02,867	-	27,02,867	2.03%
Thomas George Muthoot	63,27,160	-	63,27,160	4.75%
Nina George	27,04,513	-	27,04,513	2.03%
Thomas Muthoot	63,50,459	-	63,50,459	4.76%
Remmy Thomas	26,81,214	-	26,81,214	2.01%
Muthoot Fincorp Limited	7,26,25,449	-	72625449	54.46%
Creation Investments India LLC	1,30,06,778	-	13006778	9.76%
Nandana Sabapathy R and Subha Joseph (ESOP Trust)	8,01,864	-	8,01,864	0.60%
ESOP Holders	6,41,392	-	6,41,392	0.48%
Greater Pacific Capital WIV LTD	100	1,91,61,733	1,91,61,833	14.37%
Total	**11,41,70,602**	**1,91,61,733**	**13,33,32,335**	**100%**

Board of directors:

The board of directors of MML comprises of the following persons:

i. Mr. Thomas John Muthoot, Director;
ii. Mr. Thomas George Muthoot, Director;
iii. Mr. Thomas Muthoot, Director;

iv. Mr. Thomas Muthoot John, Director;
v. Mr. Akshaya Prasad, Director;
vi. Mr. Kenneth Dan Vander Weele, Director;
vii. Mr. Alok Prasad, Director;
viii. Mrs. Bhama Krishnamurthy, Director;
ix. Mrs. Pushpy Muricken, Director; and
x. Thai Salas Vijayan, Director.

III. Muthoot Pappachan Technologies Limited (formerly Muthoot Pappachan Technologies Private Limited) ("MPTL")

MPTL was originally incorporated as a private company pursuant to the certificate of incorporation dated November 16, 2012, issued by the Registrar of Companies, Kerala and Lakshadweep. Subsequently, upon conversion to a public company, the name of Muthoot Pappachan Technologies Private Limited was changed to MPTL and a fresh certificate of incorporation dated July 5, 2013 was obtained from the Registrar of Companies, Kerala and Lakshadweep.

Shareholding pattern as on June 30, 2022

Sr. No.	Name of Shareholder	No. of equity shares held	Percentage of issued equity share capital (%)
1.	Muthoot Fincorp Limited	30,000	60.00
2.	Thomas John Muthoot	3,334	6.67
3.	Thomas George Muthoot	3,333	6.67
4.	Thomas Muthoot	3,333	6.67
5.	Preethi John Muthoot	3,333	6.67
6.	Nina George	3,333	6.67
7.	Remmy Thomas	3,334	6.67
	Total	**50,000**	**100.00**

Board of directors:

The board of directors of MPTL comprises of the following persons:

i. Thomas Muthoot, Director;
ii. Thomas John Muthoot, Director; and
iii. Thomas George Muthoot, Director.

Joint Ventures, Associate Companies and Investments

A list of associates of the Company is as follows:

Sr. No.	Name	Registered Address	Shareholding of our Company as on June 30, 2022	Activity undertaken by the entity
Joint Venture Companies and Associate Companies				
1.	Alaska Agri Projects and Hospitalities Private Limited	First Floor, Door # F - 2/A -2, Sector - 9, Vashi, Navi Mumbai 407 003, Maharashtra	Nil	Hospitality
2.	Bamboo Agri Projects and Hospitalities Private Limited	First Floor, Door # F - 2/A -2, Sector - 9, Vashi, Navi Mumbai 407 003, Maharashtra	Nil	Hospitality
3.	Buttercup Agri Projects and Hospitalities Private Limited	First Floor, Door # F - 2/A -2, Sector - 9, Vashi, Navi Mumbai 407 003, Maharashtra	Nil	Hospitality
4.	Calypso Agri Development and Hospitalities Private Limited	First Floor, Door # F - 2/A -2, Sector - 9, Vashi, Navi Mumbai 407 003, Maharashtra	Nil	Hospitality
5.	Cinnamon Agri Development and Hospitalities Private	First Floor, Door # F - 2/A – 2, Sector - 9, Vashi, Navi Mumbai 407 003,	Nil	Hospitality

Sr. No.	Name	Registered Address	Shareholding of our Company as on June 30, 2022	Activity undertaken by the entity
	Limited	Maharashtra		
6.	El Toro Agri Projects and Hospitalities Private Limited	First Floor, Door # F - 2/A – 2, Sector - 9, Vashi, Navi Mumbai 407 003, Maharashtra	Nil	Hospitality
7.	Emmel Realtors and Developers Private Limited	Muthoot Centre, Punnen Road, Trivandrum 695 039, Kerala	Nil	Real Estate
8.	Flame Agri Projects and Hospitalities Private Limited	First Floor, Door # F - 2/A – 2, Sector - 9, Vashi, Navi Mumbai 407 003, Maharashtra	Nil	Hospitality
9.	Fox Bush Agri Development and Hospitalities Private Limited	First Floor, Door # F - 2/A – 2, Sector - 9, Vashi, Navi Mumbai 407 003, Maharashtra	Nil	Hospitality
10.	Goblin Agri Projects and Hospitalities Private Limited	First Floor, Door # F - 2/A – 2, Sector - 9, Vashi, Navi Mumbai 407 003, Maharashtra	Nil	Hospitality
11.	Jungle Cat Agri Development and Hospitalities Private Limited	First Floor, Door # F - 2/A – 2, Sector - 9, Vashi, Navi Mumbai 407 003, Maharashtra	Nil	Hospitality
12.	LM Realtors Private Limited	Muthoot Centre, Punnen Road, Trivandrum 695 034, Kerala	Nil	Hospitality
13.	Mandarin Agri Ventures and Hospitalities Private Limited	First Floor, Door # F - 2/A – 2, Sector - 9, Vashi, Navi Mumbai 407 003, Maharashtra	Nil	Hospitality
14.	Mariposa Agri Ventures and Hospitalities Private Limited	First Floor, Door # F - 2/A – 2, Sector - 9, Vashi, Navi Mumbai 407 003, Maharashtra	Nil	Hospitality
15.	MPG Hotels and Infrastructure Ventures Private Limited (formerly Muthoot Hotels & Infrastructure Ventures Private Limited)	Muthoot Centre, Punnen Road, Trivandrum 695 039, Kerala.	Nil	Hospital Infrastructure and IT Park
16.	MPG Security Group Private Limited	Diamond Hill, TC 15/42(3) Vellayambalam, Sasthamangalam P.O Thiruvananthapuram 695 010, Kerala	Nil	Security Agency
17.	Muthoot Agri Development and Hospitalities Private Limited	First Floor, Door # F - 2/A – 2, Sector - 9, Vashi, Navi Mumbai 407 003, Maharashtra	Nil	Hospitality
18.	Muthoot Agri Projects and Hospitalities Private Limited	First Floor, Door # F - 2/A – 2, Sector - 9, Vashi, Navi Mumbai 407 003, Maharashtra	Nil	Agriculture and Hospitality
19.	Muthoot Dairies and Agri Ventures Hospitalities Private Limited (Formerly Muthoot Agri Ventures and Hospitality Ventures Private Limited)	First Floor, Door # F - 2/A – 2, Sector - 9, Vashi, Navi Mumbai 407 003, Maharashtra	Nil	Hospitality
20.	Muthoot Apt Ceramics Limited	Muthoot Towers, M.G Road, Ernakulam 682 035, Kerala.	Nil	Chemical Manufacturing
21.	Muthoot Automobile Solutions Private Limited	T.C # 14/2074 - 7, Muthoot Centre, Punnen Road, Trivandrum 695 039, Kerala.	Nil	Automotive
22.	Muthoot Automotive (India) Private Limited	T.C # 14/2074 - 7, Muthoot Centre, Punnen Road, Trivandrum 695 039,	Nil	Automotive

Sr. No.	Name	Registered Address	Shareholding of our Company as on June 30, 2022	Activity undertaken by the entity
		Kerala.		
23.	Muthoot Buildtech (India) Private Limited	T.C # 14/2074 - 7, Muthoot Centre, Punnen Road, Trivandrum 695 039	Nil	Real Estate
24.	Muthoot Capital Services Limited	Muthoot Towers, M.G Road, Ernakulam 682 035, Kerala.	Nil	Retail two and three wheeler Loans
25.	Muthoot Equities Limited	5th Floor, Muthoot Towers, M.G Road, Ernakulam 682 035, Kerala.	Nil	Share trading
26.	Muthoot Exim Private Limited	Muthoot Towers, M.G Road, Ernakulam 682 035, Kerala.	Nil	Sale of Jewellery
27.	Muthoot Holdings Private Limited	1st Floor, Door No: 1500/1, Sri. Lakshmi Complex, Kammanhalli Main Road, St. Thomas Town P.O, Bengaluru 560 084, Karnataka	Nil	Holding
28.	Muthoot Hotels Private Limited	T.C # 14/2074 - 7, Muthoot Centre, Punnen Road, Trivandrum, Kerala 695039	Nil	Hospitality
29.	Muthoot Housing Finance Company Limited	Muthoot Centre, Punnen Road, Trivandrum 695 039, Kerala.	5,35,34,840	Housing Loan
30.	Muthoot Infrastructure Private Limited (formerly Muthoot Infrastructure Limited)	Muthoot Centre, Punnen Road, Trivandrum 695 039, Kerala.	Nil	Infrastructure
31.	Muthoot Kuries Private Limited	TC 29/111, Udayagiri, Diamond Hill,Vellayambalam, Sasthamangalam P.O Thiruvananthapuram Thiruvananthapuram KL 695010 IN	Nil	Chitties
32.	Muthoot Land and Estates Private Limited	T.C # 14/2074 - 7, Muthoot Centre, Punnen Road, Trivandrum 695 039	Nil	Real Estate
33.	Muthoot Motors Private Limited	Muthoot Shopping Arcade, Ulloor, Trivandrum 695 011	Nil	Automobile dealership
34.	Muthoot Pappachan Chits (India) Private Limited	Muthoot Centre, Punnen Road, Trivandrum 695 039	80,000	Chits
35.	Muthoot Pappachan Medicare Private Limited	Muthoot Centre, Punnen Road, Trivandrum 695 039	Nil	Hospital
36.	Muthoot Properties (India) Private Limited	T.C # 14/2074 - 7, Muthoot Centre, Punnen Road, Trivandrum 695 039	Nil	Real Estate
37.	Muthoot Risk Insurance and Broking Services Private Limited	No:39/2, (Old Building No:8) Second Floor, 14th Main , 33rd Cross 4th T Block, Jayanagar Bangalore Karnataka 560041 IN	Nil	Insurance
38.	Muthoot Microfin Limited (*Formerly Panchratna Securities Limited*)	13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East Mumbai 400 051, Maharashtra	7,26,25,449	Microfinance
39.	Pine Pink Agri Ventures and Hospitalities Private Limited	First Floor, Door # F - 2/A – 2, Sector - 9, Vashi, Navi Mumbai 407 003, Maharashtra	Nil	Hospitality
40.	The Right Ambient Resorts Private Limited	Muthoot Centre, Punnen Road, Trivandrum 695039, Kerala	Nil	Hospitality
41.	Muthoot Pappachan Technologies Limited (*Formerly Muthoot Pappachan Technologies Private Limited)*	Muthoot Centre, Punnen Road, Trivandrum 695039, Kerala	30,000	IT
42.	The Thinking Machine	Muthoot Towers, M.G Road,	Nil	Advertising

Sr. No.	Name	Registered Address	Shareholding of our Company as on June 30, 2022	Activity undertaken by the entity
	Media Private Limited	Ernakulam 682035, Kerala		
43.	MPG Precious Metals Private Limited	No:66/3628, Muthoot Towers, M.G. Road, College P.O, Ernakulam 682 035, Kerala	Nil	Dealing of precious metals
44.	Muthoot Pappachan Centre of Excellence in Sports	Door No:40/8922(New No 66/3628), Muthoot Towers, M.G Road, College P.O, Ernakulam 682035, Kerala	Nil	Sports promotion
45.	M-Liga Sports Excellence Private Limited	Door No:66/3630, Muthoot Towers, M.G Road, College P.O, Ernakulam 682035, Kerala	Nil	Sports promotion
Partnerships/ LLPs				
46.	Muthoot Bankers	Muthoot Centre, Punnen Road, Trivandrum 695 034, Kerala.	Nil	Finance
47.	Muthoot Cine Enterprises	Over Bridge, Thampanoor, Trivandrum 695 561, Kerala	Nil	Cine Exhibition
48.	Muthoot Estate Investments	Muthoot Shopping Arcade, Ulloor, Medical College P.O, Trivandrum 695 011, Kerala.	Nil	Real Estate& Infrastructure
49.	Muthoot Finance Company	TC 9/2150(1), Sasthamangalam P.O, Trivandrum 695010, Kerala	Nil	Online Share Trading
50.	Muthoot Insurance Services	Muthoot Centre, Punnen Road, Trivandrum 695 034, Kerala.	Nil	Insurance
51.	Muthoot Motors (Cochin)	The Grande, Near KSEB, Palarivattom, Cochin 682025, Kerala	Nil	Automobile dealership
52.	MPG Automobiles LLP	TC 2/460-4, Ulloor, Muthoot Building, Trivandrum 695011, Kerala	Nil	Automotive

OUR MANAGEMENT

Board of Directors

The general superintendence, direction and management of the operations, affairs and business of the Company are vested in the Board of Directors, which exercises its power subject to the Memorandum and Articles of Association of our Company and the requirements of the applicable laws. The Articles of Association set out that the number of Directors in our Company shall not be less than 3 (three) and not more than 10 (ten) in number.

The composition of the Board is in conformity with section 149 of the Companies Act, 2013. Currently, the Company has six Directors on its Board. The Managing Director of the Company is Mr. Thomas John Muthoot.

The following table sets out details regarding the Board of Directors, as on the date of this Prospectus:

Name, Designation and DIN	Age	Address	Date of Appointment	Other Directorships
Thomas John Muthoot **Designation**: Managing Director **DIN:** 00011618	60 years	TC 4/1008, (1), Kawdiar, PO, Trivandrum 695 003, Kerala, India	June 10, 1997	1. LM Realtors Private Limited 2. Mariposa Agri Ventures and Hospitalities Private Limited 3. MPG Hotels and Infrastructure Ventures Private Limited 4. Muthoot APT Ceramics Limited 5. Muthoot Automobile Solutions Private Limited 6. Muthoot Automotive (India) Private Limited 7. Muthoot Buildtech (India) Private Limited 8. Muthoot Capital Services Limited 9. Muthoot Equities Limited 10. Muthoot Hotels Private Limited 11. Muthoot Housing Finance Company Limited 12. Muthoot Land and Estates Private Limited 13. Muthoot Motors Private Limited 14. Muthoot Pappachan Medicare Private Limited. 15. Muthoot Pappachan Technologies Limited 16. Muthoot Risk Insurance and Broking Services Private Limited 17. Muthoot Microfin Limited 18. Trivandrum Centre for Performing Arts 19. Muthoot Pappachan Centre of Excellence in Sports 20. Speckle Internet Solutions Private Limited
Thomas George Muthoot **Designation**: Director **DIN:** 00011552	60 years	Muthoot Towers, College Road, P.O. M G Road, Ernakulam 682 035, Kerala, India	June 10, 1997	1. Buttercup Agri Projects and Hospitalities Private Limited 2. Fox Bush Agri Development and Hospitalities Private Limited 3. Jungle Cat Agri Development and Hospitalities Private

Name, Designation and DIN	Age	Address	Date of Appointment	Other Directorships
				Limited 4. Mandarin Agri Ventures and Hospitalities Private Limited 5. MPG Hotels and Infrastructure Ventures Private Limited 6. Muthoot APT Ceramics Limited 7. Muthoot Automobile Solutions Private Limited 8. Muthoot Automotive (India) Private Limited 9. Muthoot Capital Services Limited 10. Muthoot Hotels Private Limited 11. Muthoot Housing Finance Company Limited 12. Muthoot Pappachan Medicare Private Limited 13. Muthoot Pappachan Technologies Limited 14. Muthoot Properties (India) Private Limited 15. Muthoot Risk Insurance and Broking Services Private Limited 16. The Thinking Machine Media Private Limited 17. Muthoot Microfin Limited 18. Finance Companies' Association (India). 19. Muthoot Pappachan Centre of Excellence in Sports 20. Muthoot Infrastructure Private Limited 21. Speckle Internet Solutions Private Limited
Thomas Muthoot **Designation**: Executive Director and Chief Financial Officer. **DIN:** 00082099	55 years	7/59 A, Near Kaniyampuzha Bridge Cherukad, Eroor P O, Ernakulam, Kerala, India	June 10, 1997	1. LM Realtors Private Limited 2. MPG Hotels and Infrastructure Ventures Private Limited 3. Muthoot Agri Development and Hospitalities Private Limited 4. Muthoot Agri Projects and Hospitalities Private Limited 5. Muthoot APT Ceramics Limited 6. Muthoot Automobile Solutions Private Limited 7. Muthoot Automotive (India) Private Limited 8. Muthoot Capital Services Limited 9. Muthoot Dairies and Agri Ventures Private Limited 10. Muthoot Hotels Private Limited 11. Muthoot Housing Finance Company Limited 12. Muthoot Motors Private

Name, Designation and DIN	Age	Address	Date of Appointment	Other Directorships
				Limited 13. Muthoot Pappachan Technologies Limited 14. Muthoot Risk Insurance and Broking Services Private Limited 15. The Right Ambient Resorts Private Limited 16. Muthoot Pappachan Centre of Excellence in Sports 17. Muthoot Microfin Limited 18. M-Liga Sports Excellence Private Limited 19. The Thinking Machine Media Private Limited 20. Prime Volleyball League Private Limited
Arrattukkulam Peter Kurian **Designation**: Independent Director **DIN:** 00008022	88 years	9, Friendship, 23rd Road, TPS III, Bandra (W), Mumbai 400 050, Maharashtra, India	January 30, 2007	1. Muthoot Capital Services Limited 2. Union Trustee Company Private Limited
Preethi John Muthoot **Designation**: Director **DIN:** 00483799	57 years	TC 4/1008, (1), Kawdiar, PO, Trivandrum 695 003, Kerala, India	September 17, 2019	1. Muthoot Infrastructure Private Ltd 2. Muthoot Exim Private Ltd 3. Muthoot Kuries Private Ltd 4. Muthoot Pappachan Chits (India) Private Ltd 5. Alaska Agri Projects and Hospitalities Private Ltd 6. Bamboo Agri Projects and Hospitalities Private Ltd. 7. Calypso Agri Development and Hospitalities Private Ltd 8. Cinnamon Agri Development and Hospitalities Private Ltd 9. El Toro Agri Projects and Hospitalities Private Ltd. 10. Goblin Agri Projects and Hospitalities Private Limited 11. Mandarin Agri Ventures and Hospitalities Private Limited 12. Muthoot Agri Projects and Hospitalities Pvt. Ltd 13. Muthoot Dairies and Agri Ventures Hospitalities Private Ltd 14. The Thinking Machine Media Private Limited 15. MPG Precious Metals Private Limited (Dormant) 16. Muthoot Holdings Private Limited 17. MPG Security Group Private Limited.

Name, Designation and DIN	Age	Address	Date of Appointment	Other Directorships
Vikraman Ampalakkat **Designation**: Director (Independent Director) **DIN:** 01978341	74 years	G-3 V B Royal Apartments, Elamakkara Road, Edappally, Kochi, 682 024, Kerala, India	October 21, 2007	1. ESAF Financial Holdings Private Limited 2. IIFL Samasta Finance Limited 3. Saggraha Management Services Private Limited

Our Company confirms that the PAN of the Directors shall be submitted to the Stock Exchanges at the time of filing this Prospectus.

Confirmations

None of our Directors have been identified as a 'wilful defaulter' by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution, and none of our Directors are directors or are otherwise associated in any manner with any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs.

Brief Profiles

Mr. Thomas John Muthoot, aged 60 years, is the Managing Director of the Company. He holds a bachelor's degree in commerce from the University of Kerala. He is an alumnus of the Harvard Business School having completed his OPM program in 2014, he is the Member of the CII Kerala State Council, Member of the Chamber of Commerce, Trivandrum.

In recognition of his entrepreneurial talent in hospitality and of his professionalism in management, the Federation of Hotel and Restaurant Association of India (FHRAI) had honoured him with the prestigious "Young Hotel Entrepreneur Award" for the year 2006. In the year 2009, the Chamber of Commerce, Trivandrum had selected him as the "Businessman of the year" for his contribution to the Hospitality Sector.

Mr. Thomas George Muthoot, aged 60 years, holds a bachelor's degree in commerce from University of Kerala. He is also the Managing Director of Muthoot Capital Services Limited and a director in the other companies under the "Muthoot Pappachan Group" engaged in hospitality, infrastructure, automotive, property and power generation. He has about 30 years of experience and exposure in various facets of non-banking financial services. He is also the Chairman of Kerala Non-Banking Finance Companies Welfare Association, Kochi, member of Finance Companies Association, and represents the Group at the Association of Gold loan Companies.

Mr. Thomas Muthoot, aged 55 years leads the Muthoot Pappachan Group's drive to introduce innovative and efficient loan products. He holds a bachelor's degree in law from the University of Kerala. He has an in-depth understanding of consumer preferences and market nuances across India, resulting in the Group's launch of various new financial products. His knowledge of emerging markets and their functions have been harnessed in structuring the business interests of the Group.

Muthoot Pappachan Group's initiatives in the microfinance sector are spearheaded by Mr. Thomas Muthoot. One of his primary creations, Muthoot Mahila Mitra, is an unsecured loan programme aimed at women micro entrepreneurs. It offers women a better alternative to unauthorised money lenders. Muthoot Mahila Mitra is backed strongly by an entrepreneurship development programme for women. The programme known as Sthreejyoti is aimed at training women in general and cash management, in addition to offering sales and marketing skills. He was also instrumental in the Muthoot Pappachan Group's foray into housing finance.

Mr. Arrattukkulam Peter Kurian, aged 88 years, holds a bachelor's degree in commerce and a master's degree in economics and statistics from the University of Kerala. He has an experience of approximately 40 years in the banking and finance industry. Prior to joining the Company, he has held senior positions in the RBI and in the erstwhile Unit Trust of India. He was the executive chairman of Association of Mutual Funds in India, a trade body of all the Mutual Funds operating in India, for 12 years. He was a member of the technical advisory committee of the RBI. Previously, he was the chairman of Geogit Financial Services Limited and was member of boards of several other companies. At present he is also a Director in Muthoot Capital Services Ltd. and Union Trustee Company Private Ltd.He was a leader of the team which set up the Ceybank Unit Trust in Sri Lanka in the early nineties. He has also been a Commonwealth consultant, done research on capital markets in Tanzania and documented a project report for setting up a unit trust in Tanzania. Mr Kurian, for his original contribution in the field of marketing of financial instruments, was awarded "Marketing Man of the year 1987 Award" instituted by the Institute of Marketing Management. As an efficient manager having contributed substantially to the growth of the Unit Trust of India, the Institute of Marketing Management has awarded him the "Best Marketing Man of the Year" award in 1993. Further, he received the "Best Professional Manager Award" instituted by Life Insurance Corporation of India in 1993.

Ms. Preethi John Muthoot, aged 57, holds a master's degree in Arts from the University of Kerala. She is appointed as Additional Director with effect from March 28, 2019. She was designated as Director of the Company with effect from September 17, 2019. She is actively involving in the business affairs of MPG Hotels and Infrastructure Ventures Pvt Ltd. She is also a member of the Board of Directors of many MPG group Companies and hence gained several years hands-on experience in the activities of the Group. She was a promoter Director of the Company till 15.11.2010.

Mr. Vikraman Ampalakkat, aged 74 years, is an independent director on the Board. He holds a bachelor's degree in science from the University of Kerala. Mr. Ampalakkat has an experience of approximately 38 years in the finance, project funding, rehabilitation finance, micro finance, enterprise promotion and banking industry collectively. Prior to joining the Company, Mr. Ampalakkat has held managerial positions in several reputed organizations such as the RBI, Industrial Development Bank of India and Small Industries Development Bank of India.

Relationship with other Directors

Except our Promoter Directors who are siblings and Mrs. Preethi John Muthoot, who is the wife of Mr. Thomas John Muthoot, Managing Director, none of the directors of the Company are related to each other.

Borrowing Powers of our Directors

Pursuant to a resolution passed by the shareholders of the Company on June 3, 2014 under the Companies Act, 2013, the Board of Directors is authorised to borrow sums of money on such terms and conditions and for such purposes as the Board may think fit, not exceeding, at any given time, 40 times the aggregate of the paid-up capital and free reserves of the Company.

The aggregate value of the NCDs offered under this Prospectus, together with the existing borrowings of the Company, is within the approved borrowing limits as above mentioned.

Remuneration of the Executive Directors

1. *Managing Director*

Mr. Thomas John Muthoot has been re-appointed as the Managing Director of the Company for a period of five years with effect from February 1, 2022, by way of an agreement with the Company dated January 31, 2022, pursuant to the board resolution dated January 31, 2022. The current remuneration payable to the managing director is 5% of the net profits of the Company, as permitted under Section 197 of the Companies Act, 2013.

2. *Whole-time director*

Mr. Thomas Muthoot has been re-appointed as a whole-time director of the Company with effect from February 1, 2019 up to January 31, 2022, by way of an agreement with the Company dated January 31, 2019 pursuant to the board resolution dated December 14, 2018. The current remuneration payable to Mr. Thomas Muthoot is 5% of the net profits of the Company, as permitted under Section 197 of the Companies Act, 2013.

3. *Non-Executive Directors*

Pursuant to the Board resolution dated May 7, 2014, a sitting fee of ₹25,000 is currently payable to the Non-Executive Directors of the Company. Further, Mr. Thomas George Muthoot is entitles to received commission at 1% of the net profit of the Company, as permissible under Section 197 of the Companies Act, 2013.

Details of remuneration payable or paid to the Director (including any stock option, shareholding in subsidiaries and associate companies) by the Subsidiaries and associate companies of the Company during the last three financial years and as on date of the Prospectus:

(₹ in lakh)

Sr. No.	Name of Director	Year	Name of entity	Salaries, Perquisites and Incentives	Commission	PF by Employer	Reimbursement of Expenses
1.	Thomas George Muthoot	2021-22	MCSL	348.00	Nil	21.00	3.00
2.	Thomas George Muthoot	2020-21	MCSL	317.00		20.00	5.00
3.	Thomas George Muthoot	2019-20	MCSL	405.00		21.00	15.00

Changes in the Board of Directors during the last three years

Name, Designation and DIN	Date of Appointment	Date of Cessation, if applicable	Date of Resignation, if applicable	Remarks
Janamma Thomas **Designation**: Director **DIN**: 00483693	June 10, 1997	-	March 20, 2019	Personal grounds
Preethi John Muthoot **Designation**: Director **DIN**: 00483799	March 28, 2019	-	-	-
R. Kamalasanan Nair **Designation**: Independent Diretcor **DIN**: 00631889	June 11, 2001	-	November 15, 2019	Personal gorunds

Interest of the Directors

All the Directors of the Company, including our independent directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them.

In addition, the Directors are to the extent of remuneration paid to them for services rendered as officers of the Company.

All the Directors of the Company, including independent directors, may also be deemed to be interested to the extent of Equity Shares, if any, held by them or by companies, firms and trusts in which they are interested as directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as disclosed hereinabove and the section titled "*Risk Factors*" at page 17, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by the Company.

Except as stated in the section "*Financial Statements*" on page 120 and to the extent of compensation and commission if any, and their shareholding in the Company, the Directors do not have any other interest in the business of the Company.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations. Except as otherwise stated in this Prospectus and statutory registers maintained by the Company in this regard, the Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made with them, except as disclosed in the chapter "*Our Promoter*" on page 115.

As per the loan agreements dated March 21, 2020, March 23, 2020 and March 24, 2020 respectively in relation to the Director named below, the Company has advanced the below following loans to its Directors. The term of each agreement is 30 months as provided below:

(₹ in lakh)

Sr. No.	Name of Director	Amount	Interest Rate	Period
1.	Thomas John Muthoot	70.00	12.00%	Repayable by September 30, 2022
2.	Thomas George Muthoot	70.00	12.00%	Repayable by September 30, 2022
3.	Thomas Muthoot	59.00	12.00%	Repayable by September 30, 2022

As on date of the Prospectus, the Company has paid advances towards Promoters, MEI, MHIVPL, for acquiring certain properties/ shares. Please see "*Financial Statements*" on page 120 for details.

Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot are our Promoters as well as Directors on the Board of Directors of the Company.

Except Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot, none of the directors are interested in the promotion of the company.

None of the directors have an interest in any immoveable property acquired by the Company in the two years preceding the date of the Prospectus or any immoveable property proposed to be acquired by it.

None of the directors have an interest in the Company in form of sums paid or agreed to be paid to the director of the Company in cash or shares or otherwise provided by any person either to induce the director to become, or to help the Director qualify as a director, or otherwise for services rendered by the Director or by the Company, in connection with the promotion or formation of the Company.

Except as disclosed below, no contribution has been made by the directors as part of the offer or separately:

No contribution has been made by the directors as part of the offer or separately.

Except as disclosed below, no relatives of the Directors have been appointed to an office or place of profit of the Company:

Sr. No.	Name	Designation	DOJ	Branch office name	Relation
1.	Thomas M. John	Head – Innovation Lab	September 1, 2018	Thiruvananthapuram - HO	S/O Mr Thomas John Muthoot
2.	Suzannah Muthoot	Manager - Corporate Strategy & Planning	June 19, 2017	Mumbai	D/O Mr Thomas Muthoot
3.	Hannah Muthoot	Manager – Band I - HCMD	September 23, 2019	Thiruvananthapuram - HO	D/O Mr Thomas Muthoot
4.	Ritu Elizabeth George	Assistant Manager - HR	November 5, 2019	Thiruvananthapuram - HO	D/O Mr Thomas George Muthoot
5.	Shweta Ann George	Management Trainee	March 4, 2021	RO Ernakulam	D/O Mr Thomas George Muthoot

Shareholding of Directors

As per the provisions of the Memorandum of Association and Articles of Association, the Directors are not required to hold any qualification shares.

Details of the shares held in the Company by the Directors, as on June 30, 2022 are provided in the table given below:

Sr. No.	Name of Director	Number of shares held	Percentage of the total paid-up capital (%)
1.	Thomas John Muthoot	5,14,56,049	26.56
2.	Thomas George Muthoot	5,14,56,021	26.56
3.	Thomas Muthoot	5,14,56,053	26.56
4.	Preethi John Muthoot	1,29,13,704	6.67

The shareholding of the Directors in the Subsidiaries and Associate Companies of the Company as of June 30, 2022 is as follows:

Sr. No.	Name of Director	Name of Subsidiary/ Associate Company	Number of shares held	Percentage of the total paid-up capital (%)
1.	Thomas John Muthoot	Alaska Agri Projects and Hospitalities Private Limited	10	0.10
		Bamboo Agri Projects and Hospitalities Private Limited	10	0.10
		Buttercup Agri Projects and Hospitalities Private Limited	10	0.10
		Calypso Agri Development and Hospitalities Private Limited	10	0.10
		Cinnamon Agri Development and Hospitalities Private Limited	10	0.10
		El Toro Agri Projects and Hospitalities Private Limited	10	0.10
		Flame Agri Projects and Hospitalities Private Limited	10	0.10
		Fox Bush Agri Development and Hospitalities Private Limited	10	0.10
		Goblin Agri Projects and Hospitalities Private Limited	10	0.10
		Jungle Cat Agri Development and Hospitalities Private Limited	10	0.10
		Mandarin Agri Ventures and Hospitalities Private Limited	10	0.10
		Mariposa Agri Ventures and Hospitalities Private Limited	3334	33.34
		MPG Hotels and Infrastructure Ventures Private Limited (formerly Muthoot Hotels & Infrastructure Ventures Private Limited)	33,33,333 and 39,999,999 (Beneficial owner of MEI)	6.67 and 80.00
		Muthoot Agri Development and Hospitalities Private Limited	10	0.10
		Muthoot Dairies and Agri Ventures Hospitalities Private Limited (formerly Muthoot Agri Ventures and Hospitality Ventures Private Limited)	9	0.003
		Muthoot Apt Ceramics Limited	12,99,250	6.44
		Muthoot Automobile Solutions Private Limited	6,00,130	24.01
		Muthoot Automotive (India) Private Limited	4,16,330	16.65
		Muthoot Capital Services Limited	31,52,964	19.17
		Muthoot Equities Limited	10,000	20.00
		Muthoot Holdings Private Limited	3,334	33.34
		Muthoot Hotels Private Limited	2,50,000 (Jointly held by MPG Hotels and Infrastructure Ventures Pvt Ltd, Thomas	1.43

Sr. No.	Name of Director	Name of Subsidiary/ Associate Company	Number of shares held	Percentage of the total paid-up capital (%)
			John Muthoot and Thomas George Muthoot	
		Muthoot Housing Finance Company Limited	42,97,885	6.47
		Muthoot Motors Private Limited	333	33.33
		Muthoot Pappachan Medicare Private Limited	80,003	66.67
		Muthoot Risk Insurance and Broking Services Private Limited	4,16,667	33.34
		Muthoot Microfin Limited (formerly Panchratna Securities Limited)	63,28,806	4.75
		Muthoot Pappachan Centre of Excellence In Sports (Section 8 company)	25,479	33.00
		Pine Pink Agri Ventures and Hospitalities Private Limited	10	0.10
		The Right Ambient Resorts Private Limited	10 (jointly held by Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot)	0.33
		Muthoot Pappachan Technologies Limited (formerly Muthoot Pappachan Technologies Private Limited)	3,334	6.668
		The Thinking Machine Media Private Limited	1,08,334	13.98
		MPG Air Catering LLP*	100	0.05
		MPG Asset Management LLP*	100	0.05
		MPG Automobiles LLP	66,670	33.34
		MPG Hospitality LLP*	100	0.05
		MPG Land And Estate LLP*	100	0.05
		MPG Real Estate LLP*	100	0.05
2.	**Thomas George Muthoot**	Alaska Agri Projects and Hospitalities Private Limited	10	0.10
		Bamboo Agri Projects and Hospitalities Private Limited	10	0.10
		Buttercup Agri Projects and Hospitalities Private Limited	10	0.10
		Calypso Agri Development and Hospitalities Private Limited	10	0.10
		Cinnamon Agri Development and Hospitalities Private Limited	10	0.10
		El Toro Agri Projects and Hospitalities Private Limited	10	0.10
		Flame Agri Projects and Hospitalities Private Limited	10	0.10
		Fox Bush Agri Development and Hospitalities Private Limited	10	0.10
		Goblin Agri Projects and Hospitalities Private Limited	10	0.10
		Jungle Cat Agri Development and Hospitalities Private Limited	10	0.10
		Mandarin Agri Ventures and Hospitalities Private Limited	10	0.10
		Mariposa Agri Ventures and Hospitalities Private Limited	3,333	33.33
		MPG Hotels and Infrastructure Ventures Private Limited (formerly Muthoot Hotels & Infrastructure Ventures Private Limited)	33,33,334 and 1 (Beneficial owner of Muthoot Estate	6.67.and 0.001

Sr. No.	Name of Director	Name of Subsidiary/ Associate Company	Number of shares held	Percentage of the total paid-up capital (%)
			Investments	
		Muthoot Agri Development and Hospitalities Private Limited	10	0.10
		Muthoot Dairies and Agri Ventures Hospitalities Private Limited (formerly Muthoot Agri Ventures and Hospitality Ventures Private Limited)	10	0.004
		Muthoot Apt Ceramics Limited	12,96,250	6.43
		Muthoot Automobile Solutions Private Limited	6,24,840	24.99
		Muthoot Automotive (India) Private Limited	4,16,330	16.65
		Muthoot Capital Services Limited	31,33,480	19.05
		Muthoot Equities Limited	10,000	20.00
		Muthoot Holdings Private Limited	3,333	33.33
		Muthoot Hotels Private Limited	2,50,000 (Jointly held by MPG Hotels and Infrastructure Ventures Pvt Ltd, Thomas John Muthoot and Thomas George Muthoot)	1.43
		Muthoot Housing Finance Company Limited	42,97,890	6.47
		Muthoot Motors Private Limited	333	33.33
		Muthoot Risk Insurance and Broking Services Private Limited	4,16,667	33.33
		Muthoot Microfin Limited (formerly Panchratna Securities Limited)	63,27,160	4.75
		Pine Pink Agri Ventures and Hospitalities Private Limited	10	0.10
		Muthoot Pappachan Centre Of Excellence In Sports (Section 8 company)	25,479	33
		The Right Ambient Resorts Private Limited	10 (jointly held by Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot)	0.33
		Muthoot Pappachan Technologies Limited (formerly Muthoot Pappachan Technologies Private Limited)	3,333	6.67
		The Thinking Machine Media Private Limited	1,08,333	13.98
		MPG Air Catering LLP*	100	0.05
		MPG Asset Management LLP*	100	0.05
		MPG Automobiles LLP	66,670	33.33
		MPG Hospitality LLP*	100	0.05
		MPG Land And Estate LLP*	100	0.05
		MPG Real Estate LLP*	100	0.05
3.	**Thomas Muthoot**	Alaska Agri Projects and Hospitalities Private Limited	10	0.10
		Bamboo Agri Projects and Hospitalities Private Limited	10	0.10
		Buttercup Agri Projects and Hospitalities Private Limited	10	0.10
		Calypso Agri Development and Hospitalities Private Limited	10	0.10

Sr. No.	Name of Director	Name of Subsidiary/ Associate Company	Number of shares held	Percentage of the total paid-up capital (%)
		Cinnamon Agri Development and Hospitalities Private Limited	10	0.10
		El Toro Agri Projects and Hospitalities Private Limited	10	0.10
		Flame Agri Projects and Hospitalities Private Limited	10	0.10
		Fox Bush Agri Development and Hospitalities Private Limited	10	0.10
		Goblin Agri Projects and Hospitalities Private Limited	10	0.10
		Jungle Cat Agri Development and Hospitalities Private Limited	10	0.10
		Mandarin Agri Ventures and Hospitalities Private Limited	10	0.10
		Mariposa Agri Ventures and Hospitalities Private Limited	3,333	33.33
		MPG Hotels and Infrastructure Ventures Private Limited (formerly Muthoot Hotels & Infrastructure Ventures Private Limited)	33,33,333	6.67
		Muthoot Agri Development and Hospitalities Private Limited	10	0.10
		Muthoot Dairies and Agri Ventures Hospitalities Private Limited. (Formerly Muthoot Agri Ventures and Hospitality Ventures Private Limited)	9	0.003
		Muthoot Apt Ceramics Limited	74,86,250	37.13
		Muthoot Automobile Solutions Private Limited	12,75,030	51.00
		Muthoot Automotive (India) Private Limited	9,53,340	38.13
		Muthoot Capital Services Limited	30,76,624	18.71
		Muthoot Equities Limited	10,000	20.00
		Muthoot Holdings Private Limited	3,333	33.33
		Muthoot Housing Finance Company Limited	42,97,890	6.47
		Muthoot Motors Private Limited.	334	33.34
		Muthoot Pappachan Medicare Private Limited	39,997	33.33
		Muthoot Risk Insurance and Broking Services Private Limited	4,16,666	33.33
		Muthoot Microfin Limited (formerly Panchratna Securities Limited)	63,50,459	4.75
		Pine Pink Agri Ventures and Hospitalities Private Limited	10	0.10
		Muthoot Pappachan Centre Of Excellence In Sports (Section 8 company)	26,248	34.00
		The Right Ambient Resorts Private Limited	10 (jointly held by Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot)	0.33
		Muthoot Pappachan Technologies Limited (formerly Muthoot Pappachan Technologies Private Limited)	3,333	6.67
		The Thinking Machine Media Private Limited	1,08,333	13.98
		MPG Air Catering LLP*	100	0.05
		MPG Asset Management LLP*	100	0.05
		MPG Automobiles LLP	66,660	33.33
		MPG Hospitality LLP*	100	0.05
		MPG Land And Estate LLP*	100	0.05
		MPG Real Estate LLP*	100	0.05

Sr. No.	Name of Director	Name of Subsidiary/ Associate Company	Number of shares held	Percentage of the total paid-up capital (%)
4.	**Preethi John Muthoot**	Emmel Realtors and Developers Private Limited	5000 (Beneficial Owner of Muthoot Estate Investments)	50.00
		L.M. Realtors Private Ltd	10,000 (Beneficial Owner of Muthoot Estate Investments)	50.00
		MPG Precious Metals Private Ltd	10	33.33
		MPG Security Group Private Limited	3,334	33.34
		Muthoot Apt Ceramics Limited	1296250	6.43
		Muthoot Capital Services Limited	2,43,910	1.48
		Muthoot Equities Ltd	5000	10.00
		Muthoot Exim Private Ltd	5500	26.83
		Muthoot Housing Finance Company Ltd	3265	0.01
		Muthoot Infrastructure Private Ltd (formerly Muthoot Infrastructure Ltd)	26,667	33.33
		Muthoot Kuries Private Ltd	17,000	34.00
		Muthoot Pappachan Chits (India) Pvt Ltd	9,45,000	2.02
		Muthoot Microfin Ltd	27,02,867	2.02
		Muthoot Pappachan Technologies Limited (formerly Muthoot Pappachan Technologies Private Limited)	3,333	6.66

* *The entity is in the process of being wound-up. The approval of the relevant registrar of companies is awaited in this regard.*

Debenture/ Subordinated Debt/ PDI holding of directors

As on June 30, 2022 the Company has not availed any subordinated debt from the Directors of the Company.

The Directors do not hold any subordinated debt in the Company as on date of this Prospectus.

Details of secured redeemable non-convertivel debentures of the Company held by the Directors as on June 30, 2022 are as follows:

Name of Director	Number of debentures held	Amount (*₹ in lakhs*)
Thomas George Muthoot	25000	250.00

Details of PDIs of the Company held by the Directors as on June 30, 2022 are as follows:

Name of Director	Number of debentures held	Amount (*₹ in lakhs*)
Preethi John	83	415.00
Thomas George Muthoot	191	955.00
Thomas John Muthoot	257	1285.00
Thomas Muthoot	258	1290.00

Corporate Governance

Our Company believes that good corporate governance is an important constituent in enhancing stakeholder value. Our Company has in place processes and systems whereby it complies with the requirements to the corporate governance provided in SEBI Listing Regulations (to the extent applicable to a company which has listed debt securities) and the applicable RBI Guidelines. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law.

Our Company believes that its Board is constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Details of various committees of the Board of Directors

Our Company has constituted the following committees:

Committees of Board of Directors

The Board has constituted among others, the following committees of Directors: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Asset Liability Management Committee; (iv) Risk Management Committee; (v) Stake Holders Relationship Committee; (vi) CSR Committee; (vii) Stock Allotment Committee; (viii) Operations Committee and (ix) IT Strategy Committee. The details of these committees are set forth below:

I. Audit Committee

The members of the Audit Committee as on date of the Prospectus are:

Name	Designation in the committee	Designation
A. P Kurian	Chairman	Independent Director
A. Vikraman	Member	Independent Director
Thomas George Muthoot	Member	Director

The terms of reference of the Audit Committee, *inter alia*, include:

i. The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
ii. Review and monitor the Auditor’s independence and performance, and effectiveness of Audit process.
iii. Examination of the financial statement and the Auditors’ Report thereon.
iv. Approval or any subsequent modification of transaction of the Company with related parties.
v. Scrutiny of inter-corporate loans and investments.
vi. Valuation of undertakings or assets of the Company wherever it is necessary.
vii. Evaluation of internal financial controls and risk management systems
viii. Monitoring the end use of funds raised through public offers and related matters.

II. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was re-constituted on April 26, 2022, pursuant to Section 178 of the Companies Act, 2013. The members of the Nomination and Remuneration Committee as on date of the Prospectus are: :

Name	Designation in the committee	Designation
A Vikraman	Chairman	Independent Director
Thomas George Muthoot	Member	Director
A. P. Kurian	Member	Independent Director

The terms of reference of the Nomination and Remuneration Committee, *inter alia*, include:

i. Identifying and recommending to the Board of Directors, the nominees qualified to serve on the Board of Directors and committees thereof;
ii. Evaluating the candidates’ ability to discharge such responsibilities/functions as expected from independent non-executive Directors;
iii. Assisting the Board of Directors in the Board’s overall responsibilities relating to determination on their behalf and on behalf of the shareholders with agreed terms of reference, the Company’s policy on specific remuneration packages and any compensation payment to the Managing Director, whole-time Directors and executive Directors.
iv. To provide independent oversight of and to consult with management regarding the Company’s compensation, bonus, pension, and other benefit plans, policies and practices applicable to the Company’s executive management;

III. Corporate Social Responsibility Committee

As per the provisions of Sec 135 of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility (CSR) Committee of the Board.

Name	Designation in the committee	Designation
A. Vikraman	Chairman	Independent Director
Thomas John Muthoot	Member	Manging Director
Thomas George Muthoot	Member	Director
Thomas Muthoot	Member	Executive Director

IV. Asset Liability Management Committee

The members of the Asset liability Management Committee as on the date of the Prospectus are:

Name	Designation in the committee	Designation
Thomas John Muthoot	Chairman	Managing Director
Thomas Muthoot	Member	Executive Director cum CFO
Joseph Oommen	Member	Senior V.P. (Finance and Accounts)
Nadanasabapathy R	Member	V.P. (Resource Planning and Treasury)
Sachin Omprakash Mandawawala	Member	Head (Internal Audit and Quality Assurance)
Devi Prasad M	Member	Chief Risk Officer

The terms of reference of the Asset Liability Management Committee, *inter alia*, include:

i. Balance sheet planning from a risk - return perspective including the strategic management of interest rate and liquidity risks;
ii. Identifying balance sheet management issues like balance sheet gaps and reviewing the liquidity contingency plan;
iii. Pricing of products;
iv. Reviewing the results of and progress in implementation of the decisions made in the previous meetings;
v. Articulating the current interest rate view and basing its decisions for future business strategies on this view; and
vi. Capital requirement forecasts, capital allocation and monitoring of capital adequacy requirements.

V. Risk Management Committee

The members of the Risk Management Committee as on the date of the Prospectus are:

Name	Designation in the committee	Designation
A. P. Kurian	Chairman	Independent Director
Thomas John Muthoot	Member	Managing Director
Thomas Muthoot	Member	Executive Director

The terms of reference of the Risk Management Committee, *inter alia*, include:

i. Assisting the Board of Directors in the articulation of its risk appetite;
ii. Overseeing the implementation and maintenance of a sound system of risk management framework which identifies, assess, manages and monitors risk;
iii. Recommend to the Board of Directors clear standards of ethical behavior required of Directors and employees and encouraging observance of these standards;
iv. Assessment of the Company's risk profile and key areas of risk in particular; and
v. Examining and determining the sufficiency of the Company's internal processes for reporting on and managing key risk areas.

VI. IT Strategy Committee

The Company has constituted the IT Strategy Committee as per the Master Direction - Information

Technology Framework for the NBFC Sector dated June 8, 2017.

The members of the Committee are given below:

Name	Designation in the committee	Designation
Vikraman Ampalakkat	Chairman	Independent Director
Thomas John Muthoot	Member	Managing Director
Thomas George Muthoot	Member	Director

The responsibilities of the IT Strategy Committee are:

i. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
ii. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
iii. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
iv. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
v. Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.

VII. Stakeholders Relationship Committee

The Stake Holders Relationship Committee was re-constituted by the Board of Directors at their meeting held on April 26, 2022. The members of the Stake Holders Relationship Committee, as on the date of the Prospectus are:

Name	Designation in the committee	Designation
Thomas George Muthoot	Chairman	Director
Thomas John Muthoot	Member	Managing Director
A Vikraman	Member	Independent Director
Preethi John Muthoot	Member	Director

The terms of reference of the Stake Holders Relationship Committee, *inter alia*, include considering and resolving the grievances of the holders of securities of the Company.

Key managerial personnel of our Company

Our operations are overseen by a professional management team. In addition to the Managing Director and Chief Financial Officer as set forth above, following are the key managerial personnel:

Name of the Employee	Designation
Sachu Sivas	Company Secretary

Appointment w.e.f June 2, 2022

Compensation of our Company's key managerial personnel

In addition to the remuneration payable to the Managing Director & Chief Financial Officer, our Company paid a total remuneration of ₹ 39.59 lakhs and to its employees who were key managerial personnel during the financial year ended March 31, 2022.

Bonus or profit-sharing plan of the key managerial personnel

Nil

Interest of key managerial personnel

None of our key managerial personnel has been paid any consideration of any nature from our Company, other than their remuneration.

Payment or Benefit to Officers of our Company

Nil

Shareholding of our Company's key managerial personnel

Not Applicable

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three financial years, as per the requirements under "*Accounting Standard 18 – Related Party Transactions*" specified under the Companies Act, refer to the chapter "*Financial Statements*" beginning on page 120.

OUR PROMOTERS

Profile of the Promoters

The Promoters of the Company are:

Mr. Thomas John Muthoot
Passport No.: H8181033
PAN: ABNPT4694B
Date of Birth: June 7, 1962

Mr. Thomas Muthoot
Passport No.: G1447637
PAN: AEAPM0424L
Date of Birth: July 15, 1966

Mr. Thomas George Muthoot
Passport No.: H2951468
PAN: ABNPT4693G
Date of Birth: June 7, 1962

For additional details on the age, background, personal address, educational qualifications, experience in the business of the Company, positions/posts held in the past, terms of appointment as Directors and other directorships of the Promoters, special achievements, please see "*Our Management*" on page 99.

Our Company confirms that the PAN, aadhaar number, driving license number, bank account number(s) and passport number of the Promoters shall be submitted to the Stock Exchanges at the time of filing this Prospectus.

Interest of Promoters in the Company

Except as disclosed below, other than as Director and shareholders of our Company, the Promoters do not have any other interest in the Company. Further, the Promoters have given certain personal guarantees in relation to loan facilities utilised by the Company. For details please see "*Financial Indebtedness*" at page 303.

The Promoters are eligible for dividend that may be declared by the Company and to the extent of the remuneration received by them in their capacity as Directors.

They are also interested to the extent of advance received towards sale of immovable properties and advance received by a firm in which Promoters are partners towards sale of shares of a promoter group company.

Certain branches of the Company are operated on properties owned by the Promoters. Details are as below:

Sr. No.	Type of Property	Nature of interest*
1.	Kayamkulam branch in Kerala	The Company has been operating the branch since July 15, 2008. The current Lease Agreement was executed between the Company and Thomas John Muthoot on March 30, 2012.
2.	Pathanamthitta branch in Kerala	The Company has been operating the branch since April 2, 2011. The current Lease Agreement was executed between Company and Thomas George Muthoot acting for himself, for other Promoters i.e. Thomas Muthoot and Thomas John Muthoot, and for Janamma Muthoot and Mathew M Thomas on March 30, 2012
3.	Ernakulam branch	The Company has been operating the branch since April 2, 2011.

Sr. No.	Type of Property	Nature of interest*
	in Kerala	The current Lease Agreement was executed between Company and Thomas George Muthoot acting for himself, other Promoters i.e. Thomas Muthoot and Thomas John Muthoot, and for Janamma Muthoot and Mathew M Thomas on March 30, 2012.
4.	Chetpet Branch in Tamilnadu	The current Lease Agreement was executed between Company and Thomas George Muthoot March 30, 2012.
5.	Aryasala Branch in Kerala	The current Lease Agreement was executed between Company and Thomas George Muthoot, Thomas Muthoot and Thomas John Muthoot, March 30, 2012.
6.	Kozhencherry Branch in Kerala	The current Lease Agreement was executed between Company and Janamma Thomas, March 30, 2012.

Further, no properties owned by the Promoters have been purchased by the Company in the last 2 (two) years.

The Company has entered into following agreements with Promoter Group entities:

1. The Company has *vide* agreement dated November 2, 2016 and subsequent addendums dated March 28, 2018, December 28, 2018, March 31, 2020 and March 24, 2022, respectively with MEI, agreed to acquire a property consisting of building admeasuring to 36,828 sq.ft. and land admeasuring to 2,284.70 cents for a total consideration of ₹ 21,946.00 lakhs. The Company has paid an advance of ₹20,580.88 lakhs to MEI towards the consideration payable in terms of the aforesaid agreement. The balance amount payable towards consideration is ₹1,365.12 lakhs.

2. The Company has *vide* agreement dated May 19, 2017 and addendums dated March 28, 2018, December 28, 2018, December 31, 2019, March 31, 2020, September 30, 2021 and March 24, 2022 with MEI agreed to purchase 23,14,750 equity shares of MPG Hotels & Infrastructure Ventures Private Limited (a company in which the promoters are interested) at a price of ₹ 153 per share amounting to ₹ 3,541.57 lakhs. Till date, the Company has paid ₹ 2,209.63 lakhs as an advance to MEI towards purchase consideration. The balance amount payable towards consideration is ₹ 1,331.94 lakhs.

3. The Company has *vide* agreement dated January 21, 2016 and subsequent addendums dated July 8, 2016, March 30, 2018, December 28, 2018, March 31, 2020 and March 24, 2022 respectively, with Mr. Thomas John Muthoot, Mr. Thomas George Muthoot, Mr. Thomas Muthoot and Mrs Janamma Thomas, agreed to acquire Land admeasuring 23.665 cents, at a consideration of ₹1,112.00 lakhs against which an advance amounting to ₹1,056.40 lakhs has been paid. The balance amount payable towards consideration is ₹55.60 lakhs

4. The Company has *vide* agreement dated May 27, 2016 and subsequent addendums dated November 15, 2016, March 30, 2018, December 28, 2018, March 31, 2020 and March 24, 2022 respectively, with Mr. Thomas John Muthoot, Mrs. Thomas George Muthoot and Mr. Thomas Muthoot agreed to acquire Building admeasuring 8,764 sq.ft and related undivided portion of land, at a consideration of ₹832.50 lakhs against which an advance amounting to ₹666 lakhs has been paid to Mr. Thomas John Muthoot, Mr. Thomas George Muthoot and Mr. Thomas Muthoot . The balance amount payable towards consideration is ₹166.50 lakhs.

5. The Company has *vide* agreement dated May 4, 2016 and subsequent addendums dated October 20, 2016, March 30, 2018, December 28, 2018, March 31, 2020 and March 24, 2022 respectively, agreed to acquire building admeasuring 10,170 sq.ft., for a total consideration of ₹1,565.50 lakhs from MPG Hotels & Infrastructure Ventures Private Limited (MHIVPL), against which an advance of ₹1,487.26 lakhs has been paid to MHIVPL. The balance amount payable towards consideration is ₹78.24 lakhs.

All the aforementioned transactions have not been concluded till date. The Company may or may not pursue for the conclusion of the aforesaid transaction based on viability of the acquisition. The total Advances paid towards the aforesaid transactions is ₹26,000.17 lakhs and the balance consideration payable is ₹ 2,997.40 lakhs as on date. The Company is not proposing to utilize any part of issue proceeds to complete the aforesaid transactions.

Our Promoter does not propose to subscribe to the Issue. For details of the shareholding of the Promoters in our Company, please see "*Capital Structure*" on page 49.

Other understandings and confirmations

Our Promoters and relatives of the Promoters have confirmed that they have not been identified as willful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

RELATED PARTY TRANSACTIONS

Related party transactions entered during the last three financial years with regard to loans made or, guarantees given or securities provided:

<u>On consolidated basis:</u>

Related party transactions entered during the last three financial years with regard to loans made or, guarantees given or securities provided:

Related Party transactions during the year:

(₹ in lakhs)

Particulars	Key Management Personnel & Directors			Entities over which Key Management Personnel and their relatives are able to exercise significant influence		
	Year ended March 31					
	2022	2021	2020	2022	2021	2020
Processing Fee received	-	-	15.00	-	0.73	0.75
Interest accrued on loans & advances	2,388.00	2,388.00	2,386.26	29.66	30.15	16.10
Loans Advanced	-	-	19,900.00	-	290.00	300.00
Loan repayments received	-	-	-19,900.00	-290.00	-239.64	-125.26

Related Party balances outstanding as at the year end:

(₹ in lakhs)

Particulars	Key Management Personnel & Directors			Entities over which Key Management Personnel and their relatives are able to exercise significant influence		
	Year ended March 31					
	2022	2021	2020	2022	2021	2020
Interest on Loan Receivable	61.55	61.55	61.55	-	3.71	1.15
Loans Advanced	19,900.00	19,900.00	19,900.00	693.33	290.00	239.64

<u>On standalone basis:</u>

Related party transactions entered during the last three financial years with regard to loans made or, guarantees given or securities provided:

Related Party transactions during the year:

(₹ in lakhs)

Particulars	Key Management Personnel & Directors			Entities over which Key Management Personnel and their relatives are able to exercise significant influence			Subsidiaries		
	Year ended March 31			Year ended March 31			Year ended March 31		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Processing Fee received	-	-	15.00	-	0.73	0.75	-	-	-
Interest accrued on loans & advances	2,388.00	2,388.00	2,386.26	29.66	30.15	16.10	-	109.50	219.00
Loans Advanced	-	-	19,900.00	-	290.00	300.00	-	-	-
Loan repayments received	-	-	-19,900.00	-290.00	-239.64	-125.26	-	-1,365.00	-

Related Party balances outstanding as at the year end:

(₹ in lakhs)

Particulars	Key Management Personnel & Directors			Entities over which Key Management Personnel and their relatives are able to exercise significant influence			Subsidiaries		
	Year ended March 31			Year ended March 31			Year ended March 31		
	2022	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**
Loans Advanced	19,900.00	19,900.00	19,900.00	-	290.00	239.64	-	-	1,365.00
Interest on Loan Receivable	61.55	61.55	61.55	-	3.71	1.15	-	-	49.01

SECTION V-FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Rangamani & Co
Chartered Accountants,
Rose gardens,
Near Iron Bridge,
Alappuzha,
Kerala: 688011

Krishnan Retna & Associates
Chartered Accountants,
TC 37/1510-133,201,
Nandini Garden, Fort PO,
Thiruvananthapuram,
Kerala: 695023

Report of Independent Auditors on the Reformatted Consolidated Statement of Assets and Liabilities as at March 31, 2022, 2021 and 2020, the Reformatted Consolidated Statement of Profit and Loss, the Reformatted Consolidated Statement of Cash Flows and the Reformatted Consolidated Statement of Changes in Equity for the years ended March 31, 2022, 2021 and 2020 of Muthoot Fincorp Limited (collectively the "Reformatted Ind AS Consolidated Financial Statements")

To,
The Board of Directors
Muthoot Fincorp Limited,
Muthoot Centre, Punnen Road,
Trivandrum, Kerala -695001

Dear Sirs,

We have examined the attached Reformatted Ind AS Consolidated Financial Statements of Muthoot Fincorp Limited (the "Company") as at and for the years ended 31/03/2022, 31/03/2021 and 31/03/2020, annexed to this report and prepared by the Company for the purposes of inclusion in the offer document prepared by the Company in connection with its Proposed Public Issue of Secured, Redeemable, Non-Convertible Debentures ("the Debentures" or "the NCDs")**.** Such financial statements, which have been approved by the Stock Allotment Committee authorized by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

a) Section 26 of Chapter III of the Companies Act, 2013, as amended (the "Act"); and

b) relevant provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, (the "**SEBI NCS Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**"), as amended from time to time.

c) the Guidance Note (Revised) on Reports in Company Prospectus issued by the Institute of Chartered Accountants of India, as amended from time to time.

The preparation of the Reformatted Ind AS Consolidated Financial Statements is the responsibility of the Company's management. Our responsibility is to report on such statements based on our procedures.

1. The Reformatted Ind AS Consolidated Financial Statements have been extracted by the management from the audited, consolidated financial statements of the Company prepared in accordance with the Ind AS framework as at March 31, 2022, March 31, 2021 and March 31, 2020, which were approved by the Board of Directors on 28/05/2022, 23/06/2021 and 09/07/2020 respectively.

   We have audited the accounts of the Company for the year ended March 31, 2022, prepared in accordance with the Ind AS framework, in respect of which we have issued unmodified audit opinion vide our report dated 28/05/2022. The audit of the accounts of the Company for the years ended March 31, 2021 and March 31, 2020 prepared in accordance with the Ind AS framework was done by M/s. Rangamani & Co (FRN 003050S), in respect of which they have issued unmodified audit opinion vide their reports dated 23/06/2021 and 09/07/2020, on which we have relied.

2. We have examined such Reformatted Ind AS Consolidated Financial Statements taking into consideration:

   a) the terms of engagement received from the Company requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its Proposed Public Issue Of Debt Securities;

   b) the requirements of Section 26 of the Companies Act, 2013 and the SEBI NCS Regulations; and

   c) the Guidance Note (Revised) on Reports in Company Prospectus issued by the Institute of Chartered Accountants of India.

3. In accordance with the requirements of Section 26 of the Companies Act, 2013 read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Guidance Note and the terms of our engagement agreed with you, we further report that the Reformatted Ind AS Consolidated Financial Statements consisting of:

   a) the Reformatted Consolidated Statement of Assets and Liabilities, Notes forming part thereof and the Significant Accounting Policies as at March 31, 2022, March 31, 2021 and March 31, 2020;

b) the Reformatted Consolidated Statement of Profits and Losses, Notes forming part thereof and the Significant Accounting Policies, for the years ended March 31, 2022, March 31, 2021 and March 31, 2020;

c) the Reformatted Consolidated Statement of Cash Flows of the Company, as at March 31, 2022, March 31, 2021 and March 31, 2020; and

d) the Reformatted Consolidated Statement of Changes in Equity as at March 31, 2022, March 31, 2021 and March 31, 2020;

proposed to be included in the offer document prepared by the management and approved by the Stock Allotment Committee authorized by the Board of Directors of the Company, that are set out in Annexure I to VI to this report, have been examined by us, and are accurately extracted from the audited consolidated financial statements of the Company for the years ended March 31, 2022, March 31, 2021 and March 31, 2020.

4. Based on our examination as above, we further report that:

a) these Reformatted Ind AS Consolidated Financial Statements have been presented in "Rupees in Lakhs"

b) the Reformatted Ind AS Consolidated Financial Statements have to be read in conjunction with the Notes on Reformatted Ind AS Consolidated Financial Statements and Significant Accounting Policies.

c) the figures of earlier periods have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to conform to the classification adopted for the Reformatted Ind AS Consolidated Financial Statements as at and for the year ended March 31, 2022.

d) there are no extraordinary items which need to be disclosed separately in the attached Reformatted Consolidated Statements, other than those disclosed;

e) there are no qualifications in the auditors' reports for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, that require any adjustments to the Reformatted Consolidated Financial Statements.

(i) The report on the Audit of the Consolidated Ind AS Financial Statements for the year ended March 31, 2021 included the following Emphasis of Matter paragraph;

Emphasis of Matter

We draw attention to Note 44 to the Consolidated Ind AS financial statements, relating to the impact of Covid-19 Pandemic. Our opinion is not modified in respect of this matter.

(ii) The auditors' report for the year ended March 31, 2020 included the following Emphasis of Matter paragraph;

Emphasis of Matter

We draw attention to Note 44 to the Consolidated Ind AS financial statements, relating to the impact of Covid-19 Pandemic, in which the management has discussed the probable impact on the company and the environment in which it operates. This note also indicates that the extent to which the Covid-19 pandemic will have impact on the Company's financial performance is dependent on future developments, which are uncertain. Our opinion is not modified in respect of this matter.

f) the Reformatted Ind AS Consolidated Financial Statements conform to the requirements of Schedule III of the Companies Act, 2013; and

g) in the preparation and presentation of Reformatted Ind AS Consolidated Financial Statements based on audited financial statements as referred to in paragraph 3 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 1 above.

5. Based on our examination of financial information specified in para 2 above, we state that in our opinion, the financial information so specified above, have been prepared in accordance with the requirements of the relevant provisions of the Companies Act, 2013 and of the SEBI NCS Regulations.

6. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2022. Accordingly, we express no opinion on the financial position, results of operations, changes in equity or cash flows of the Company as of any date or for any period subsequent to March 31, 2022.

7. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this be construed as a new opinion on any of the financial statements referred to herein.

8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

9. This report is intended solely for your information and for inclusion in the Offer Document prepared in connection with the proposed public issue of debt securities of the Muthoot Fincorp Limited and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Rangamani & Co.,	**For Krishnan Retna & Associates**
Chartered Accountants,	**Chartered Accountants,**
ICAI FRN:003052S	**ICAI FRN: 001536S**
CA. R. Krishnan	**CA. Nikhil R Kumar**
(Partner)	**(Partner)**
M.No.025927	**M.No. 231162**
UDIN: 22025927ANKZAO9825	**UDIN: 22231162ANKZWK1958**
Place: Alleppey	**Place: Thiruvananthapuram**
Date: July 21, 2022	**Date: July 21, 2022**

Muthoot FinCorp Limited

Annexure I - Reformatted Consolidated Statement of Assets and Liabilities

(Amount in INR Lakhs, except share data and unless otherwise stated)

Particulars	Note	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
ASSETS				
Financial assets				
Cash and cash equivalents	5	3,15,233.84	98,979.83	1,50,001.60
Bank Balance other cash and cash equivalent	6	41,618.70	40,187.25	19,625.93
Receivables	7			
Trade Receivables		4,235.12	2,748.83	3,877.77
Loans	8	22,66,492.77	22,90,627.47	17,52,778.97
Investments	9	10,272.71	6,560.46	8,330.75
Other Financial assets	10	14,265.13	20,997.25	17,150.86
Non-financial Assets				
Current tax assets (Net)		7,197.66	1,977.60	4,547.00
Deferred tax asset (Net)	36	9,959.42	4,963.43	2,993.24
Investment Property	11	30,236.55	30,236.55	30,236.55
Property, Plant and Equipment	12	43,392.79	45,543.44	49,312.84
Capital work -in-progress	13	-	-	-
Intangible assets under development	14	-	114.45	87.44
Other Intangible assets	14	1,953.04	1,891.73	1,622.54
Right-of-use assets	15	66,258.57	50,836.70	52,721.97
Other non financial assets	16	31,117.68	32,789.27	30,893.55
Total assets		**28,42,233.98**	**26,28,454.27**	**21,24,181.00**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Payables	17			
(I) Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises		6.41	2.47	4.59
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		337.28	270.03	331.26
(II) Other Payables				
(i) total outstanding dues of micro enterprises and small enterprises		79.03	45.85	36.16
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		5,679.47	2,101.21	37,266.63
Debt Securities	18	4,47,341.02	4,82,831.10	1,09,054.22
Borrowings (other than debt securities)	19	16,01,092.04	14,56,521.18	13,28,899.61
Lease Liability	15	74,233.11	55,998.56	54,580.21
Subordinated Liabilities	20	2,41,026.38	2,52,008.33	2,62,660.24
Other Financial liabilities	21	91,762.74	70,330.07	55,893.66
Non-financial Liabilities				
Current tax liabilities (net)		58.26	-	287.56
Provisions	22	1,190.56	2,726.20	2,550.30
Deferred tax liabilities (net)	36	3,995.14	233.57	3,206.56
Other non-financial liabilities	23	2,316.47	1,915.66	4,107.23
Equity				
Equity share capital	24	19,370.56	19,370.56	19,370.56
Other equity	25	2,99,408.97	2,47,562.54	2,09,229.34
Equity attributable to equity holders of the parent		3,18,779.53	2,66,933.09	2,28,599.89
Non-controlling interest		54,336.53	36,536.95	36,702.88
Total Equity		3,73,116.06	3,03,470.05	2,65,302.78
Total Liabilities and Equity		**28,42,233.98**	**26,28,454.27**	**21,24,181.00**

See accompanying notes to the Financial Statements 1 to 4

In terms of our joint report of even date attached

For Rangamani & Co.	For Krishnan Retna & Associates	For and on behalf of the Board of Directors,	
Chartered Accountants	Chartered Accountants		
Firm Regn. No. 003052S	Firm Regn. No. 001536S		
		Thomas John Muthoot	**Thomas George Muthoot**
		Managing Director	Director
CA. Krishnan R	**CA. Nikhil R Kumar**	DIN: 00011618	DIN: 00011552
Partner	Partner	Place: Thiruvananthapuram	Place: Kochi
Membership No.025927	Membership No.231162		
Place: Alleppey	Place: Thiruvananthapuram		
		Thomas Muthoot	
		Executive Director and	
		Chief Financial Officer	
		DIN: 00082099	
Date: July 21, 2022		Place: Kochi	

Muthoot FinCorp Limited

Annexure II - Reformatted Consolidated Statement of Profits and Losses

(Amount in INR Lakhs, except share data and unless otherwise stated)

Particulars	Notes	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2020
Revenue from operations				
Interest income	26	4,07,859.45	3,77,880.19	3,16,386.61
Dividend income		17.44	22.57	27.29
Rental income		391.43	369.11	383.89
Fees and commission income		10,189.03	7,431.26	9,548.06
Net Gain on fair value changes	27	11,187.23	4,296.06	21,890.75
Net gain on derecognition of financial instruments under amortised cost category		37.53	14,552.26	21,233.33
Sale of service		86.36	25.15	305.80
Others	28	5,586.83	5,451.99	6,445.96
Total Revenue from operations		**4,35,355.30**	**4,10,028.57**	**3,76,221.69**
Other Income	29	158.05	90.79	376.82
Total Income (I + II)		**4,35,513.34**	**4,10,119.36**	**3,76,598.51**
Expenses				
Finance costs	30	2,07,407.01	2,06,163.78	1,76,105.04
Fees and commission expenses		1,443.78	770.81	573.61
Impairment on financial instruments	31	19,061.92	18,984.61	36,902.36
Employee benefits expenses	32	82,912.41	71,659.64	72,927.18
Depreciation, amortization and impairment	33	23,583.84	24,957.25	22,882.20
Other expenses	34	45,418.18	34,336.90	31,913.92
Total Expenses		**3,79,827.13**	**3,56,872.99**	**3,41,304.32**
Profit before tax (III- IV)		**55,686.22**	**53,246.37**	**35,294.19**
Tax Expense:				
(1) Current tax	36	16,820.60	17,865.05	11,770.02
(2) Deferred tax charge / (credit)	36	(2,389.50)	(4,310.54)	(2,268.64)
(3) MAT Credit Entitlement		-	(36.26)	-
Profit for the year (V-VI)		**41,255.11**	**39,728.13**	**25,792.81**
Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss				
Remeasurement of the defined benefit liabilities		18.34	(151.88)	(408.78)
Net gain / (loss) on equity instruments measured through other comprehensive income		(62.09)	962.59	(120.42)
(ii) Income tax relating to items that will not be reclassified to profit or loss		11.63	(202.60)	138.00
Subtotal (A)		(32.12)	608.11	(391.20)
(i) Items that will be reclassified to profit or loss				
Remeasurement of loan assets		4,491.27	(3,174.60)	593.62
(ii) Income tax relating to items that will be reclassified to profit or loss		(1,130.45)	799.15	(149.38)
Subtotal (B)		3,360.82	(2,375.45)	444.24
Other Comprehensive Income (A+B)		**3,328.70**	**(1,767.34)**	**53.04**
Total Comprehensive Income for the year (VII+VIII)		**44,583.81**	**37,960.78**	**25,845.85**
Profit for the year attributable to				
Equity holders of the parent		39,170.72	39,021.05	24,703.73
Non-controlling interest		2,084.40	707.08	1,089.08
Total Comprehensive income for the year, net of tax				
Equity holders of the parent		41,322.42	38,139.42	24,683.27
Non-controlling interest		3,261.40	(178.64)	1,162.57
Earnings per equity share	35			
Basic (INR)		20.22	20.14	12.75
Diluted (INR)		19.60	20.14	12.75

See accompanying notes to the financial statements 1 to 4

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Alleppey

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Nikhil R Kumar
Partner
Membership No.231162
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director &
Chief Financial Officer
DIN: 00082099
Place: Kochi

Date: July 21, 2022

Muthoot Fincorp Limited
Annexure III - Reformatted Consolidated Statement of Cash Flows
(Amount in Rs. Lakhs, except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash flow from operating activities			
Profit before tax	**55,686.22**	**53,246.37**	**35,294.19**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation on Property, plant and equipment	6,574.74	7,735.76	6,784.43
Depreciation on Right of Use Assets	16,371.61	16,640.47	15,573.93
Depreciation on intangibles	637.49	581.05	523.84
Dividend Income	(17.44)	(22.57)	(27.29)
Unrealised fair value adjustments	120.71	(908.69)	57.35
Profit on sale of investment	(11,307.93)	(14,624.58)	(43,061.02)
Impairment of loan assets	8,575.75	3,895.18	16,863.49
Bad debts written off	10,486.17	15,085.19	18,236.31
Impairment on assets held for sale	138.38	42.68	28.98
Impairment on other receivables	-	4.22	1.51
Ind AS Adjustments for leases	(885.32)	(509.20)	-
Adjustment towards effective interest rate in respect of borrowings	(4,172.98)	(600.97)	(1,801.05)
Share based payments	119.23	111.04	-
Interest on lease liabilities	6,901.55	5,311.40	6,066.58
Impairment on Investments	-	-	1,207.44
Operating Profit Before Working Capital Changes	**89,228.18**	**85,987.35**	**55,748.69**
Adjustments for Working capital changes:			
(Increase)/Decrease in trade receivables	(1,486.29)	1,124.73	(628.74)
(Increase) in Bank balances other than cash and cash equivalents	6,944.08	(13,713.50)	-
(Increase)/Decrease in loan assets	20,871.97	(5,45,453.10)	(2,30,254.08)
(Increase)/Decrease in other financial assets	2,664.11	223.58	12,499.90
(Increase)/Decrease in other non financial assets	1,533.21	(1,938.39)	3,609.59
Increase/(Decrease) in trade and other payables	3,682.63	(35,219.07)	(9,642.47)
Increase/(Decrease) in other financial liabilities	6,219.65	14,551.83	(3,868.85)
Increase/(Decrease) in other non financial liabilities	400.81	(2,191.57)	1,463.47
Increase/(Decrease) in provisions	(1,517.30)	25.99	517.01
Operating proft before tax	**1,28,541.06**	**(4,96,602.14)**	**(1,70,555.49)**
Taxes paid	(21,999.34)	(15,487.58)	(17,627.60)
Net cash used in operating activities	**1,06,541.72**	**(5,12,089.73)**	**(1,88,183.09)**
B. Cash flow from Investing activities			
Sale / Redemption of investments	720.54	3,840.76	40,097.74
Fresh investments made	(4,402.58)	(127.00)	-
Investment in property	-	-	(139.82)
Purchase of property, plant and equipment	(5,008.82)	(3,975.32)	(5,374.50)
Sale of property, plant and equipment	0.39	8.99	1,347.49
Sale of intangibles	-	2.95	-
Purchase of intangibles	-	(880.21)	(417.73)
Increase in fixed deposit	(4,307.52)	(10,917.78)	(2,667.57)
Dividend income	17.44	22.57	27.29
Net cash used in investing activities	**(12,980.55)**	**(12,025.05)**	**32,872.90**
C. Cash flow from Financing activities			
Redemption of debt securities	(35,218.61)	3,75,224.21	55,615.21
Funds borrowed	1,46,692.17	1,26,788.46	2,00,712.20
Decrease in subordinated liability	(9,201.75)	(10,780.60)	(12,905.80)
Payment of lease liability	(19,575.16)	(18,139.06)	(17,770.71)
Payment of dividend	(11,622.33)	-	(16,346.56)
Issue of shares for ESOP	-	-	105.30
Proceeds from issue of equity shares	0.01	-	-
Proceeds from Issue of compulsorily convertible preference shares	51,550.57	-	-
Proceeds from treasury shares	67.94	-	-
Net cash flows from financing activities	**1,22,692.84**	**4,73,093.02**	**2,09,409.65**
D Net increase in cash and cash equivalents	**2,16,254.01**	**(51,021.77)**	**54,099.46**
Net cash and Cash Equivalents at beginning of the year	98,979.83	1,50,001.60	95,902.14
Cash and cash equivalents at 31st March 2022 / 31st March 2021	**3,15,233.84**	**98,979.83**	**1,50,001.60**

See accompanying notes to the financial statements

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Alleppey

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Nikhil R Kumar
Partner
Membership No.231162
Place: Thiruvananthapuram

Date: July 21, 2022

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director and
Chief Financial Officer
DIN: 00082099
Place: Kochi

Muthoot FinCorp Limited

Annexure IV - Reformatted Consolidated Statement of Changes in Equity

(Amount in INR Lakhs, except share data and unless otherwise stated)

A. Equity Share Capital

Equity shares of INR 10/- each issued, subscribed and fully paid

Particulars	No. of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
As at April 1, 2019	**19,37,05,560.00**	**19,370.56**
Issued during the year	-	-
As at April 1, 2020	**19,37,05,560.00**	**19,370.56**
Issued during the year	-	-
As at March 31, 2021	**19,37,05,560.00**	**19,370.56**
Issued during the year	-	-
As at March 31, 2022	**19,37,05,560.00**	**19,370.56**

B. Other Equity

Particulars	Reserves and Surplus								Other Comprehensive Income					
	Securities Premium Reserve	Statutory Reserve (Pursuant to Section 45-IC of the RBI Act 1934)	Statutory Reserve (Pursuant to Section 29C of the NHB Act 1987)	Debenture Redemption Reserve	Retained Earnings	General Reserve	Treasury shares	Employee stock options outstanding	Equity Instruments through Other Comprehensive income	Acturial valuation of gratuity impact through Other Comprehensive Income	Loan assets through other comprehensive income	Total attributable to equity holders of the parent	Total non-controlling interest	Total
Balance as on 31st March 2019	**38,129.81**	**41,981.40**	**823.48**	**976.33**	**1,23,595.76**	**(26.06)**	**(343.06)**	**92.40**	**(284.50)**	**263.50**	**4,182.13**	**2,09,391.19**	**30,146.14**	**2,39,537.33**
Profit for the year	-	-	-	-	24,703.73	-	-	-	-	-	-	24,703.73	1,089.08	25,792.81
Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	-	(85.51)	(217.54)	282.58	(20.47)	73.51	53.04
Changes during the year in employee stock options outstanding	-	-	-	-	-	-	-	60.72	-	-	-	60.72	-	60.72
Proceeds on transfer during the year	-	-	-	-	-	23.58	-	-	-	-	-	23.58	-	23.58
Write back from Debenture Redemption Reserve	-	-	-	(976.33)	976.33	-	-	-	-	-	-	-	-	-
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	6,432.65	-	-	(6,432.65)	-	-	-	-	-	-	-	-	-
Transfer to Reserves u/s. 29-C of NHB Act, 1987	-	-	442.89	-	(442.89)	-	-	-	-	-	-	-	-	-
Earlier years adjustments	-	-	-	-	(262.77)	-	343.06	-	-	-	-	80.29	-	80.29
Adjustments to NCI	-	-	-	-	(5,397.37)	0.90	-	-	-	-	-	(5,396.47)	5,394.15	(2.32)
Deferred Tax – Prior Years	-	-	-	-	(1,394.72)	-	-	-	(1,871.96)	-	-	(3,266.68)	-	(3,266.68)
Dividend Paid	-	-	-	-	(13,559.39)	-	-	-	-	-	-	(13,559.39)	-	(13,559.39)
Dividend Tax Paid	-	-	-	-	(2,787.17)	-	-	-	-	-	-	(2,787.17)	-	(2,787.17)
Balance as on 31st March 2020	**38,129.81**	**48,414.05**	**1,266.37**	**-**	**1,18,998.85**	**(1.58)**	**-**	**153.12**	**(2,241.97)**	**45.96**	**4,464.71**	**2,09,229.34**	**36,702.88**	**2,45,932.22**
Profit for the year	-	-	-	-	39,021.05	-	-	-	-	-	-	39,021.05	707.08	39,728.13
Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	-	721.85	(92.42)	(1,511.05)	(881.62)	(885.72)	(1,767.34)
Changes during the year in employee stock options outstanding	-	-	-	-	-	-	-	76.24	-	-	-	76.24	-	76.24
Proceeds on transfer during the year	-	-	-	-	-	34.79	-	-	-	-	-	34.79	-	34.79
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	7,531.92	-	-	(7,531.92)	-	-	-	-	-	-	-	-	-
Transfer to Reserves u/s. 29-C of NHB Act, 1987	-	-	402.19	-	(402.19)	-	-	-	-	-	-	-	-	-
Earlier years adjustments	0.04	-	-	-	95.41	-	-	-	-	-	-	95.45	-	95.45
Adjustments to NCI	-	-	-	-	(0.91)	(11.79)	-	-	-	-	-	(12.70)	12.71	0.00
Balance as on 31st March 2021	**38,129.85**	**55,945.97**	**1,668.56**	**-**	**1,50,180.30**	**21.42**	**-**	**229.36**	**(1,520.12)**	**(46.46)**	**2,953.67**	**2,47,562.54**	**36,536.95**	**2,84,099.49**
Profit for the year	-	-	-	-	39,170.72	-	-	-	-	-	-	39,170.72	2,084.40	41,255.11
Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	-	(45.89)	59.73	2,137.86	2,151.70	1,177.00	3,328.70
Changes during the year in employee stock options outstanding	-	-	-	-	67.95	(12.49)	-	131.72	-	-	-	187.18	-	187.18
Proceeds on transfer during the year	-	-	-	-	-	64.70	-	(64.70)	-	-	-	-	-	-
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	7,884.98	-	-	(7,884.98)	-	-	-	-	-	-	-	-	-
Transfer to Reserves u/s. 29-C of NHB Act, 1987	-	-	400.00	-	(400.00)	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	(11,622.33)	-	-	-	-	-	-	(11,622.33)	-	(11,622.33)
Provision for proposed dividend	-	-	-	-	(0.02)	-	-	-	-	-	-	(0.02)	-	(0.02)
Tax relating to prior years	-	-	-	-	(53.21)	-	-	-	-	-	-	(53.21)	-	(53.21)
Proceeds on on issue of Compulsorily Convertible Preference Shares	-	-	-	-	22,031.42	-	-	-	-	-	-	22,031.42	14,519.15	36,550.57
Adjustments to NCI	-	-	-	-	-	(19.03)	-	-	-	-	-	(19.03)	19.03	-
Balance as on 31st March 2022	**38,129.85**	**63,830.95**	**2,068.56**	**-**	**1,91,489.85**	**54.60**	**-**	**296.38**	**(1,566.01)**	**13.27**	**5,091.53**	**2,99,408.97**	**54,336.53**	**3,53,745.50**

See accompanying notes to the Financial Statements

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Alleppey

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Nikhil R Kumar
Partner
Membership No.231162
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director and
Chief Financial Officer
DIN: 00082099
Place: Kochi

Date: July 21, 2022

Muthoot FinCorp Limited
Annexure V - Significant Accounting Policies to reformatted consolidated financial statements

1. Corporate Information

Muthoot FinCorp Limited, (the Company), is a Public Limited Company, incorporated on June 10, 1997 under the provisions of Companies Act, 1956. The Company is a Non-Deposit Accepting Non-Banking Financial Company (NBFC) registered with Reserve Bank of India (RBI) and is classified as a Non- Deposit Taking Systematically Important Loan Company (NDSI).

Muthoot FinCorp Limited, the flagship company of the 135-year-old Muthoot Pappachan Group, together with its subsidiaries (collectively, the Group), provides a diverse mix of retail offerings catering to the various needs of its customers and is primarily engaged in business of Gold Loans through its branch network across India. The Group also offers SME Loans, Forex Services, Money Transfer Services and Wealth Management Services to its customers in its strive to be the most trusted financial service provider. The Company is engaged in real estate business to a very limited extent. The Company's registered office is at Muthoot Centre, TC No.14/2074-7, Punnen Road, Thiruvananthapuram, Kerala, India. The Registration details of the Company are as follows:
Corporate Identity Number (CIN): U65929KL1997PLC011518
Reserve Bank of India Registration no.: N - 16.00170

The Company has 3 subsidiaries, Muthoot Housing Finance Company Limited (or "MHFCL" or "Muthoot Housing"), Muthoot Pappachan Technologies Limited (or "MPT") and Muthoot Microfin Limited (or "MML" or "Muthoot Microfin") (formerly known as Pancharatna Securities Limited), which are incorporated in India.

Muthoot Housing Finance Company Limited (MHFCL) is a public company domiciled in India and incorporated under provision of the Companies Act, 1956 having Corporate Identity Number (CIN) - U65922KL2010PLC025624, registered with the National Housing Bank ("NHB") under Section 29 A of the National Housing Bank Act, 1987 and primarily engaged in housing finance activities. The company was incorporated on 05th March 2010, and received the Certificate of Registration from the NHB on 11th February 2011, enabling the company to carry on business as a Housing Finance Company without accepting Public Deposits. The Company received its Certificate of Commencement of Business on 1st June 2011.

Muthoot Pappachan Technologies Private Limited (MPT) was initially registered as a Private Limited Company on 16th November 2012. Later, it was converted to Muthoot Pappachan Technologies Limited on 5th July 2013. Based in the Technopark campus at Thiruvananthapuram, the company provides Consulting-led Integrated portfolio of Information Technology (IT) and IT enabled services to its clients. The company in short, aims at providing Software Solution as Service to its customers.

Muthoot Microfin Limited (MML) was incorporated as a Private Limited Company in the year 1992 under the erstwhile Companies Act, 1956. Effective from 18 March 1998, the Company was registered as a non-deposit accepting Non-Banking Financial Company (NBFC-ND) under the rules and regulations framed by the Reserve Bank of India. The company has obtained registration under the category of Non-Banking Financial Company – Micro Finance Institutions (NBFC-MFI) w.e.f. 25 March 2015. The operations of the Company are based on the Grameen model of lending. It is designed to promote entrepreneurship among women and inclusive growth. The Company provides financial assistance through micro loans to women engaged in small income generating activities.

2. Basis of preparation

2.1 Statement of Compliance

The reformatted consolidated statement of assets and liabilities of the Company as at March 31, 2022, March 31, 2021 and March 31, 2020, the reformatted consolidated statement of profit and loss, the reformatted consolidated statement of cash flows, the reformatted consolidated statement of changes in equity and the significant accounting policies and explanatory notes thereto as at and for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 (together referred as "Reformatted Consolidated Financial Statements") have been extracted by the Management from the audited consolidated financial statements of the Company for the years ended March 31, 2022, March 31, 2021 and March 31, 2020.

The Reformatted Consolidated Financial Statements have been prepared by the management in connection with the proposed listing of secured and / or unsecured redeemable non-convertible debentures of the Company with the BSE Limited and in accordance with the requirements of Section 26 of the Companies Act, 2013 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued by the Securities and Exchange Board of India.

The reformatted consolidated 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 and has been prepared under the Ind AS framework.

2.2 Presentation of financial Statements

The Group presents its Balance Sheet in order of liquidity. The Group prepares and presents its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

The Group generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Group offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

2.3 Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and all its subsidiaries, being the entities that it controls from the date control is gained. Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity's returns. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Parent Company.

These consolidated financial statements are prepared on the following basis in accordance with Ind AS 110 on "Consolidated Financial Statements" specified under Section 133 of the Act. Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Name of the Company	Country of incorporation	Consolidated as	% equity shareholding of MFL (31/03/2022)	% equity shareholding of MFL (31/03/2021)	% equity shareholding of MFL (31/03/2020)
Muthoot Housing Finance Company Limited	India	Subsidiary	80.66%	80.66%	80.66%
Muthoot Pappachan Technologies Limited	India	Subsidiary	60.00%	60.00%	60.00%
Muthoot Microfin Limited	India	Subsidiary	63.61%	63.61%	63.61%

i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights 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 controls commences until the date on which control ceases.

ii) Non-controlling interest ("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.

iii) 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.

iv) Transactions eliminated on consolidation

The financial statements of the Holding Company and its subsidiary used in the consolidation procedure are drawn up to the same reporting date i.e. March 31, 2022. The financial statements of the Holding Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The Group follows uniform accounting policies for like transactions and other events in similar circumstances. For 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, refer Note 49.

2.4 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) Investments in equity instruments at fair value through other comprehensive income (FVOCI)
ii) Financial assets and liabilities designated at fair value through profit or loss (FVTPL)
iii) Financial assets measured at fair value through other comprehensive income (FVOCI)
iv) Investments which are held for trading
v) Defined benefit plans.

2.5 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also functional currency of the Group and the currency of the primary economic environment in which the Group operates. All values are rounded to the nearest lakhs, except when otherwise indicated.

3. Significant accounting policies

3.1 Recognition of interest income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets. When a financial asset becomes credit-impaired and is, therefore, regarded as ‘Stage 3’, the subsidiaries calculate interest income by applying the effective interest rate to the amortised cost net of provisions of the financial asset. Interest income is not recognized on credit impaired assets by the Holding Company.

3.2 . Recognition of revenue from sale of goods and services

Revenue (other than for financial instruments) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind 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 Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

Revenue from contract with customer for rendering services is recognised at a point in time when performance obligation is satisfied.

3.2.1 Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

3.2.2 Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

3.2.3 Fees and commission income

Fees and commission income such as service charges, commission from fee-based business lines, service income etc. are recognised on point in time basis.

3.2.4 Miscellaneous Income

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

3.3 Financial instruments

A. Financial Asset

3.3.1 Initial recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Loans are recognised when funds are transferred to the customers' account. Investments are recognised on the date when the Company becomes party to the contractual provisions. The Group recognises debt securities, deposits and borrowings when funds reach the Group and post allotment, where applicable.

3.3.2 Initial and subsequent measurement of financial instruments

The Group classifies its financial assets into the following measurement categories:

1. Debt instruments at amortised cost
2. Debt instruments at fair value through other comprehensive income (FVTOCI).
3. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
4. Equity instruments measured at fair value through other comprehensive income FVTOCI.

The classification depends on the contractual terms of the financial assets' cash flows and the Group's business model for managing financial assets which are explained below:

Business model assessment
The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.
The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment.
- The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test
As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Group classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

3.3.3 Financial assets measured at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement at fair value plus directly attributable costs, these financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

3.3.4 Financial assets measured at fair value through other comprehensive income

A 'debt instrument' is measured at fair value through other comprehensive income if both the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and selling the assets and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement.

3.3.5 Financial Instrument measured at fair value through profit or loss

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVOCI criteria may be designated as at FVTPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Group’s investment is classified as FVTPL, if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking.

Financial instruments held at fair value through profit or loss, are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise.

3.3.6 Equity instruments

The Group subsequently measures investment in equity investments at fair value through profit or loss, unless the Group’s management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of definition of Equity under Ind AS 32 *Financial Instruments*: *Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments classified at FVOCI are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI.

B. Financial Liabilities

Initial recognition and measurement

All financial liabilities are initially recognised at fair value. Transaction cost that are directly attributable to the acquisition or the issue of financial liability, which are not at fair value through profit or loss, are adjusted to fair value at initial recognition.

Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

3.4 Derecognition of financial assets and liabilities

3.4.1 Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

a) The Group 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 Group 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'), when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset

  or

- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

3.4.2 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 profit or loss.

3.5 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 counter parties.

3.6 Impairment of financial assets

3.6.1 Overview of the Expected Credit Loss (ECL) principles

The Group has created provisions on all financial assets except for financial assets classified as FVTPL, based on the expected credit loss method. The Group also ensures maintaining the minimum provision requirement as per RBI and NHB regulations.

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. The 12-month ECL is 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 instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into three stages as described below:

For non-impaired financial instruments

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial instruments. In assessing whether credit risk has increased significantly, the Group compares the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.

- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Group recognises lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities recognize 12 months of ECL.

For impaired financial instruments:

Financial instruments 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 instruments.

3.6.2 The calculation of ECLs

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. PD is calculated using Incremental NPA approach considering fresh slippage using historical information.

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.

Forward looking information

While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and market it operates in. 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.

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when it is determined that the customer 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.

Collateral

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as gold, cash, securities, letters of credit/guarantees, stock, current asset etc. However, the fair value of collateral affects the calculation of ECLs. The fair value of the same is based on data provided by third party or management judgements.

Impairment of Trade receivables

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables.

3.7 Determination of fair value

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, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which enough data are available to measure fair value, maximising the use of relevant observable inputs and 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.

3.8 Foreign Currency translation

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of ex-change ruling at the date of the transaction. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non–trading activities are taken to other income/expense in the statement of profit and loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

3.9 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.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability.

3.10 Other income and expenses

All Other income and expense are recognized in the period they occur.

3.11 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less and forex balances, 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 an integral part of the Group's cash management.

3.12 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.13 Depreciation

Tangible assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is charged based on a review by the management during the year and at the rates derived based on the useful lives of the assets as specified in Schedule II of the Companies Act, 2013 or estimated useful lives estimated by the respective management based on technical evaluation. The holding company and one of its subsidiaries, Muthoot Microfin Limited follow the Straight Line Method for providing depreciation whereas the two other subsidiaries follow Written Down Value Method.

Leasehold improvements and assets held under finance leases are depreciated over the shorter of lease term or their useful life. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.14 Capital work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses. Assets which are not ready for intended use are also shown under capital work-in-progress.

3.15 Intangible assets

The Group’s intangible assets consist of computer software.

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised by the Group over a period of 3 years, except in case of Muthoot Pappachan Technologies Limited where the computer software is amortised over a period of 10 years or over the estimated useful lives.

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.

3.16 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. Subsequent expenditure is capitalized to the assets carrying amount only when it is probable that the future economic benefit associated with the expenditure will flow to the company.

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.

3.17 Impairment of non-financial assets

The Groups assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. 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 considered. 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 or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.18 Post-employment benefits

3.18.1 Defined contribution schemes

Contributions to the Employees Provident Fund Scheme maintained by the Central Government, Employee State Insurance Corporation (ESIC) etc. are accounted for on an accrual basis. Retirement benefit in the form of provident fund is a defined contribution scheme.

The Group has no obligation, other than the contribution payable under the schemes. The Group recognizes contribution payable to the provident fund scheme / ESIC as expenditure, when an employee renders the related service. If the contribution payable to the scheme / ESIC for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset.

3.18.2 Defined Benefit schemes

Gratuity

The Group 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 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 Group makes contributions to a Gratuity Fund administered by the Life Insurance Corporation of India.

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 other equity through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

3.19 Share Based Payments

The Group has formulated an Employees Stock Option Scheme to be administered through respective Trusts for its subsidiaries MML and MHFCL. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the estimates of the number of options that are expected to vest based on the non-market vesting and service conditions are revised. It recognises the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

3.20 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.

3.21 Assets held for sale

Assets possessed against the settlement of loans are carried in the balance sheet at a value of outstanding principal loan amount or fair value of asset whichever is lower. In case the fair value of the asset acquired is lower than the outstanding principal loan amount; then the shortfall is to be provided for in the books of account in such financial year.

These assets are classified as ‘Assets held for sale’ under ‘Non-financial assets’ till the asset acquired is finally disposed. The outstanding overdue interest and other charges will be accounted on realization basis.

Further, if on disposal of the assets so acquired, the sale proceed is higher than the receivable amount (including outstanding loan, outstanding overdue interest, other charges and interest), then the Company will refund the excess amount to the borrowers.

3.22 Taxes

Income tax expense represents the sum of current tax and deferred tax.

3.21.1 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.

Interest income / expenses and penalties, if any, related to income tax are included in current tax expense. 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 Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.22.2 Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

3.22.3 Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.23 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.

3.24 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.

3.25 Dividends on ordinary shares

The Group recognises a liability to make distributions to equity holders of the Group when the distribution is authorised, and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.26 Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Transition to Ind AS 116
The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, had notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces single, on-balance sheet lease accounting model for leases.

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019, using modified retrospective approach and accordingly previous period information has not been reinstated.

Group as a lessee
The Groups lease asset class consists of building, equipment and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group has, at the date of transition, recognized a right-of use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term lease) and low value assets. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are recognized at cost, which comprises the present value of the lease liability as at the date of transition. Right-of-use assets are depreciated on a straight-line basis over the shorter of the balance lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit on the lease or, if not readily determinable, using the incremental borrowing rates. Interest accrued on lease liability and lease payments made, are subsequently adjusted to the initial recognition of lease liability.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability. For leases that were classified as finance lease applying Ind AS 17, the carrying amount of the right-of-use asset and the lease liability at the date of transition to Ind AS 116 is the carrying amount of the lease asset and the lease liability on the transition date as measured applying Ind AS 17.

Group as a lessor
Leases where the Group does not transfer substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Rental Income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss.

3.27 Cash flow statement

Cash flows are reported using indirect method, whereby net profits 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 and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

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, and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

4.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a 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 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 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.

4.3 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.

4.4 Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement 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 several 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.

4.5 Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and lifecycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

4.6 Lease Term

- The determination of lease term for some lease contracts in which the Company is a lessee, including whether the Company is reasonably certain to exercise lessee options.
- The determination of the incremental borrowing rate used to measure lease liabilities.

4.7 Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

4.8 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

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Muthoot FinCorp Limited
Annexure VI - Notes to Reformatted Consolidated Financial Statements
(Amount in INR Lakhs, except share data and unless otherwise stated)

5 Cash and cash equivalents

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Cash on hand	9,404.61	10,271.73	3,788.95
Balances with Banks			
- in current accounts	2,03,411.92	60,065.17	38,368.92
- in deposit accounts having original maturity less than three months	1,01,884.07	28,229.74	1,07,824.03
Others			
-Forex Balance	59.94	40.40	17.32
-Balance with cash collection agents	473.30	372.80	2.39
Total	**3,15,233.84**	**98,979.83**	**1,50,001.60**

6 Bank Balance other than cash and cash equilvalents

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Deposit with original maturity for more than three months but less than twelve months	34,849.28	26,473.75	19,625.93
Balance with Banks in escrow accounts	6,769.42	13,713.50	-
Total	**41,618.70**	**40,187.25**	**19,625.93**

7 Receivables

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(I) Trade Receivables			
Receivables considered good - Unsecured			
Receivables from Money Transfer business	847.35	921.73	406.35
Wind Mill income receivable	1,748.85	891.46	2,500.50
Other Trade Receivables	1,638.92	935.64	970.92
Sub-Total	**4,235.12**	**2,748.83**	**3,877.77**
Less: Allowances for Impairment Loss	-	-	-
Total Net receivable	**4,235.12**	**2,748.83**	**3,877.77**

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.

Ageing Schedule of Trade Receivables (At at 31st March,2022)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	2,458.20	687.43	1,084.40	-	-	4,230.04
(ii) Undisputed Trade Receivables- which have signficant increase in credit risk	-	-	5.08	-	-	5.08
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

Ageing Schedule of Trade Receivables (At at 31st March,2021)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	1,946.44	702.75	99.64	0.01	-	2,748.83
(ii) Undisputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

Ageing Schedule of Trade Receivables (At at 31st March,2020)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	1,640.55	724.17	1,078.78	434.27	-	3,877.77
(ii) Undisputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

8 Loans

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Loans (at amortised cost)			
(A)			
Retail Loans	19,47,943.53	20,83,098.20	14,47,385.36
High Value Loans	34,191.91	34,871.61	35,879.33
Staff Loan	99.57	212.85	73.82
Housing loans & other loans	1,27,747.49	1,18,142.31	1,07,929.07
Total (A) - Gross	**21,09,982.50**	**22,36,324.97**	**15,91,267.58**
Less: Impairment loss allowance	(50,383.79)	(44,043.51)	(36,362.55)
Total (A) - Net	**20,59,598.71**	**21,92,281.46**	**15,54,905.03**
(B)			
Secured loans	18,61,489.85	19,86,460.37	15,09,634.45
Unsecured Loans	2,48,492.65	2,49,864.60	81,633.13
Total (B) - Gross	**21,09,982.50**	**22,36,324.97**	**15,91,267.58**
Less : Impairment loss allowance	(50,383.79)	(44,043.51)	(36,362.55)
Total (B) - Net	**20,59,598.71**	**21,92,281.46**	**15,54,905.03**
(C) Loans in India			
i) Public Sector	-	-	-
ii) Others	21,09,982.50	22,36,324.97	15,91,267.58
Total (C) Gross	**21,09,982.50**	**22,36,324.97**	**15,91,267.58**
Less: Impairment Loss Allowance	(50,383.79)	(44,043.51)	(36,362.55)
Total (C) Net	**20,59,598.71**	**21,92,281.46**	**15,54,905.03**

Loans (at FVOCI)			
(A)			
Other Loans	2,12,052.70	1,01,213.11	2,04,524.94
Total (A) - Gross	**2,12,052.70**	**1,01,213.11**	**2,04,524.94**
Less: Impairment loss allowance	(5,158.64)	(2,867.11)	(6,651.00)
Total (A) - Net	**2,06,894.06**	**98,346.00**	**1,97,873.94**
(B)			
Secured loans	-	-	-
Unsecured Loans	2,12,052.70	1,01,213.11	2,04,524.94
Total (B) - Gross	**2,12,052.70**	**1,01,213.11**	**2,04,524.94**
Less : Impairment loss allowance	(5,158.64)	(2,867.11)	(6,651.00)
Total (B) - Net	**2,06,894.06**	**98,346.00**	**1,97,873.94**
(C) Loans in India			
i) Public Sector	-	-	-
ii) Others	2,12,052.70	1,01,213.11	2,04,524.94
Total (C) Gross	**2,12,052.70**	**1,01,213.11**	**2,04,524.94**
Less: Impairment Loss Allowance	(5,158.64)	(2,867.11)	(6,651.00)
Total (C) Net	**2,06,894.06**	**98,346.00**	**1,97,873.94**

Total Loans (Net)	**22,66,492.77**	**22,90,627.47**	**17,52,778.97**

The Group undertakes co-lending arrangements with banks for Gold loans. A total disbursement of INR 4,91,842.74 (31st March, 2021 - INR 65,341.58, 31st March, 2020 - Nil) was undertaken during the year under the Co-lending mechanism. As at 31st March, 2022, the total managed assets under the Co-lending mechanism amounted to INR 1,36,210.74 (INR 60,696.85 as at 31st March, 2021, 31st March, 2020 - Nil).

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(Amount in INR Lakhs, except share data and unless otherwise stated)

Note 8 continued

Disclosures on Credit quality and analysis of ECL allowance of the company and its subsidiaries

Muthoot FinCorp Limited
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 and includes subsidiary exposure, if any. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 44 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 44

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	14,64,411.42	-	-	14,64,411.42	14,53,498.37	-	-	14,53,498.37
Standard grade	1,00,780.13	-	-	1,00,780.13	1,83,709.62	-	-	1,83,709.62
Sub-standard grade	-	69,190.90	-	69,190.90	-	1,70,138.15	-	1,70,138.15
Past due but not impaired	-	47,971.74	-	47,971.74	-	25,633.41	-	25,633.41
Non- performing								-
Individually impaired	-	-	49,959.29	49,959.29	-	-	35,958.45	35,958.45
Total	**15,65,191.55**	**1,17,162.63**	**49,959.29**	**17,32,313.47**	**16,37,207.99**	**1,95,771.56**	**35,958.45**	**18,68,937.99**

Particulars	As at 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Performing				
High grade	13,35,585.25	-	-	13,35,585.25
Standard grade	31,924.57	-	-	31,924.57
Sub-standard grade	-	17,972.37	-	17,972.37
Past due but not impaired	-	2,270.25	-	2,270.25
Non- performing				
Individually impaired	-	-	26,260.47	26,260.47
Total	**13,67,509.82**	**20,242.61**	**26,260.47**	**14,14,012.90**

An analysis of changes in the gross carrying amount in relation to receivables under financing activites is, as follows:

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	16,37,207.99	1,95,771.56	35,958.45	18,68,937.99	13,67,509.82	20,242.61	26,260.47	14,14,012.90
New assets originated or purchased	40,89,066.60	-	-	40,89,066.60	38,34,347.65	-	-	38,34,347.65
Assets derecognised or repaid (excluding write offs)	(30,54,553.21)	(6,72,673.57)	(4,98,464.33)	(42,25,691.12)	(29,26,077.61)	(3,33,204.23)	(1,16,527.82)	(33,75,809.65)
Assets written off during the period	-	-	-	-	-	-	(3,612.90)	(3,612.90)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(6,99,565.86)	6,99,565.86	-	-	(5,09,699.88)	5,09,699.88	-	-
Transfers to Stage 3	(4,06,963.97)	(1,05,501.21)	5,12,465.17	-	(1,28,871.99)	(966.71)	1,29,838.69	-
Gross carrying amount closing balance	**15,65,191.55**	**1,17,162.63**	**49,959.29**	**17,32,313.47**	**16,37,207.99**	**1,95,771.56**	**35,958.45**	**18,68,937.99**

Particulars	As at 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	11,17,996.27	59,123.13	31,719.35	12,08,838.75
New assets originated or purchased	32,60,072.11	-	-	32,60,072.11
Assets derecognised or repaid (excluding write offs)	(27,04,741.41)	(2,27,709.02)	(1,17,536.53)	(30,49,986.96)
Assets written off during the period	-	-	(4,911.00)	(4,911.00)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(1,88,871.79)	1,88,871.79	-	-
Transfers to Stage 3	(1,16,945.36)	(43.29)	1,16,988.65	-
Gross carrying amount closing balance	**13,67,509.82**	**20,242.61**	**26,260.47**	**14,14,012.90**

Reconciliation of ECL balance is given below:

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	5,921.14	697.92	17,020.78	23,639.85	4,385.50	134.16	17,691.18	22,210.84
New assets originated or purchased	18,778.31	-	-	18,778.31	13,867.08	-	-	13,867.08
Assets derecognised or repaid (excluding write offs)	(12,430.05)	(4,100.09)	(2,27,807.41)	(2,44,337.55)	(10,022.02)	(1,249.86)	(58,516.11)	(69,787.99)
Assets written off during the period	-	-	-	-	-	-	(3,612.90)	(3,612.90)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(3,212.63)	3,212.63		-	(1,843.35)	1,843.35	-	-
Transfers to Stage 3	(1,868.91)	(752.63)	2,621.54	-	(466.07)	(3.45)	469.52	-
Impact on year end ECLs of exposures transferred between stages during the year	-	1,777.99	2,30,933.98	2,32,711.97	-	(26.28)	60,989.10	60,962.82
ECL allowance - closing balance	**7,187.86**	**835.83**	**22,768.90**	**30,792.59**	**5,921.14**	**697.92**	**17,020.78**	**23,639.85**

Particulars	As at 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	2,566.53	215.10	17,587.72	20,369.35
New assets originated or purchased	10,457.56	-	-	10,457.56
Assets derecognised or repaid (excluding write offs)	(7,657.60)	(1,333.17)	(72,698.15)	(81,688.92)
Assets written off during the period	-	-	(4,911.00)	(4,911.00)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(605.86)	605.86	-	-
Transfers to Stage 3	(375.13)	(0.29)	375.42	-
Impact on year end ECLs of exposures transferred between stages during the year	-	646.66	77,337.19	77,983.84
ECL allowance - closing balance	**4,385.50**	**134.16**	**17,691.18**	**22,210.84**

Muthoot Microfin Limited

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 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 44

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	-	-	-	-	-	-	-	-
Standard grade	4,06,650.15	26,422.34	-	4,33,072.49	3,08,901.72	15,665.15	-	**3,24,566.88**
Sub-standard grade	-	-	28,900.12	28,900.12	-	-	25,890.90	**25,890.90**
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing								
Individually impaired	-	-	-	-	-	-	-	-
Total	**4,06,650.15**	**26,422.34**	**28,900.12**	**4,61,972.61**	**3,08,901.72**	**15,665.15**	**25,890.90**	**3,50,457.78**

Particulars	As at 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Performing				
High grade	-	-	-	-
Standard grade	2,51,339.45	3,134.70	-	2,54,474.15
Sub-standard grade	-	-	20,790.40	20,790.40
Past due but not impaired	-	-	-	-
Non- performing				
Individually impaired	-	-	-	-
Total	**2,51,339.45**	**3,134.70**	**20,790.40**	**2,75,264.55**

An analysis of changes in the gross carrying amount in relation to receivables under financing activites is, as follows:

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	3,08,901.72	15,665.15	25,890.90	**3,50,457.78**	2,51,339.45	3,134.70	20,790.40	**2,75,264.55**
New assets originated or purchased	4,57,962.95	2,380.36	544.48	**4,60,887.78**	2,64,156.66	688.93	119.93	**2,64,965.52**
Assets derecognised or repaid (excluding write offs)	(3,33,089.67)	(6,684.94)	(6,711.75)	**(3,46,486.37)**	(1,73,186.99)	(635.48)	(2,942.11)	**(1,76,764.57)**
Transfers to Stage 1	4,660.61	(4,615.10)	(45.51)	**-**	67.83	(66.93)	(0.90)	**-**
Transfers to Stage 2	(25,669.64)	25,708.37	(38.73)	**-**	(15,470.27)	15,475.76	(5.48)	**-**
Transfers to Stage 3	(10,607.15)	(6,031.50)	16,638.65	**-**	(14,828.16)	(2,931.83)	17,759.99	**-**
Impact of exposures transferred between stages during the year	-	-	0.04	**0.04**	-	-	-	**-**
Amounts written off	-	-	(7,377.95)	**(7,377.95)**	-	-	(9,830.92)	**(9,830.92)**
Change in fair value of loan assets	4,491.33	-	-	**4,491.33**	(3,176.80)	-	-	**(3,176.80)**
Gross carrying amount closing balance	**4,06,650.15**	**26,422.34**	**28,900.12**	4,61,972.61	**3,08,901.72**	**15,665.15**	**25,890.90**	3,50,457.78

Particulars	As at 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	2,58,314.30	8,998.60	6,422.00	**2,73,734.90**
New assets originated or purchased	3,76,425.70	5,681.80	25,458.10	**4,07,565.60**
Assets derecognised or repaid (excluding write offs)	(3,65,809.15)	(13,717.10)	(16,497.20)	**(3,96,023.45)**
Transfers to Stage 1	386.80	(367.90)	(18.90)	**-**
Transfers to Stage 2	(3,208.90)	3,500.90	(292.00)	**-**
Transfers to Stage 3	(15,362.90)	(961.60)	16,324.50	**-**
Impact of exposures transferred between stages during the year	-	-	-	**-**
Amounts written off	-	-	(10,606.10)	**(10,606.10)**
Change in fair value of loan assets	593.60	-	-	**593.60**
Gross carrying amount closing balance	**2,51,339.45**	**3,134.70**	**20,790.40**	2,75,264.55

Reconciliation of ECL balance is given below:

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance*	5,513.91	312.74	15,085.44	**20,912.10**	5,760.31	71.20	7,379.20	**13,210.71**
New assets originated or purchased	4,527.37	31.04	166.55	**4,724.97**	3,736.45	16.03	15.10	**3,767.59**
Assets derecognised or repaid (excluding write offs)	(2,061.72)	(0.11)	(1,323.44)	**(3,385.27)**	(2,312.65)	(76.31)	(284.17)	**(2,673.12)**
Transfers to Stage 1	88.66	(77.79)	(10.87)	**-**	2.85	(2.26)	(0.60)	**-**
Transfers to Stage 2	(469.11)	477.07	(7.97)	**-**	(348.91)	353.22	(4.31)	**-**
Transfers to Stage 3	(179.34)	(156.40)	335.74	**-**	(336.93)	(51.65)	388.58	**-**
Impact on year end ECLs of exposures transferred between stages during the year	(53.65)	(205.39)	4,015.37	**3,756.33**	(1.84)	3.46	6,376.99	**6,378.61**
Changes to models and inputs using ECL calculation'	(1,556.72)	9.63	992.98	**(554.12)**	(985.37)	(0.96)	851.14	**(135.19)**
Amounts written off	-	-	(3,509.45)	**(3,509.45)**	-	-	(3,364.80)	**(3,364.80)**
Additional credit loss provision made by management	-	-	132.86	**132.86**	-	-	3,728.30	**3,728.30**
ECL allowance - closing balance	**5,809.40**	**390.80**	**15,877.23**	**22,077.42**	**5,513.91**	**312.74**	**15,085.44**	**20,912.10**

** Excludes Additional credit loss provision made by management*

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Particulars	As at 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	633.80	17.00	3,159.00	**3,809.80**
New assets originated or purchased	4,251.90	35.90	2,685.60	**6,973.40**
Assets derecognised or repaid (excluding write offs)	(604.49)	(15.90)	(1,317.50)	**(1,937.89)**
Transfers to Stage 1	7.10	(0.80)	(6.30)	**-**
Transfers to Stage 2	(9.10)	13.20	(4.10)	**-**
Transfers to Stage 3	(43.80)	(2.30)	46.10	**-**
Impact on year end ECLs of exposures transferred between stages during the year	(5.40)	15.40	4,281.70	**4,291.70**
Changes to models and inputs using ECL calculation'	1,530.30	8.70	99.60	**1,638.60**
Amounts written off	-	-	(1,564.90)	**(1,564.90)**
Additional credit loss provision made by management	2,614.10	38.00	3,021.60	**5,673.70**
ECL allowance - closing balance	**8,374.41**	**109.20**	**10,400.80**	**18,884.41**

Muthoot Housing Finance Company Limited
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 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 44

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	1,04,399.79	-	-	**1,04,399.79**	99,922.23	-	-	**99,922.23**
Standard grade	7,091.43	-	-	**7,091.43**	6,768.68	-	-	**6,768.68**
Sub-standard grade	-	4,998.08	-	**4,998.08**	-	3,226.30	-	**3,226.30**
Past due but not impaired	-	5,500.03	-	**5,500.03**	-	3,564.68	-	**3,564.68**
Non- performing								
Individually impaired	-	-	5,758.16	**5,758.16**	-	-	4,660.43	**4,660.43**
Total	**1,11,491.22**	**10,498.11**	**5,758.16**	**1,27,747.49**	**1,06,690.91**	**6,790.98**	**4,660.43**	**1,18,142.31**

Particulars	As at 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Performing				
High grade	93,040.52	-	-	**93,040.52**
Standard grade	2,238.31	-	-	**2,238.31**
Sub-standard grade	-	3,704.45	-	**3,704.45**
Past due but not impaired	-	5,481.19	-	**5,481.19**
Non- performing				
Individually impaired	-	-	3,464.60	**3,464.60**
Total	**95,278.83**	**9,185.64**	**3,464.60**	**1,07,929.07**

An analysis of changes in the gross carrying amount in relation to receivables under financing activites is, as follows:

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,08,232.40	6,667.40	4,113.34	**1,19,013.13**	96,780.44	9,080.57	2,991.04	**1,08,852.05**
New assets originated or purchased	27,475.82	5.35	-	**27,481.17**	20,870.53	-	-	**20,870.53**
Assets derecognised or repaid (excluding write offs)	(14,841.19)	(1,445.96)	-	**(16,287.15)**	(9,091.16)	(582.37)	(1,035.91)	**(10,709.44)**
Transfers to Stage 1	(5,062.02)	6,770.44	(1,708.42)	**-**	(327.40)	327.40	-	**-**
Transfers to Stage 2	(6,770.44)	5,805.88	964.56	**-**	(327.40)	(1,830.80)	2,158.21	**-**
Transfers to Stage 3	(964.56)	(1,699.18)	2,663.74	**-**	-	(2,158.21)	2,158.21	**-**
Impact of exposures transferred between stages during the year	5,062.02	(5,805.88)	(964.57)	**(1,708.43)**	327.40	1,830.80	(2,158.21)	**-**
Gross carrying amount closing balance	**1,13,132.03**	**10,298.05**	**5,068.65**	**1,28,498.73**	**1,08,232.40**	**6,667.40**	**4,113.34**	**1,19,013.13**

Particulars	As at 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	88,740.73	9,188.45	3,959.00	**1,01,888.18**
New assets originated or purchased	30,374.51	-	-	**30,374.51**
Assets derecognised or repaid (excluding write offs)	(20,322.58)	(1,315.41)	(1,772.65)	**(23,410.64)**
Transfers to Stage 1	(2,012.22)	2,012.22	-	-
Transfers to Stage 2	(2,012.22)	1,207.53	804.69	-
Transfers to Stage 3	-	(804.69)	804.69	-
Impact of exposures transferred between stages during the year	2,012.22	(1,207.53)	(804.69)	-
Gross carrying amount closing balance	**96,780.44**	**9,080.57**	**2,991.04**	**1,08,852.05**

Reconciliation of ECL balance is given below:

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	372.91	304.69	1,681.06	**2,358.67**	327.13	410.41	1,180.75	**1,918.29**
New assets originated or purchased	31.98	234.28	764.65	**1,030.91**	(123.91)	147.57	931.64	**955.29**
Assets derecognised or repaid (excluding write offs)	(37.51)	(38.95)	(640.69)	**(717.16)**	(27.46)	(29.07)	(458.38)	**(514.91)**
Transfers to Stage 1	43.75	(9.74)	(34.01)	-	197.15	(197.15)	-	-
Transfers to Stage 2	9.74	(59.08)	49.34	-	197.15	(224.21)	27.06	-
Transfers to Stage 3	34.01	(49.34)	15.34	-	-	(27.06)	27.06	-
Impact on year end ECLs of exposures transferred between stages during the year	(43.75)	59.08	(15.34)	-	(197.15)	224.21	(27.06)	-
ECL allowance - closing balance	**411.12**	**440.95**	**1,820.36**	**2,672.42**	**372.91**	**304.69**	**1,681.06**	**2,358.67**

Particulars	As at 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	116.79	159.51	426.11	**702.41**
New assets originated or purchased	191.75	263.88	999.97	**1,455.60**
Assets derecognised or repaid (excluding write offs)	(10.49)	(12.71)	(216.52)	**(239.72)**
Transfers to Stage 1	29.08	(29.08)	-	-
Transfers to Stage 2	29.08	(0.27)	(28.81)	-
Transfers to Stage 3	-	28.81	(28.81)	-
Impact on year end ECLs of exposures transferred between stages during the year	(29.08)	0.27	28.81	-
ECL allowance - closing balance	**327.13**	**410.41**	**1,180.75**	**1,918.29**

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Transferred financial assets that are derecognised in their entirety but where the Group has continuing involvement

The Group has sold some loans and advances as a source of finance. As per terms of the deal, risk and reward has been transferred to the customer. Hence, as per the derecognition criteria of IND AS 109, including transfer of substantially all risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised. The table below summarises the carrying amount of the derecognised financial assets.

Under previous GAAP, retained interest receivable on loan assignment transactions were recognised over the period of such assigned loans. Under Ind AS, the gain arising on said transactions are recorded upfront by discounting the future cash flows accruing in the form of differential interest on such assigned loan to their present values.

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Carrying amount of derecognised financial assets	1,67,158.19	1,50,664.53	3,98,083.66
Gain/(loss) from derecognition	11,345.46	18,825.54	42,861.75

Transferred financial assets that are not derecognised in their entirety

The Group uses securitisations as a source of finance and a means of risk transfer. The Group securitised its mircofinance loans to different entities. These entities are not related to the Group. Also, the Group neither holds any equity or other interest nor controls them.

As per the terms of the agreement, the Group is exposed to first loss amounting to 7.25% - 12% (7.25% - 10% as at March 31, 2021, 6% - 7% as at March 31, 2020) of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying gold and microfinance loans. These receivables are not derecognised and proceeds received are recorded as a financial liability under borrowings.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Carrying amount of assets re - recognised due to non transfer of assets	38,497.06	41,003.50	-
Carrying amount of associated liabilities	41,304.17	44,701.20	-

The carrying amount of above assets and liabilities is a reasonable approximation of fair value.

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Muthoot FinCorp Limited
Annexure VI - Notes to Reformatted Consolidated Financial Statements
(Amount in INR Lakhs, except share data and unless otherwise stated)

9 Investments

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(i) At Amortized Cost / At Cost			
Debt securities (At Amortized Cost)			
Bonds			
St. Gregorious Medical Mission Bonds	-	300.00	300.00
Unlisted Debentures			
Investment Richa Lifespace Private Limited	612.50	612.50	612.50
Investment Diyug Construction Private Limited	282.85	282.85	282.85
Investment Richa Realtors Private Limited	1,300.00	1,300.00	1,300.00
Sub-total for investments at amortised cost / cost	**2,195.35**	**2,495.35**	**2,495.35**
(ii) At Fair Value through Profit or Loss			
Others - Quoted			
Investment in JM Financial India Fund II	156.37	106.90	121.80
Investments in Mutual Fund	4,076.39	290.02	2,630.89
Others - Unquoted			
Investment in Strugence Debt Fund	997.48	1,000.00	1,000.00
Investment in BPEA India Credit - Trust II	514.24	1,000.00	930.00
Sub-total for investments at fair value through Profit or loss	**5,744.48**	**2,396.91**	**4,682.70**
(iii) At Fair Value through Other Comprehensive Income			
Equity instruments			
Others-Quoted			
Investment in Equity Shares (DP account with Motilal Oswal)	1,646.32	1,038.94	872.57
Investment in PMS - Motilal Oswal	465.24	631.11	379.33
Others-Unquoted			
Investment in Muthoot Pappachan Chits Private Limited	15.14	6.52	5.23
Investment in Avenues India Private Limited	477.67	477.48	400.26
Investment in Fair Asset Technologies (P) Limited	719.85	703.59	702.76
Investment in The Thinking Machine Media Private Limited	18.00	18.00	-
Investment in Speckle Internet Solutions Private Limited	198.10	-	-
Sub-total for investments at fair value through other comprehensive income	**3,540.32**	**2,875.64**	**2,360.15**
Total Gross (A)	**11,480.15**	**7,767.90**	**9,538.19**
i) Investments outside India	-	-	-
ii) Investments in India	11,480.15	7,767.90	9,538.19
Total Gross (B)	**11,480.15**	**7,767.90**	**9,538.19**
Less : Allowance for impairment loss (C)	(1,207.44)	(1,207.44)	(1,207.44)
Total - Net D = (A) - (C)	**10,272.71**	**6,560.46**	**8,330.75**

Debt Instruments measured at Amortised Cost

Credit Quality of Assets

Particulars	31-03-2022				31-03-2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	-	-	-	-	300.00	-	-	300.00
Standard grade	-	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing								
Individually impaired	-	-	2,195.35	2,195.35	-	-	2,195.35	2,195.35
Total	**-**	**-**	**2,195.35**	**2,195.35**	**300.00**	**-**	**2,195.35**	**2,495.35**

Particulars	31-03-2020			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Performing				
High grade	300.00	-	-	300.00
Standard grade	-	-	-	-
Sub-standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non- performing				
Individually impaired	-	-	2,195.35	2,195.35
Total	**300.00**	**-**	**2,195.35**	**2,495.35**

An analysis of changes in the gross carrying amount in relation to Debt Instruments measured at Amortised Cost is, as follows

Particulars	31-03-2022				31-03-2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	300.00	-	2,195.35	2,495.35	300.00	-	2,195.35	2,495.35
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(300.00)	-	-	(300.00)	-	-	-	-
Assets written off during the period	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**-**	**-**	**2,195.35**	**2,195.35**	**300.00**	**-**	**2,195.35**	**2,495.35**

Particulars	31-03-2020			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	300.00	-	2,195.35	2,495.35
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Assets written off during the period	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Gross carrying amount closing balance	**300.00**	**-**	**2,195.35**	**2,495.35**

Reconciliation of ECL balance is given below:

Particulars	2021-22				2020-21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	-	-	1,207.44	1,207.44	-	-	1,207.44	1,207.44
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Assets written off during the period	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**-**	**-**	**1,207.44**	**1,207.44**	**-**	**-**	**1,207.44**	**1,207.44**

Particulars	2019-20			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	-	-	-	-
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Assets written off during the period	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	1,207.44	1,207.44
ECL allowance - closing balance	**-**	**-**	**1,207.44**	**1,207.44**

10 Other financial assets

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Security deposits	7,059.87	7,098.51	7,021.96
Interest accrued on fixed deposits with banks	345.94	37.68	28.31
Advance for financial assets	2,209.63	5,209.63	5,209.63
Deposits	169.00	128.28	107.02
Deposit with original maturity for more than twelve months	1,084.26	5,152.27	1,042.43
Receivables from auction proceeds	-	11.03	-
EIS receivable (net)	815.25	1,144.38	1,455.51
Other financial assets	2,581.18	2,215.47	2,285.99
Total	**14,265.13**	**20,997.25**	**17,150.86**

11 Investment property

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Inventory – Projects			
Opening Balance	30,236.55	30,236.55	30,096.71
Transferred from / (to) property, plant and equipment	-	-	-
Acquisitions	-	-	139.83
Closing balance	**30,236.55**	**30,236.55**	**30,236.55**
Depreciation and Impairment			
Opening balance	-	-	-
Charge for the year	-	-	-
Closing Balance	**-**	**-**	**-**
Net Block	**30,236.55**	**30,236.55**	**30,236.55**

11.1. Investment Property includes lien marked properties of INR 9,460.56 as at 31st March, 2022 (March 31, 2021 - INR 13,577.41, March 31, 2020 - INR 13,577.41)

11.2. Fair Value of Investment Property as at March 31, 2022 - INR 31,593.16 (March 31, 2021 - INR 31,089.98, March 31, 2020 - INR 30,303.22)

11.3. Investment Property does not contain any immovable property which is not held in the name of the company

(Amount in INR Lakhs, except share data and unless otherwise stated)

12 Property, plant and equipment

Particulars	Buildings	Computer	Furniture & Fixtures	Land	Plant & Equipment	Vehicles	Windmill	Office Equipment	Electrical Equipments	Leasehold Improvements	Equipment - Finance Lease	Total
As at 31st March 2019	**5,850.61**	**3,646.06**	**22,609.66**	**12,555.55**	**11,685.07**	**233.45**	**7,449.78**	**574.77**	**158.86**	**103.64**	**1,338.66**	**66,206.11**
Addition during the year	-	1,401.73	1,742.25	-	1,131.39	-	-	1,093.99	19.52	51.38	-	5,440.25
Disposals	-	(3.30)	(1.48)	-	-	-	-	(11.92)	(5.20)	(11.80)	(1,338.66)	(1,372.36)
As at 31st March 2020	**5,850.61**	**5,044.49**	**24,350.43**	**12,555.55**	**12,816.46**	**233.45**	**7,449.78**	**1,656.84**	**173.18**	**143.23**	**(0.00)**	**70,274.00**
Addition during the year	-	515.74	1,470.77	-	1,208.85	69.07	-	695.47	4.58	10.84	-	3,975.32
Disposals	-	(12.78)	(0.77)	-	-	-	-	(22.23)	(5.32)	-	-	(41.11)
As at 31st March 2021	**5,850.61**	**5,547.45**	**25,820.43**	**12,555.55**	**14,025.31**	**302.52**	**7,449.78**	**2,330.08**	**172.43**	**154.07**	**(0.00)**	**74,208.21**
Addition during the year	-	823.43	1,856.72	-	1,087.81	13.06	-	599.63	18.68	31.96	-	4,431.29
Disposals	-	(8.30)	(0.63)	-	-	-	-	(24.12)	(6.23)	(5.66)	-	(44.94)
As at 31st March 2022	**5,850.61**	**6,362.58**	**27,676.51**	**12,555.55**	**15,113.12**	**315.58**	**7,449.78**	**2,905.59**	**184.87**	**180.37**	**(0.00)**	**78,594.56**
Accumulated Depreciation:												
As at 31st March 2019	**197.82**	**1,841.92**	**7,865.07**	**-**	**2,926.18**	**119.40**	**1,023.48**	**160.31**	**39.64**	**27.65**	**0.23**	**14,201.70**
Charged for the year	99.18	1,071.45	3,263.56	-	1,578.61	59.29	513.15	154.94	18.99	25.41	-	6,784.58
Disposals	-	(1.03)	(0.87)	-	-	-	-	(10.98)	(1.39)	(10.63)	(0.23)	(25.12)
As at 31st March 2020	**297.00**	**2,912.35**	**11,127.76**	**-**	**4,504.79**	**178.69**	**1,536.63**	**304.27**	**57.24**	**42.43**	**(0.00)**	**20,961.16**
Addition during the year	98.91	1,186.65	3,287.70	-	2,196.38	28.12	511.74	375.79	22.09	28.35	-	7,735.73
Disposals	-	(9.09)	(0.46)	-	-	-	-	(20.15)	(2.42)	-	-	(32.12)
As at 31st March 2021	**395.92**	**4,089.91**	**14,415.00**	**-**	**6,701.17**	**206.81**	**2,048.37**	**659.91**	**76.91**	**70.78**	**(0.00)**	**28,664.77**
Addition during the year	66.19	1,250.05	755.28	-	3,400.21	17.55	511.74	529.71	15.65	28.46	-	6,574.84
Disposals	-	(7.69)	(0.38)	-	-	-	-	(21.06)	(3.34)	(5.38)	-	(37.84)
As at 31st March 2022	**462.11**	**5,332.27**	**15,169.90**	**-**	**10,101.38**	**224.36**	**2,560.11**	**1,168.55**	**89.21**	**93.87**	**(0.00)**	**35,201.77**
Net book value:												
As at 31st March 2020	**5,553.61**	**2,132.14**	**13,222.66**	**12,555.55**	**8,311.67**	**54.76**	**5,913.15**	**1,352.57**	**115.94**	**100.80**	**(0.00)**	**49,312.84**
As at 31st March 2021	**5,454.69**	**1,457.53**	**11,405.43**	**12,555.55**	**7,324.14**	**95.72**	**5,401.41**	**1,670.17**	**95.52**	**83.29**	**(0.00)**	**45,543.44**
As at 31st March 2022	**5,388.50**	**1,030.31**	**12,506.61**	**12,555.55**	**5,011.73**	**91.22**	**4,889.67**	**1,737.04**	**95.66**	**86.50**	**(0.00)**	**43,392.79**

13 Capital work -in-progress

Particulars	Amount
As at 31st March 2019	**65.80**
Addition during the year	1,585.48
Capitalised during the year	(1,651.28)
Disposals	-
As at 31st March 2020	**-**
Addition during the year	-
Capitalised during the year	-
Disposals	-
As at 31st March 2021	**-**
Addition during the year	-
Capitalised during the year	-
Disposals	-
As at 31st March 2022	**-**

14 Intangible assets under development and other intangible assets

Particulars	Intangible assets under development	Computer Software
As at 31st March 2019	**2.95**	**2,659.63**
Addition during the year	84.49	333.31
Capitalised during the year	-	-
Disposals	-	-
As at 31st March 2020	**87.44**	**2,992.94**
Addition during the year	29.96	850.25
Capitalised during the year	-	-
Disposals	(2.95)	-
As at 31st March 2021	**114.45**	**3,843.18**
Addition during the year	-	698.80
Capitalised during the year	(114.45)	-
Disposals	-	-
As at 31st March 2022	**-**	**4,541.98**
Accumulated Depreciation:		
As at 31st March 2019	**-**	**846.56**
Charged for the year	-	523.84
Disposals	-	-
As at 31st March 2020	**-**	**1,370.40**
Charged for the year	-	581.05
Disposals	-	-
As at 31st March 2021	**-**	**1,951.45**
Charged for the year	-	637.49
Disposals	-	-
As at 31st March 2022	**-**	**2,588.95**
Net book value:		
As at 31st March 2020	**87.44**	**1,622.54**
As at 31st March 2021	**114.45**	**1,891.73**
As at 31st March 2022	**-**	**1,953.04**

(Amount in INR Lakhs, except share data and unless otherwise stated)

15 Right-of-use assets

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Depreciation charge for Right-of-use assets			
Leasehold Property	16,337.44	16,221.73	14,560.65
Equipments	34.17	399.42	943.72
Vehicles	-	19.32	69.56
Interest expense on lease liabilities	6,901.55	5,311.40	6,066.58
Income from subleasing right-of-use assets	158.79	172.13	171.56
Total cash outflow for leases	19,575.16	18,139.06	17,770.74
Carrying amount of right-of-use assets			
Leasehold Property	66,254.37	50,798.32	52,273.81
Equipments	4.21	38.38	428.84
Vehicles	-	-	19.32
Lease Liability			
Leasehold Property	74,228.21	55,954.77	54,087.90
Equipments	4.90	43.78	470.08
Vehicles	-	-	22.23

15.1. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Short-term leases	23.38	91.16	352.81
Leases of low value assets	-	-	6.49
Variable lease payments	-	-	-

15.2. Carrying value of right-of-use assets at the end of the reporting period:

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Balance as at the beginning	50,836.70	52,721.97	57,860.06
Additions	32,133.64	14,914.12	10,686.14
Deletions	(261.74)	(142.23)	(250.30)
Depreciation charge for the year	(16,371.61)	(16,640.47)	(15,573.94)
Other Adjustment	(78.43)	(16.68)	-
Balance at the end	66,258.57	50,836.70	52,721.97

15.3. Movement in lease liabilities:

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Balance as at the beginning	55,998.55	54,580.21	56,424.39
Additions	31,309.79	14,415.74	9,859.98
Interest on lease liabilities	6,901.55	5,311.40	6,066.58
Payment of lease liabilities	(19,575.17)	(18,139.06)	(17,770.74)
Other Adjustment	(401.63)	(169.74)	-
Balance at the end	74,233.11	55,998.55	54,580.21

15.4. Maturity analysis of lease liabilities

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Less than one year	15,955.68	16,686.17	17,444.26
One to five years	54,630.83	39,000.71	37,633.38
More than five years	41,210.26	26,893.12	22,813.98
Total undiscounted lease liabilities as at March 31, 2022 / March 31, 2021	1,11,796.77	82,580.00	77,891.62

16 Other non financial assets

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Prepaid expenses	934.98	848.41	590.07
Advance to Creditors	632.78	2,996.79	1,610.23
Advance for Property (refer note a)	23,790.54	23,790.54	23,790.54
Pre-Deposit Fee	619.45	503.45	440.72
GST / Service Tax Receivables	1,041.51	1,139.03	694.87
Other Receivable	2,553.71	2,582.60	2,612.79
Assets held for sale (refer note b)	1,452.46	911.56	770.59
Advance recoverable in cash or kind	-	-	81.15
Capital advances	92.25	16.88	302.59
Total	**31,117.68**	**32,789.27**	**30,893.55**

(a) Advance for Property as on March 31, 2022 consists of - INR 1,722.40 (March 31, 2021 - INR 1,722.40, March 31, 2020 - INR 1,722.40), INR 1,487.26 (March 31, 2021 - INR 1,487.26, March 31, 2020 - INR 1,487.26) and INR 20,580.88 (March 31, 2021 - INR 20,580.88, March 31, 2020 - INR 20,580.88) advanced by the Company to its Directors and their relatives, M/s. MPG Hotels & Infrastructure Ventures Private Limited (a Company in which the Directors are interested) and M/s. Muthoot Estate Investments (a firm in which the Directors of the Company are partners) respectively for purchase of immovable property by the Company from them.

(b) Assets held for sale represents Assets acquired under satisfaction of debt by Muthoot Housing Finance Company Limited.

17 Payables

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(I) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	6.41	2.47	4.59
Total outstanding dues of creditors other than micro enterprises and small enterprise	337.28	270.03	331.26
(II) Other payables			
Total outstanding dues of micro enterprises and small enterprises	79.03	45.85	36.16
Total outstanding dues of creditors other than micro enterprises and small enterprise	5,679.47	2,101.21	37,266.63
Total	**6,102.19**	**2,419.57**	**37,638.64**

Disclosure under Micro, Small, and Medium Enterprises Development Act, 2006 :

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Principal amount remaining unpaid during the year	85.44	48.32	40.75
Interest due thereon	-	-	0.91
Interest remaining accrued and unpaid at the end of the year	-	-	-
Total interest accrued and remained unpaid at year end	85.44	48.32	41.66

(i) Ageing Schedule of Trade Payables (As on 31/03/2022)

Particulars	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	6.62	0.03	-	0.26	6.91
(ii) Others	316.86	5.96	-	13.96	336.77
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-
Total	**323.48**	**5.99**	**-**	**14.22**	**343.69**

(ii) Ageing Schedule of Trade Payables (As on 31/03/2021)

Particulars	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	2.21	-	-	0.26	2.47
(ii) Others	157.41	13.87	26.09	72.68	270.04
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-
Total	**159.62**	**13.87**	**26.09**	**72.94**	**272.51**

(iii) Ageing Schedule of Trade Payables (As on 31/03/2020)

Particulars	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	4.59	-	-	-	4.59
(ii) Others	265.45	56.32	2.23	7.27	331.26
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-
Total	**270.03**	**56.32**	**2.23**	**7.27**	**335.84**

18 Debt Securities (At Amortised Cost)

Particulars*	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Secured			
Secured Non-Convertible Debentures	587.29	1,145.72	1,639.85
Secured Non-Convertible Debentures- Listed	2,98,706.31	3,67,491.10	95,192.84
Secured Non-Convertible Debentures - Covered Bonds - Listed	1,43,079.15	1,11,289.30	12,221.53
Unsecured			
Commercial Paper	4,968.27	2,904.97	-
Total	**4,47,341.02**	**4,82,831.10**	**1,09,054.22**
Debt securities in India	4,47,341.02	4,82,831.10	1,09,054.22
Debt securities outside India	-	-	-
Total	**4,47,341.02**	**4,82,831.10**	**1,09,054.22**

*Includes issue expenses amortised as per Effective Interest Rate (EIR)

Maturity Profile of Non-Convertible Debentures as on March 31st 2022:

Particulars	Amount
FY 2022-23	1,60,567.71
FY 2023-24	1,80,603.84
FY 2024-25	51,182.48
FY 2025-26	31,981.86
FY 2026-27	12,889.76
FY 2027-28	2,783.06
FY 2029-30	9,728.70
Adjustments on account of effective rate of interest	(2,396.39)
TOTAL	**4,47,341.02**

Secured debentures are secured in either of the following ways by the respective Company issuing the instrument:

Nature of security	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Outstanding as at March 31st 2020
Privately placed (Listed & Unlisted)			
Secured by subservient charge on all current assets (both present and future) and immovable property of the Company	88.00	148.00	148.00
Exclusive charge over book debts equivalent to 100% of the loan and interest amount	19,000.00	26,000.00	21,500.04
Exclusive charge over book debts equivalent to 110% of the loan and interest amount	44,540.00	4,000.00	-
Exclusive charge over book debts equivalent to 115% of the loan and interest amount	-	12,500.00	-
Hypothecation of Loan Receivables of the Company equivalent to 1.1 times of the amount outstanding	500.00	1,000.00	-
First Pari-passu charge on the present and future standard loan receivables equivalent to 1.10 times of the loan	10,000.00	1,30,000.00	1,500.00
First Pari-passu charge on the present and future standard loan receivables equivalent to 1.25 times of the loan and on immovable property of the Company	-	45,000.00	-
Public Issue - Listed			
Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders	1,83,294.62	1,04,816.85	32,161.24
Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company and exclusive mortgage and first charge over certain immovable property of the Company	43,596.53	46,376.20	41,922.67
Covered Bonds - Listed			
First Pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures	20,000.00	-	-
Hypothecation over Cover Pool and C&P Account to be created upfront by the Trust in favour of Security Trustee. Cover of 1.15 times the outstanding NCDs to be maintained at all times Hypothecation over: (i) Contribution (ii) right, title and interest of the Borrower in the property belonging to the Trust, as a residual beneficiary; and (iii) in the event that the transfer of the assets from the Borrower to the Trust is reversed for any reason whatsoever, then all right, title and interest of the Borrower in the said assets (iv) Cash Collateral of 7% of Facility Amount (static) in the form of Fixed Deposits to be created upfront by the Company in favour of Debenture Trustee, to be created by the Borrower upfront and CHG 9 to be filed within 30 days from date of first disbursement by Borrower in favour of Security Trustee	3,750.00	-	-
First ranking exclusive and continuing charge on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon	37,500.00	47,210.00	12,500.00
First ranking exclusive and continuing charge on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon and first ranking pari passu charge by way of mortgage over certain immovable property of the Company	20,000.00	32,500.00	-
First ranking exclusive and continuing charge on book debts which shall be maintained at 1.20 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon	62,500.00	32,500.00	-

(Amount in INR Lakhs, except share data and unless otherwise stated)

19 Borrowings (other than debt securities) - At Amortised Cost

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(a) Term loans			
(i) from banks	6,84,216.30	5,84,891.49	4,35,980.98
(ii) from other parties			
- financial institutions	1,27,844.80	94,172.97	1,13,363.19
- financial institutions (unsecured)	15,597.70	13,774.32	-
(iii) under securitisation arrangement	41,210.91	44,589.19	-
(b) Loans repayable on demand			
(i) from banks (OD & CC)	7,31,762.24	7,18,693.11	7,79,155.35
(ii) from other parties (unsecured)	460.09	400.09	400.09
Total	**16,01,092.04**	**14,56,521.18**	**13,28,899.61**
Borrowings in India	16,01,092.04	14,56,521.18	13,28,899.61
Borrowings outside India	-	-	-

a) Security details :

Borrowings (other than debt securities) are secured in either of the following ways by the respective Company issuing the instrument:

Nature of the security	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Outstanding as at March 31st 2020
From Banks and Financial Institutions			
Hypothecation of Loan receivables, other current assets & specified fixed assets equivalent to security cover stipulated by respective banks (Guaranteed by promoter directors INR 416,554.50 (31st March 2021 : INR 383,176)	4,25,216.06	3,83,652.47	1,90,872.26
Hypothecation of Loan Receivables equivalent to security cover stipulated by respective banks (Guaranteed by promoter directors)	96,368.32	83,697.07	78,698.16
Hypothecation of all present and future current assets including Book Debts,Trade Receivables, Fixed Assets, Intangible assets and all other Receivables	631.77	1,026.33	-
Cash margin of 2.50%	-	999.65	4,989.99
Cash margin of 5%	-	1,248.75	7,050.50
Cash margin of 10%	7,328.11	17,125.05	25,371.16
Exclusive charge over book debts equivalent to 100% of loan amount and Cash margin of 5%	-	-	3,599.88
Exclusive charge over book debts equivalent to 100% of loan amount and Cash margin of 10%	10,000.00	-	-
Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 2.5%	-	-	1,306.29
Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 5%	24,100.37	31,711.53	38,865.89
Exclusive charge over book debts equivalent to 106% of loan amount and Cash margin of 5%	-	-	1,013.25
Exclusive charge over book debts equivalent to 108% of loan amount and Cash margin of 8%	778.16	5,200.80	-
Exclusive charge over book debts equivalent to 108% of loan amount and Cash margin of 10%	1,039.57	5,116.70	-
Exclusive charge over book debts equivalent to 108.30% of loan amount and Cash margin of 10%	345.05	3,667.00	-
Exclusive charge over book debts equivalent to 108.68% of loan amount and Cash margin of 12%	2,959.67	-	-
Exclusive charge over book debts equivalent to 108.70% of loan amount and Cash margin of 12%	10,764.10	-	-
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 3%	-	5,440.22	12,644.95
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%	73,682.79	23,363.59	39,483.69
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 7.25%	5,361.62	22,963.20	-
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 8%	1,076.04	7,641.50	-
Exclusive charge over book debts equivalent to 111% of loan amount and Cash margin of 5%	-	9,991.60	25,191.60
Exclusive charge over book debts equivalent to 111.11% of loan amount and Cash margin of 10%	6,662.59	-	-
Exclusive charge over book debts equivalent to 111.12% of loan amount and Cash margin of 10%	8,665.76	-	-
Exclusive charge over book debts equivalent to 111.21% of loan amount and Cash margin of 10%	3,558.34	-	-
Exclusive charge over book debts equivalent to 112% of loan amount and Cash margin of 10%	5,100.00	17,000.00	-
Exclusive charge over book debts equivalent to 112.74% of loan amount	2,750.00	6,050.00	-

Nature of the security	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Outstanding as at March 31st 2020
Exclusive charge over book debts equivalent to 113% of loan amount and Cash margin of 10%.	20,000.00	-	-
Exclusive charge over book debts equivalent to 115% of loan amount and Cash margin of 5%.	3,494.14	9,460.10	14,396.70
Exclusive charge over book debts equivalent to 117% of loan amount and Cash margin of 5%	2,332.36	3,482.72	-
Exclusive charge over book debts equivalent to 133% of loan amount and Cash margin of 5%	13,250.66	19,811.97	-
Exclusive charge over book debts equivalent to 100% of loan amount	30,612.37	7,907.52	13,804.18
Exclusive charge over book debts equivalent to 105% of loan amount	22,961.21	2,871.34	5,212.50
Exclusive charge over book debts equivalent to 110% of loan amount	64,316.27	43,983.31	65,910.42
Exclusive charge over book debts equivalent to 112.74% of loan amount	-	-	9,350.00
Exclusive charge over book debts equivalent to 115% of loan amount	1,767.08	-	-
Finance lease obligations			
Hypothecation of motor car	-	0.31	1.75
From other parties			
Hypothecation of Loan Receivables of the Company equivalent to security cover stipulated by respective lender	8,149.58	10,241.02	11,580.68
Loans repayable on demand			
Hypothecation of Loan Receivables equivalent to security cover stipulated by respective banks (Guaranteed by promoter directors)	7,28,350.96	7,15,184.37	7,77,441.01

b) Terms of repayment

Secured loans from Banks

Name of Party	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Outstanding as at March 31st 2020	Terms of Repayment
Term Loan from Banks				
State Bank of India Car Loan	6.51	12.07	17.09	Repayable in 16 monthly instalments on diminishing value method
State Bank of India Car Loan	4.20	6.12	7.83	Repayable in 24 monthly instalments on diminishing value method
Lakshmi Vilas Bank	-	-	3,750.00	Repayable in 3 equal quarterly instalments till November 30, 2020
Allahabad Bank	0.00	10,067.89	20,000.08	Repayable in 3 quarterly instalments of INR 3,333.00 each from May 2021
Axis Bank	-	20,146.08	-	Repayable in 4 quarterly instalments of INR 5,000.00 each from June 2021
Axis Bank	17,500.00	-	-	Repayable in 7 quarterly instalments of INR 2,500.00 each from July 2022
Bank of Baroda	2,000.00	6,000.00	10,057.57	Repayable in 2 quarterly instalments of INR 1,000.00 each from June 2022
Bank of Baroda	18,000.00	30,000.00	-	Repayable in 6 quarterly instalments of INR 3,000.00 each from April 2022
Bank of India	12,000.00	24,000.00	-	Repayable in 4 quarterly instalments of INR 3,000.00 each from June 2022
Bank of Maharashtra	-	3,781.85	15,133.12	Repayable by April 15, 2021
Bank of Maharashtra	10,580.28	-	-	Repayable in 7 quarterly instalments of INR 1,500.00 each from June 2022
Canara Bank	25,908.00	43,180.00	-	Repayable in 6 quarterly instalments of INR 4,318.00 each from June 2022
Canara Bank	30,000.00	-	-	Repayable in 10 quarterly instalments of INR 3,000.00 each from June 2022
Central Bank of India	5,914.92	17,988.27	29,999.76	Repayable in 2 quarterly instalments of INR 3,000.00 each from May 2022
Central Bank of India	3,697.76	18,747.67	22,499.93	Repayable in June 2022
Central Bank of India	5,599.23	7,499.32	-	Repayable in 6 quarterly instalments of INR 937.5 each from May 2022
Central Bank of India	5,612.06	3,750.00	-	Repayable in 6 quarterly instalments of INR 937.50 each from May 2022
Central Bank of India	9,999.44	-	-	Repayable in 10 quarterly instalments of INR 1,000.00 each from June 2022
Central Bank of India	19,986.36	-	-	Repayable in 10 quarterly instalments of INR 2,000.00 each from June 2022

Name of Party	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Outstanding as at March 31st 2020	Terms of Repayment
DBS Bank	5,000.00	-	-	Repayable in 21 monthly instalments of INR 238.00 each from July 2022
DBS Bank	5,000.00	-	-	Repayable in 21 monthly instalments of INR 238.00 each from July 2022
Indian Bank	18,134.56	30,222.95	-	Repayable in 6 quarterly instalments of INR 3,000.00 each from June 2022
Indian Bank	24,349.30	-	-	Repayable in 29 monthly instalments of INR 833.00 each from April 2022
Indian Bank	10,002.26	-	-	Repayable in 15 quarterly instalments of INR 667.00 each from June 2022
Oriental Bank of Commerce	-	8,333.32	10,000.00	Repayable in 5 quarterly instalments of INR 1,666.67 each in April 21, June 21, September 21, December 21 & March 22
Oriental Bank of Commerce	3,309.56	9,999.98	10,000.00	Repayable in 2 quarterly instalments of INR 1,666.67 each in June 2022, September 2022
Punjab National Bank	30,000.00	-	-	Repayable in 11 quarterly instalments of INR 2727.00 each from September 2022
Punjab & Sind Bank	-	-	2,999.00	Repayable in 3 quarterly instalments of from July 2020
Syndicate Bank	-	-	4,034.72	Repayable in 2 quarterly instalments of from June 2020
Punjab & Sind Bank	8,000.00	10,000.01	-	Repayable in 8 quarterly instalments of INR 1,000.00 each from June 2022
Punjab & Sind Bank	15,000.00	-	-	Repayable in 10 quarterly instalments of INR 1,500.00 each from May 2022
Punjab & Sind Bank	7,500.00	-	-	Repayable in 10 quarterly instalments of INR 750.00 each from September 2022
State Bank of India	-	19,999.85	-	Repayment in single bullet payment on June 30, 2021
State Bank of India	24,499.66	34,999.94	-	Repayable in 8 Quarterly Instalments; INR 3,500.00 by end of May 2022 and INR 3,000.00 each for the remaining quarterly instalments
State Bank of India	32,499.85	-	-	Repayable in 10 quarterly instalments of INR 3250.00 each from August 2022
Syndicate Bank	-	1,013.22	5,046.00	Repayable in June 2021
AU Small Finance Bank	-	-	2,500.00	Repayable in 4 quarterly instalments from May 2020
UCO Bank	5,617.37	8,117.37	-	Repayable in 9 quarterly instalments of INR 625.00 each from Jun 2022
UCO Bank	9,371.72	12,496.74	-	Repayable in 12 quarterly instalments of INR 781.25 each from May 2022
UCO Bank	8,740.60	13,745.87	18,749.61	Repayable in 7 quarterly instalments of INR 1,250.00 each from April 2022
UCO Bank	9,982.33	14,992.58	20,000.00	Repayable in 8 quarterly instalments of INR 1,250.00 each from May 2022
UCO Bank	13,124.73	-	-	Repayable in 14 quarterly instalments of INR 937.50 each from April 2022
UCO Bank	13,000.00	-	-	Repayable in 16 quarterly instalments of INR 812.50 each from June 2022
United Bank of India	3,308.46	16,666.63	-	Repayable in May 2022
Ujjivan Bank	2,600.00	6,500.00	-	Repayable in 2 quarterly instalments of INR 1,300.00 each from June 2022
Yes Bank	8,528.84	11,372.84	14,216.84	Repayable in 12 quarterly installments of INR 711.00 each
AU Small Finance Bank Limited	625.00	1,125.00	1,625.00	Repayable in 20 quarterly instalments after 1 month from the date of full disbursement
Axis Bank	1,235.29	1,500.00	-	Repayable in 17 quarterly instalments after 12 months from the date of first disbursement
Bank of Baroda	-	-	248.82	Repayable in 20 quarterly instalments after 12 months from the disbursement
Bank of Baroda	-	-	1,664.51	Repayable in 36 quarterly instalments after 12 months from the disbursement
Bank of Baroda	1,309.97	1,587.85	1,866.18	Repayable in 36 quarterly instalments after 12 months from the disbursement
Bank of India	4,997.42	-	-	Repayable in 36 quarterly instalments after 12 months from the date of first disbursement
Canara Bank	2,731.48	3,287.04	3,840.91	Repayable in 108 monthly instalments after 13 months from the disbursement

Name of Party	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Outstanding as at March 31st 2020	Terms of Repayment
Canara Bank	3,024.88	4,272.88	5,000.01	Repayable in 48 monthly instalments after 13 months from the disbursement
Canara Bank	1,666.67	1,962.11	2,222.22	Repayable in 36 equal quarterly instalments after 15 months from the disbursement
Dhanlaxmi Bank	-	-	256.82	Repayable in 25 quarterly instalments after 9 months from the disbursement
DBS Bank India Limited	194.52	445.44	1,395.83	Repayable in 120 monthly instalments after 12 months from the disbursement
IDBI Bank	-	-	43.00	Repayable in 78 monthly instalments after 6 months from the disbursement
IDBI Bank	-	-	115.44	Repayable in 26 quarterly instalments after 6 months from the disbursement
Federal Bank Limited	1,833.21	-	-	Repayable in 36 monthly instalments after a month from the disbursement
ICICI Bank Limited	267.86	625.00	982.14	Repayable in 28 quarterly instalments after 12 months from the disbursement
IDBI Bank Limited	672.48	775.92	879.36	Repayable in 58 quarterly instalments after 6 months from the disbursement
Indian Bank	6,879.31	8,333.25	9,637.93	Repayable in 29 quarterly instalments after a holiday period of 3 quarters from the date of first disbursement
Indian Bank	6,000.00	-	-	Repayable in 72 monthly instalments after a holiday period of 12 months from the date of first disbursement
Karur Vysya Bank	1,527.70	1,805.56	2,083.34	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
Punjab National Bank	2,068.16	2,627.51	3,185.74	Repayable in 36 equal quarterly instalments after 6 months from the disbursement
Punjab National Bank	5,798.62	6,558.52	7,310.05	Repayable in 40 equal quarterly instalments after 15 months from the disbursement
Punjab National Bank	1,584.10	1,867.45	2,151.91	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
Punjab National Bank	1,999.09	-	-	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
South Indian Bank	274.35	1,100.03	1,871.73	Repayable in 84 monthly instalments after 12 months from the disbursement
South Indian Bank	868.46	1,368.43	2,573.97	Repayable in 60 instalments from the disbursement
State Bank of India	866.00	1,669.28	2,482.29	Repayable in 27 quarterly instalments after 6 months from the disbursement
State Bank of India	2,789.15	3,189.42	3,589.94	Repayable in 36 quarterly instalments after 4 months from the disbursement
State Bank of India	6,696.20	7,499.46	5,499.98	Repayable in 35 quarterly instalments after 12 months from the disbursement
State Bank of India	7,999.64	5,500.00	-	Repayable in 36 quarterly instalments after 12 months from the disbursement
State Bank of India	4,999.82	-	-	Repayable in 36 quarterly instalments after 12 months from the disbursement
Union Bank of India	1,724.98	2,498.06	3,268.14	Repayable in 26 equal quarterly instalments after 6 months from the disbursement
Union Bank of India	4,164.79	4,998.37	2,000.00	Repayable in 24 equal quarterly instalments after 15 months from the disbursement
Union Bank of India	98.62	498.51	899.13	Repayable in 25 quarterly instalments after 9 months from the disbursement
Union Bank of India	3,049.33	3,606.55	4,165.27	Repayable in 36 equal quarterly instalments after 15 months from disbursement
Union Bank of India	-	-	355.09	Repayable in 84 monthly instalments after 1 month from the disbursement
Yes Bank Limited	2,738.56	3,097.46	3,428.75	Repayable in 163 monthly instalments after 6 months from the disbursement
National Housing Bank	234.69	300.65	366.61	Repayable in 47 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	530.00	598.00	666.00	Repayable in 59 quarterly instalments after quarter succeeding the disbursement

Name of Party	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Outstanding as at March 31st 2020	Terms of Repayment
National Housing Bank	52.95	71.63	90.31	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	790.50	883.70	1,052.90	Repayable in 59 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	1,216.20	1,319.40	1,422.60	Repayable in 59 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	515.60	669.20	822.80	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	-	2,533.00	-	Repayable within one year
National Housing Bank	193.50	216.30	-	Repayable in 39 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	427.79	507.60	-	Repayable in 39 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	891.80	996.76	-	Repayable in 39 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	2,078.00	2,322.80	-	Repayable in 39 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	973.71	1,188.97	-	Repayable in 39 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	500.75	657.69	-	Repayable in 39 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	594.79	-	-	Repayable within one year
National Housing Bank	92.58	-	-	Repayable in 27 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	692.49	-	-	Repayable in 27 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	3,435.00	-	-	Repayable in 27 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	3,165.00	-	-	Repayable in 27 quarterly instalments after quarter suceeding the disbursement
Interest accrued on borrowings	17.25	66.04	-	-
ADC Bank	-	-	400.04	Repayable in 24 monthly installments
Andhra Bank	-	-	1,363.64	Repayable in 33 monthly installments
Axis Bank	-	-	714.28	Repayable in 7 quarterly installments
Axis Bank	-	875.00	2,625.00	Repayable in 8 quarterly instalments from December, 2018
Axis Bank	-	2,500.00	5,000.00	Repayable in 8 quarterly instalments from June 2020
Axis Bank VI	14,318.18	-	-	Repayable in 22 monthly instalments from March, 2022
Bandhan Bank	-	2,285.47	9,142.61	Repayable in 7 quarterly instalments from August 2019
Bandhan Bank IV	12,499.79	-	-	Repayable in 7 quarterly instalments from July, 2022
Bandhan Bank IV B	7,499.99	-	-	Repayable in 7 quarterly instalments from September, 2022
Bank of Bahrain and Kuwait	2,340.00	3,500.00	-	Repayable in 12 quarterly instalments from May 2021
Bank of Baroda	3,500.00	9,500.00	14,500.03	Repayable in 30 monthly instalments from March 2020
Bank of Baroda -2	8,333.33	-	-	Repayable in 36 monthly instalments from October, 2021
Bank of India	-	118.22	498.97	Repayable in 36 monthly instalments from October 2017
Canara Bank	8,331.43	-	-	Repayable in 36 monthly instalments from October, 2021
DCB 2	-	578.42	1,084.55	Repayable in 33 monthly instalments from October, 2018
DCB 3	-	2,000.00	3,166.67	Repayable in 24 monthly instalments from November, 2019
DCB IV	4,791.22	-	-	Repayable in 24 monthly instalments from March, 2022
DOHA Bank	80.56	1,047.22	2,013.89	Repayable in 36 monthly instalments from May, 2019
Equitas Small Finance Bank	-	-	1,351.77	Repayable in 24 monthly installments
Equitas Small Finance Bank II	4,582.00	-	-	Repayable in 24 monthly instalments from February, 2022
Federal Car loan	-	0.31	4.55	Repayable in 60 monthly instalments from July, 2016
HDFC	380.95	952.38	-	Repayable in 21 monthly instalments from March, 2021
ICICI	-	-	454.55	Repayable in 22 monthly installments
ICICI Bank II	-	-	1,363.64	Repayable in 22 monthly installments
ICICI III	-	2,727.27	7,727.27	Repayable in 22 monthly instalments from November, 2019
ICICI IV	-	2,727.27	5,000.00	Repayable in 22 monthly instalments from June, 2020
IDFC Bank II	-	-	1,785.71	Repayable in 21 monthly installments

Name of Party	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Outstanding as at March 31st 2020	Terms of Repayment
IDBI Bank - IV	5,000.00	-	-	Repayable in 24 monthly instalments from July, 2022
IDBI III	4,531.25	-	-	Repayable in 32 monthly instalments from January, 2022
Indian Bank 1	-	10,000.01	25,245.23	Repayable in 24 monthly instalments from January, 2020
Indian Bank 2	-	9,166.60	19,352.98	Repayable in 24 monthly instalments from March, 2020
IOB	5,000.00	-	-	Repayable in 30 monthly instalments from September, 2022
Jana SFB	2,334.64	5,000.00	-	Repayable in 24 monthly instalments from May, 2021
Jana SFB - II	3,149.90	-	-	Repayable in 36 monthly instalments from September, 2021
Karnataka Bank	3,999.66	4,999.94	-	Repayable in 5 half yearly instalments from December, 2021
Karnataka Bank II	4,999.94	-	-	Repayable in 5 half yearly instalments from November, 2022
KOTAK II	-	250.00	4,000.00	Repayable in 24 monthly instalments from April, 2019
KOTAK III	-	1,666.67	4,166.66	Repayable in 24 monthly instalments from December, 2019
KOTAK IV	3,208.24	6,708.33	-	Repayable in 24 monthly instalments from March, 2021
Kotak Mahindra Bank V	7,499.99	-	-	Repayable in 23 monthly instalments from June, 2022
Lakshmi Vilas Bank	-	-	694.44	Repayable in 36 monthly installments
Lakshmi Vilas Bank	-	1,430.38	3,333.33	Repayable in 36 monthly instalments from April, 2018
Punjab National Bank	18,180.51	-	-	Repayable in 33 monthly instalments from January, 2022
SBI 3	-	703.21	4,376.81	Repayable in 24 monthly instalments from May, 2019
SBI 4	-	11,538.16	26,310.03	Repayable in 24 monthly instalments from December, 2019
SBI 5	13,333.00	20,000.00	-	Repayable in 12 quarterly instalments from April, 2021
State Bank of Mauritius	-	-	333.33	Repayable in 13 monthly installments
Syndicate Bank	-	-	1,014.24	Repayable in 10 monthly installments
SCB I -2	-	-	1,250.00	Repayable in 1 yearly installment
SCB I -3	-	-	2,500.00	Repayable in 1 yearly installment
SCB	1,875.00	-	-	Repayable in 1 bullet payment in June, 2022
SCB - Jan'22	4,125.00	-	-	Repayable in 1 bullet payment in January, 2023
SCB - Nov'21	7,000.00	-	-	Repayable in 8 quarterly instalments from February, 2022
SCB - Nov'21 - 2	2,000.00	-	-	Repayable in 1 bullet payment in November, 2022
SCB - Oct'21	625.00	-	-	Repayable in 1 bullet payment in October, 2022
SCB -Apr'22	3,750.00	-	-	Repayable in 1 bullet payment in April, 2022
SCB I -4	-	2,000.00	-	Repayable in 1 yearly instalment in October, 2021
SCB I -5	-	1,750.00	-	Repayable in 1 yearly instalment in November, 2021
SCB I -6	-	1,250.00	5,000.00	Repayable in 1 yearly instalment in December, 2021
SCB I -7	-	3,750.00	-	Repayable in 1 yearly instalment in March, 2022
SCB II	-	1,250.00	-	Repayable in 4 quarterly instalments from August, 2020
SCB III	-	2,500.00	-	Repayable in 4 quarterly instalments from June, 2021
UJJIVAN	-	-	1,309.52	Repayable in 21 monthly installments
UJJIVAN II	-	714.29	1,500.00	Repayable in 21 monthly instalments from May, 2020
Union Bank of India	500.00	1,416.68	2,523.52	Repayable in 30 monthly instalments from April, 2020
Union Bank of India	1,500.00	3,333.33	5,046.47	Repayable in 30 monthly instalments from July, 2020
United Bank of India	-	-	750.00	Repayable in 10 monthly installments
Utkarsh Small Finance Bank	1,562.50	-	-	Repayable in 24 monthly instalments from July, 2021
Woori Bank	-	-	1,000.00	Repayable in 36 monthly installments
Woori Bank	-	755.56	1,888.89	Repayable in 36 monthly instalments from December, 2018
Woori Bank 3	2,100.00	-	-	Repayable in 24 monthly instalments from October, 2021
Woori Bank 4	2,712.50	-	-	Repayable in 24 monthly instalments from January, 2022
Adjustments on account of effective rate of interest	(2,889.86)	(1,871.65)	(1,887.92)	
Securitisation arrangements				
Bandhan Marvel	6,668.65	-	-	Repayable on a monthly basis on actual collection from September, 2021
CSB Bella	1,076.42	7,659.62	-	Repayable on a monthly basis on actual collection from January, 2021
CSB Peterson	8,693.07	-	-	Repayable on a monthly basis on actual collection from February, 2022
DCB Macfarland	778.65	5,213.40	-	Repayable on a monthly basis on actual collection from April, 2021

Name of Party	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Outstanding as at March 31st 2020	Terms of Repayment
Federal Eaton	345.13	3,674.18	-	Repayable on a monthly basis on actual collection from January, 2021
Federal Splash	2,967.67	-	-	Repayable on a monthly basis on actual collection from November, 2021
Federal Vision	3,369.43	-	-	Repayable on a monthly basis on actual collection from January, 2022
ICICI Sahana	1,039.89	5,129.64	-	Repayable on a monthly basis on actual collection from April, 2021
ICICI Sarayu	2,364.08	-	-	Repayable on a monthly basis on actual collection from July, 2021
ICICI Starlord	5,066.63	-	-	Repayable on a monthly basis on actual collection from January, 2022
IDFC Vikramaditya	5,365.62	23,024.38	-	Repayable on a monthly basis on actual collection from April, 2021
SBI Malik	3,568.94	-	-	Repayable on a monthly basis on actual collection from November, 2021
Adjustments on account of effective rate of interest	(93.26)	(112.02)	-	
Term Loan from Others				
Mahindra & Mahindra Financial Services Limited	-	944.17	2,692.72	Repayable in 6 monthly instalments of INR 162.14 from April 2021
Bajaj Finance	2,187.50	-	-	Repayable in 15 monthly instalments of INR 146.00 each from April 2022
Hinduja Housing Finance Company Limited	300.00	500.00	700.00	Repayable in 120 monthly instalments after 12 months from the disbursement
LIC Housing Finance Limited	7,911.15	8,824.05	9,556.59	Repayable in 108 monthly instalments after 12 months from the disbursement
Muthoot Capital Services Limited	-	1,000.00	-	Bullet repayment at the end of 6 months from the disbursement
Northern Arc Capital Limited	-	-	416.66	Repayable in 12 quarterly instalments
Northern Arc Capital Limited	-	-	250.00	Repayable in 12 quarterly instalments
Northern Arc Capital Limited	-	-	500.00	Repayable in 12 quarterly instalments
Northern Arc Capital Limited	-	-	250.00	Repayable in 12 quarterly instalments
Northern Arc Capital Limited	3,333.32	5,000.00	-	Repayable in 12 quarterly instalments
Northern Arc Capital Limited	2,500.00	-	-	Repayable in 10 quarterly instalments
Northern Arc Capital Limited	3,000.00	-	-	Repayable in 10 quarterly instalments
Hero Fincorp	-	-	996.42	Repayable in 24 monthly installments
Hero Fincorp	-	-	1,192.26	Repayable in 21 monthly installments
Interest accrued on borrowings	69.68	46.24	-	-
Capri Global	1,770.83	-	-	Repayable in 24 monthly instalments from September, 2021
Credit Saision	3,062.50	-	-	Repayable in 8 quarterly instalments from February, 2022
Credit Saison II	1,500.00	-	-	Repayable in 8 quarterly instalments from May, 2022
JM Financials	10,000.00	-	-	Repayable in 12 monthly instalments from May, 2022
Mas Financial Services Ltd	1,875.00	4,375.00	-	Repayable in 24 monthly instalments from January, 2021
MAS Financial Services Ltd - 2	3,666.67	-	-	Repayable in 24 monthly instalments from February, 2022
MUDRA	-	1,818.16	5,454.53	Repayable in 33 monthly instalments from January, 2019
MUDRA II	1,070.00	5,356.40	9,642.80	Repayable in 28 monthly instalments from March, 2020
Mudra III	20,000.00	-	-	Repayable in 33 monthly instalments from June, 2022
Nabard	20,000.00	-	-	Repayable in 2 annual instalments from July, 2022
NABARD Refinance	2,750.00	6,050.00	9,350.00	Repayable in 11 half yearly instalments from January, 2020
NABARD Refinance	2,500.00	10,000.00	17,500.00	Repayable in 11 half yearly instalments from July, 2019
NABARD Refinance	4,000.00	12,500.00	27,500.00	Repayable in 11 monthly instalments from January, 2019
NABARD Refinance	5,100.00	17,000.00	-	Repayable in 2 yearly instalments from December, 2021
Nabfin-2	1,145.55	2,000.00	-	Repayable in 24 monthly instalments from May, 2021
NABFINS III	1,800.00	-	-	Repayable in 12 quarterly instalments from June, 2022
NABKISAN II	999.57	1,500.00	-	Repayable in 12 quarterly instalments from June, 2021
NABKISAN III	2,999.99	-	-	Repayable in 12 quarterly instalments from June, 2022
Nabsamruddi - Microfinance	1,300.00	-	-	Repayable in 36 monthly instalments from May, 2022
Nabsamruddi - Solar	200.00	-	-	Repayable in 36 monthly instalments from May, 2022
Nabsamruddi - Wash	1,500.00	-	-	Repayable in 36 monthly instalments from May, 2022
OIKO	2,666.40	4,000.00	-	Repayable in 12 quarterly instalments from June, 2021
OIKO	-	1,166.76	2,333.33	Repayable in 3 annual instalments from June, 2019

SIDBI	-	1,000.00	5,000.00	Repayable in 30 monthly instalments from January, 2019
SIDBI	7,333.33	15,333.33	20,000.00	Repayable in 30 monthly instalments from September, 2020
SIDBI IV - 1	10,000.00	-	-	Repayable in 10 monthly instalments from May, 2022
SIDBI IV - 2	10,000.00	-	-	Repayable in 30 monthly instalments from August, 2022
NABKISAN	-	-	362.40	Balance repayable in 0 Monthly installments
Northern Arc	4,047.07	-	-	Repayable in 24 monthly instalments from January, 2021
Northern Arc II	2,785.40	8,785.89	-	Repayable in 24 monthly instalments from August, 2021
Muthoot Capital Services Limited	633.33	1,033.33	-	Repayable in 36 monthly instalments from disbursement
Adjustments on account of effective rate of interest	(569.48)	(289.03)	(334.53)	

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(Amount in INR Lakhs, except share data and unless otherwise stated)

20 Subordinated Liabilities

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
At amortised cost			
Subordinated Debt	1,61,814.67	2,08,973.13	2,30,519.14
Subordinated Debt - Listed	38,292.73	14,407.40	3,557.87
Unsecured Term Loan from Financial Institutions	2,499.74	2,496.26	2,492.77
Tier-I Capital - Perpetual Debt Instruments	38,419.24	26,131.54	26,090.46
Total	**2,41,026.38**	**2,52,008.33**	**2,62,660.24**
Borrowings in India	2,41,026.38	2,52,008.33	2,62,660.24
Borrowings outside India	-	-	-

(a) Subordinated Debt instruments are unsecured, subordinated to the claims of all other creditors with an initial maturity of minimum 5 years. Subordinated Debt aggregating to INR 7,848 (31st March 2021 : INR 10,000, 31st March 2020 : INR 10,000) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr.Thomas George Muthoot and Mr. Thomas Muthoot) of the Company.

(b) Maturity Profile of Subordinated Debt, Subordinated Debt-Listed and Unsecured Term Loan

Particulars	Amount
FY 2022-23	45,998.30
FY 2023-24	49,005.09
FY 2024-25	25,991.84
FY 2025-26	15,876.99
FY 2026-27	24,804.50
FY 2027-28	21,247.71
FY 2028-29	20,176.03
Adjustments on account of effective rate of interest	(493.32)
TOTAL	**2,02,607.14**

(c) Unamortised Borrowing Cost on Unsecured Term Loan from Financial Institutions is INR 0.26 (31st March 2021: INR 3.74, 31st March 2020: INR 7.23).

(d) Perpetual Debt Instruments are unsecured instruments, which have been issued as per RBI guidelines. Unamortised Borrowing Cost on Perpetual Debt Instruments is INR 1,480.76 (31st March 2021: INR 268.46, 31st March 2020: INR 309.54).

21 Other Financial Liabilities

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Expenses Payable	2,470.58	1,851.96	1,444.90
Security deposits received	612.43	932.37	787.58
Unpaid matured debt and interest accrued thereon	3,368.83	2,953.63	1,180.40
Interest accrued but not due on borrowings	57,501.17	47,341.64	37,145.67
Payable to employees	1,524.14	1,086.65	1,272.09
Payables towards securitisation/assignment transactions	1,274.68	11,645.73	9,831.66
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	15,213.00	-	-
Others	9,797.91	4,518.08	4,231.35
Total	**91,762.74**	**70,330.07**	**55,893.66**

Note a

(i) The Group has during the Fiscal 2022, issued 15,00,00,000, 14% CCCPS of INR 10 each at a price of INR 10 each to BPEA Credit – India Fund III – Scheme C & BPEA Credit – India Fund III – Scheme F (Collectively referred as investors) amounting to INR 15,000. The equity shares issued upon Conversion of the CCPS will in all respects rank pari passu with equity shares at the time of conversion.

(ii) CCCPS shall be convertible to equity shares at the option of the investor at any time after the expiry of a period of 43 (forty three) months from the Closing Date (refer paragraph iii for exception) or upon the expiry of a period of 10 (ten) years from the Closing Date and shall be converted at lower of the fair values of the Equity Shares as determined by the:
(a) valuation report dated December 9, 2020 issued by Ernst & Young Merchant Banking Services LLP in relation to the issuance of the CCCPS; or
(b) valuation report to be issued by a registered valuer (in a form acceptable to the holders of the CCCPS) following the issuance of the Conversion Notice by the holders of the CCCPS.

(iii) The holders of the CCCPS may issue the Conversion Notice at any time after the Closing Date, upon the occurrence of any of the following events:
(a) non-payment of dividend by the Company in manner stipulated as per agreement on the relevant dividend payment dates,
(b) credit rating of the Company falling below A- (as certified by any credit rating agency); and/or
(c) any failure by the Company to maintain a Net Interest Margin of 7.0 (Seven percent) % or higher;
(d) any failure by the Company to maintain an overall Capital to Risk Assets Ratio of 16.0 (Sixteen percent) % or higher;
(e) any failure by the Company to maintain the aggregate Tier 2 Capital at 50% (Fifty percent) or lower than the aggregate Tier 1 Capital; or
(f) any failure by the Company to maintain the Gross Non-Performing Assets at 5.5% (Five decimal five percent) or lower and Net Non-Performing Assets at 4.0% (Four percent) or lower, to be tested on a semi-annual basis for Company as on (a) 31 March of each financial year, and (b) 30 September of each financial year

Note b - Change in fair value

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Cumulative change in fair value of the preference shares attributable to changes in credit risk	213.00	-	-
Change during the year in the fair value of the preference shares attributable to changes in credit risk	213.00	-	-

22 Provisions

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits			
- Gratuity	692.68	2,187.18	2,127.76
- Provision for compensated absences	455.50	526.24	407.77
Unspent amount on Corporate Social Responsibilty	25.04	-	-
Impairment on Loan Commitments	17.34	12.77	14.77
Total	**1,190.56**	**2,726.20**	**2,550.30**

23 Other Non-Financial Liabilities

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Statutory dues payable	2,311.79	1,762.97	4,001.25
Advance received from Customers	-	146.89	76.51
Income received in advance	-	-	24.39
Other non financial liabilities	4.68	5.80	5.08
Total	**2,316.47**	**1,915.66**	**4,107.23**

(Amount in INR Lakhs, except share data and unless otherwise stated)

24 Equity share capital

(a) Authorised share capital

Equity Shares

Particulars	No. of Shares	Amount
At 1st April 2019	20,00,00,000	20,000.00
Add: Increased during the year	-	-
At 1st April 2020	20,00,00,000	20,000.00
Add: Increased during the year	2,50,00,000	2,500.00
At 31st March 2021	22,50,00,000	22,500.00
Add: Increased during the year	-	-
At 31st March 2022	22,50,00,000	22,500.00

Preference Shares

Particulars	No. of Shares	Amount
At 1st April 2019	-	-
Add: Increased during the year	-	-
At 1st April 2020	-	-
Add: Increased during the year	20,00,00,000	20,000.00
At 31st March 2021	20,00,00,000	20,000.00
Add: Increased during the year	-	-
At 31st March 2022	20,00,00,000	20,000.00

(b) Issued capital

Particulars	No. of Shares	Amount
At 1st April 2019	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 1st April 2020	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2021	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2022	19,38,00,800	19,380.08

(c) Subscribed and Fully Paid Up Capital

Particulars	No. of Shares	Amount
At 1st April 2019	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 1st April 2020	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2021	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2022	19,37,05,560	19,370.56

(d) Terms/ rights attached to equity shares :

The Group has only one class of shares namely equity shares having a face value of INR 10. Each holder of equity share is entitled to one vote per share. All shares rank pari passu with regard to dividend and repayment of capital. In the event of liquidation of Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Group, after distribution of all preferential amounts.

(e) Shareholder's having more than 5% equity shareholding in the Group

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
	No. of shares and % of holding		
Mr. Thomas John Muthoot *	5,14,56,049 - 26.56%	5,08,43,764 - 26.25%	5,08,43,764 - 26.25%
Mr. Thomas George Muthoot *	5,14,56,021 - 26.56%	5,08,43,764 - 26.25%	5,08,43,764 - 26.25%
Mr. Thomas Muthoot *	5,14,56,053 - 26.56%	5,08,43,769 - 26.25%	5,08,43,769 - 26.25%
Ms. Preethi John Muthoot	1,29,13,704 - 6.67%	1,35,25,989 - 6.98%	1,35,25,989 - 6.98%
Ms. Nina George	1,29,13,704 - 6.67%	1,35,25,961 - 6.98%	1,35,25,961 - 6.98%
Ms. Remy Thomas	1,29,13,704 - 6.67%	1,35,25,988 - 6.98%	1,35,25,988 - 6.98%

** Shares held by the promoters and their shareholding % of holding at the end of the year*

25 Other Equity

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Securities Premium	38,129.85	38,129.85	38,129.81
Statutory Reserve (Pursuant to Section 45-IC of the RBI Act 1934)	63,830.95	55,945.97	48,414.05
Statutory Reserve (Pursuant to Section 29C of the NHB Act 1987)	2,068.56	1,668.56	1,266.37
Retained Earnings	1,91,489.84	1,50,180.30	1,18,998.85
General Reserve	54.60	21.42	(1.58)
Employee stock options outstanding	296.38	229.36	153.12
Other Comprehensive income	3,538.78	1,387.08	2,268.70
Total	**2,99,408.97**	**2,47,562.54**	**2,09,229.34**

24.1. Nature and purpose of reserve

Securities Premium

Securities premium is used to record the premium on issue of shares. This can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Statutory Reserve (Pursuant to Section 45-IC of the RBI Act 1934)

Statutory Reserve represents the Reserve Fund created under Section 45-IC of the Reserve Bank of India Act, 1934 and Section 29C of the National Housing Bank Act, 1987 read with Section 36(1)(viii) of the Income Tax Act, 1961. Accordingly, an amount representing 20% of Profit for the period is transferred to the Reserve for the year.

Statutory Reserve (Pursuant to Section 29C of the NHB Act 1987)

Statutory reserve is created in terms of Section 29C of the National Housing Bank Act, 1987 read with Section 36(1)(viii) of the Income Tax Act, 1961.

Employee stock options outstanding

The account is used to recognise the grant date value of options issued to employees under Employee stock option plan and adjusted as and when such options are exercised or otherwise expire.

Other comprehensive income

Changes in the fair value of loan assets held with the business objective of collect and sell are recognised in other comprehensive income. These changes are accumulated within the FVOCI debt investments reserve within equity. The company transfers amounts from this reserve to the statement of profit and loss when the loan assets are sold. Any impairment loss on such loans are reclassified immediately to the statement of profit and loss. Other comprehensive income also consists of re-measurement of net defined benefit liability and fair value changes on equity instruments measured through other comprehensive income.

General reserve

Represents the profits or losses made by the Employee Welfare Trust on account of issue or sale of treasury stock.

Retained Earnings

This Reserve represents the cumulative profits of the Group. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Muthoot FinCorp Limited
Annexure VI - Notes to Reformatted Consolidated Financial Statements
(Amount in INR Lakhs, except share data and unless otherwise stated)

26 Interest Income

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
On Financial Assets measured at Amortised Cost			
Interest on Loans	3,97,471.15	3,71,677.41	2,86,247.08
Interest Income from Investments	105.35	258.66	-
Interest on Deposit with Banks	2,656.96	1,945.72	1,891.77
Other Interest Income	15.15	43.31	440.84
On Financial Assets measured at fair value through other comprehensive income			
Interest on Loans	7,610.84	3,955.09	27,806.91
Total	**4,07,859.45**	**3,77,880.19**	**3,16,386.61**

27 Net gain on fair value changes

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
(i) On trading portfolio			
- Investments	92.29	22.78	262.34
(ii) Gain on sale of loans at fair value through other comprehensive income	11,307.93	4,273.28	21,628.42
(iii) Loss on fair valuation of cumulative, compulsorily convertible preference shares	(213.00)	-	-
Total Net gain/(loss) on fair value changes	**11,187.22**	**4,296.06**	**21,890.75**
Fair Value changes:			
- Realised	11,413.51	4,349.96	21,827.68
- Unrealised	(226.30)	(53.91)	63.07
Total	**11,187.22**	**4,296.06**	**21,890.75**

28 Others

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Income from Money transfer	720.64	636.70	1,398.91
Income From Forex operations	193.22	118.34	262.87
Income From Power generation	920.85	974.21	996.20
Income from Investment	2,056.24	2,033.86	2,561.70
Income from Software support service	177.87	179.26	244.56
Bad debt recovered	711.69	1,012.70	424.39
Other financial services	467.07	282.71	283.69
Other income	339.24	214.19	273.63
Total	**5,586.82**	**5,451.99**	**6,445.96**

29 Other Income

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Non-operating income	158.05	90.79	376.82
Total	**158.05**	**90.79**	**376.82**

30 Finance Costs

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Interest on borrowings	1,19,843.32	1,32,197.89	1,28,327.12
Interest on debt securities	50,468.07	32,124.79	12,857.49
Interest on lease liabilities	6,901.55	5,311.40	6,066.58
Interest on subordinate liablities	22,250.56	29,654.19	24,120.53
Dividend on CCCPS	1,050.00	-	-
Other charges	6,893.51	6,875.51	4,733.33
Total	**2,07,407.01**	**2,06,163.78**	**1,76,105.04**

31 Impairment of Financial Instruments

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
At Amortised Cost			
Loans- at amortised cost	8,571.18	3,897.17	17,450.32
Impairment on loan commitments	4.57	(1.98)	6.78
Impairment on other receivables	-	4.22	1.51
Loans written off / waived off	10,486.17	15,085.19	18,236.31
Investments- at Amortised Cost	-	-	1,207.44
Total	**19,061.92**	**18,984.61**	**36,902.36**

32 Employee Benefits

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Salaries and Wages	72,932.58	61,861.66	64,126.44
Contributions to Provident and Other Funds	4,976.30	4,056.41	3,896.39
Incentives	1,738.93	1,493.70	2,184.78
Bonus & Exgratia	1,793.85	1,602.64	1,159.42
Gratuity & Leave encashment	462.47	470.86	407.50
Share based payments	131.72	127.02	60.72
Staff Welfare Expenses	876.57	2,047.34	1,091.93
Total	**82,912.42**	**71,659.64**	**72,927.18**

33 Depreciation expense

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Depreciation of Tangible Assets	6,574.74	7,735.74	6,784.43
Depreciation of Right of Use Assets	16,371.61	16,640.47	15,573.93
Amortization of Intangible Assets	637.49	581.03	523.84
Total	**23,583.84**	**24,957.25**	**22,882.20**

34 Other Expenses

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Advertisement and publicity	8,463.77	7,801.24	2,964.37
AMC Charges	71.44	71.98	88.52
Auditor's fees and expenses	123.39	114.29	114.98
Communication costs	11,182.33	3,833.43	3,359.13
Director's fees, allowances and expenses	559.71	152.06	152.60
Donations & CSR Expenses	542.55	1,073.31	637.15
Impairment on assets held for sale	138.38	42.68	28.98
Insurance	1,162.31	688.21	387.52
Legal & Professional Charges	3,534.15	3,159.76	4,044.09
Office Expenses	360.05	285.09	301.35
Other Expenditure	1,287.78	1,150.11	1,019.11
Printing and Stationery	1,230.05	1,028.11	1,212.42
Rent, taxes and energy costs	4,511.35	4,405.54	5,516.75
Repairs and maintainence	2,529.28	2,817.70	2,948.91
Security Charges	4,679.24	4,332.83	3,833.21
Software Licence and Subscription charges	611.46	434.02	191.57
Software Development Expenses	142.29	122.78	150.13
Travelling and Conveyance	4,272.37	2,805.06	4,946.88
Water Charges	16.28	18.71	16.25
Total	**45,418.18**	**34,336.90**	**31,913.92**

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(a) Auditors Remuneration

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
As auditor			
Statutory Audit fees	112.00	104.00	69.50
Limited review fees	14.00	12.00	17.35
Tax Audit fees	9.00	8.00	8.90
For other services			
Certification and other matters	9.73	10.88	13.45
For reimbursement of expenses			
Out of pocket expenses	2.00	1.00	2.78
Total	**146.73**	**135.88**	**111.98**

Above figures are exclusive of GST/Service Tax

(b) CSR Expenditure

As required under Section 135 of the Companies Act, 2013, the Group was required to spend INR 942.28 in the reporting year in pursuance of its Corporate Social Responsibility Policy, being two per cent of the average net profits made during the three immediately preceding financial years. The Group has during the year, spent a total of INR 515.51 towards CSR expenditure. The unspent portions have been transferred to the designated bank account for Unspent Corporate Social Responsibility by the Group.

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
(a) Amount required to be spent by the Group during the year	942.28	777.03	725.03
(b)Amount of expenditure incurred	515.51	1,135.40	489.09
(c) Shortfall at the end of the year	426.77	-	235.94
(d) Total of previous year shortfall	-	235.94	150.42
(e) Reason for shortfall	Major portion of the funds was allocated for the Sports Infrastructure project at Palakkad. Due to COVID situations, the process of getting work permit has gotten delayed and is awaited from the concerned Department. The Smile Please mission-Gulbarga & another partnership project in Rajasthan also got delayed due to the COVID third wave and Omicron challenges.	N/A	Programmes and partnerships are being developed by Muthoot Pappachan Foundation, the implementing agency, towards impactful CSR interventions which are also marked for employee engagement on a larger scale. The Company has undertaken a rehabilitation project having a long term gestation period, the completion of which, is expected to fully utilise the accumulated unspent amount.

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
(f) Nature of CSR activities	CSR activities were undertaken in the fields of Health, Education & Livelihood.	CSR activities were undertaken in the fields of Health, Education & Livelihood.	CSR activities were undertaken in the fields of Health, Education & Livelihood.
(g) Details of related party trasactions	N/A	N/A	N/A
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	N/A	N/A	N/A

(c) The Group has not made any political contributions during the year ended 31st March 2022 (Year ended 31st March 2021 : 35.00, Year ended 31st March 2020 : Rs 0.10).

35 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	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Net profit attributable to ordinary equity holders of the parent	39,170.72	39,021.05	24,703.73
Weighted average number of equity shares for basic earnings per share	19,37,05,560	19,37,05,560	19,37,05,560
Effect of dilution	60,96,643	-	-
Weighted average number of equity shares for diluted earnings per share	19,98,02,203	19,37,05,560	19,37,05,560
Earnings per share			
Basic earnings per share (INR)	20.22	20.14	12.75
Diluted earnings per share (INR)	19.60	20.14	12.75

(Amount in INR Lakhs, except share data and unless otherwise stated)

36 Income Tax

The components of income tax expense for the years ended March 31st 2022, March 31st 2021 and March 31st 2020 are:

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Current tax	16,820.60	17,865.05	11,770.02
Deferred tax relating to origination and reversal of temporary differences	(2,389.50)	(4,310.55)	(2,268.64)
MAT Credit Entitlement	-	(36.26)	-
Income tax expense reported in statement of profit and loss	**14,431.10**	**13,518.24**	**9,501.38**
OCI Section			
Deferred tax related to items recognised in OCI during the period:			
Net gain / (loss) on equity instruments measured through other comprehensive income	16.25	(240.82)	35.12
Remeasurement of loan assets	(1,130.45)	799.15	(149.38)
Remeasurement of the defined benefit liabilities	(4.61)	38.23	102.88
Income tax charged to OCI	**(1,118.82)**	**596.55**	**(11.38)**

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 corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31st 2022, March 31st 2021 and March 31st 2020 are as follows:

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Accounting profit before tax	55,686.22	53,246.37	35,294.19
At India's statutory income tax rate of 25.168%* (2021: 25.168%, 2020: 25.168%)	**14,015.11**	**13,401.05**	**8,882.84**
Tax effects of adjustments			
Non deductible items	409.43	140.45	949.36
Exempted Income	-	(5.68)	(5.67)
Deduction under Chapter VIA of the Income Tax Act	-	(20.33)	-
Adjustment on account of different tax rates	-	-	(625.55)
Opening balance of DTA due to change in tax rate	-	-	83.70
Tax impact of previous years	-	-	139.57
Tax on income which are taxed on different rates	-	-	0.82
Others	6.57	2.76	76.32
Income tax expense reported in the statement of profit or loss	**14,431.10**	**13,518.24**	**9,501.38**
Effective Income Tax Rate	**25.92%**	**25.39%**	**26.92%**

Muthoot FinCorp Limited
Annexure VI - Notes to Reformatted Consolidated Financial Statements
(Amount in INR Lakhs, except share data and unless otherwise stated)

Income Tax (contd…)

Movement in deferred tax assets/(liabilities)

For the year ended March 31, 2022

Particulars	As at 31st March 2021	Recognised in Statement of Profit and Loss	Recognised in Statement of other comprehensive income	Adjusted to Retained Earnings / Other Comprehensive Income	As at 31st March 2022
Deductible temporary difference on account of depreciation and amortisation	2,698.60	384.42	-	-	3,083.02
Bonus disallowed due to non-payment	363.00	113.57	-	-	476.56
Provision for employee benefits	460.37	(314.88)	(47.70)	-	97.78
Provision for Investment Rate Fluctuation	57.48	-	-	-	57.48
Expected credit loss provision on financial assets	7,581.95	1,503.84	-	-	9,085.80
Financial assets measured at amortised cost	1,079.40	116.26	-	-	1,195.67
Fair Valuation of Financial Assets	1,066.14	902.04	16.20	-	1,984.38
Financial liabilities measured at amortised cost	(683.66)	(702.52)	-	-	(1,386.18)
Financial liabilities measured at fair value	-	53.61	-	-	53.61
Direct assignment transactions	(4,469.12)	(67.27)	(1,130.45)	-	(5,666.84)
Special reserve	(343.52)	(100.67)	-	-	(444.19)
EIS receivable	(289.46)	82.83	-	-	(206.63)
Fair value of future lease obligations in accordance with Ind AS 116	238.63	89.17	-	-	327.79
Other items giving rise to temporary differences	318.79	329.09	43.14	-	691.02
Minimum Alternate tax credit entitlement	92.88	-	-	(36.26)	56.62
Carry Forward Losses and Unabsorbed Depreciation	82.81	-	-	-	82.81
Reversal of Previous Years	(257.86)	-	-	-	(257.86)
Reversal on account of Tax rate change	(3,266.63)	-	-	-	(3,266.63)
Round Off Adjustment	0.08	-	-	-	0.08
Total	**4,729.86**	**2,389.50**	**(1,118.82)**	**(36.26)**	**5,964.28**

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For the year ended March 31, 2021

Particulars	As ot 31st March 2020	Recognised in Statement of Profit and Loss	Recognised in Statement of other comprehensive income	Adjusted to Retained Earnings / Other Comprehensive Income	As at 31st March 2021
Deductible temporary difference on account of depreciation and amortisation	2,210.73	487.86	-	-	2,698.60
Bonus disallowed due to non-payment	322.55	40.44	-	-	363.00
Provision for employee benefits	402.17	40.53	17.67	-	460.37
Provision for Investment Rate Fluctuation	57.48	-	-	-	57.48
Expected credit loss provision on financial assets	6,850.22	731.73	-	-	7,581.95
Financial assets measured at amortised cost	1,466.21	(386.80)	-	-	1,079.40
Fair Valuation of Financial Assets	247.47	1,059.41	(240.75)	-	1,066.14
Financial liabilities measured at amortised cost	(286.06)	(397.60)	-	-	(683.66)
Direct assignment transactions	(7,713.52)	2,445.24	799.15	-	(4,469.12)
Special reserve	(268.02)	(75.50)	-	-	(343.52)
EIS receivable	(366.70)	77.24	-	-	(289.46)
Fair value of future lease obligations in accordance with Ind AS 116	132.35	106.27	-	-	238.63
Other items giving rise to temporary differences	172.57	125.75	20.48	-	318.79
Minimum Alternate tax credit entitlement	56.61	36.26	-	-	92.88
Carry Forward Losses and Unabsorbed Depreciation	26.83	55.98	-	-	82.81
Reversal of Previous Years	(257.67)	-	-	(0.19)	(257.86)
Reversal on account of Tax rate change	(3,266.63)	-	-	-	(3,266.63)
Round Off Adjustment	0.08	-	-	-	0.08
Total	**(213.33)**	**4,346.81**	**596.55**	**(0.19)**	**4,729.86**

For the year ended March 31, 2020

Particulars	As ot 31st March 2019	Recognised in Statement of Profit and Loss	Recognised in Statement of other comprehensive income	Adjusted to Retained Earnings / Other Comprehensive Income	As at 31st March 2020
Deductible temporary difference on account of depreciation and amortisation	1,804.78	405.95	-	-	2,210.73
Bonus disallowed due to non-payment	259.23	63.32	-	-	322.55
Provision for employee benefits	251.40	117.59	33.18	-	402.17
Provision for Investment Rate Fluctuation	57.48	-	-	-	57.48
Expected credit loss provision on financial assets	3,160.19	3,690.03	-	-	6,850.22
Financial assets measured at amortised cost	1,415.89	50.32	-	-	1,466.21
Fair Valuation of Financial Assets	212.56	-	34.91	-	247.47
Financial liabilities measured at amortised cost	(234.55)	(51.51)	-	-	(286.06)
Direct assignment transactions	(5,833.00)	(1,731.14)	(149.38)	-	(7,713.52)
Securitisation transactions	-	-	-	-	-
Special reserve	(210.21)	(57.81)	-	-	(268.02)
EIS receivable	-	(366.70)	-	-	(366.70)
Fair value of future lease obligations in accordance with Ind AS 116	-	132.35	-	-	132.35
Other items giving rise to temporary differences	80.54	22.12	69.90	-	172.57
Minimum Alternate tax credit entitlement	91.58	-	-	-	91.58
Carry Forward Losses and Unabsorbed Depreciation	36.63	(5.89)	-	(3.92)	26.83
Reversal of Previous Years	(257.62)	-	-	(0.05)	(257.67)
Reversal on account of Tax rate change	-	-	-	(3,266.63)	(3,266.63)
Round Off Adjustment	0.03	-	-	-	0.08
Total	**834.93**	**2,268.64**	**(11.38)**	**(3,270.59)**	**(178.36)**
Mat Credit Utilisation					(34.97)
Total	**834.93**	**2,268.64**	**(11.38)**	**(3,270.59)**	**(213.33)**

(Amount in INR Lakhs, except share data and unless otherwise stated)

37 Retirement Benefit Plan

Defined Contribution Plan

The Group makes contributions to Provident Fund & Employee State Insurance which are defined contribution plans for qualifying employees. The amounts recognized for the aforesaid contributions in the statement of profit and loss are shown below:

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2020
Contributions to Provident Fund	3,883.35	3,057.28	2,699.68
Contributions to Employee State Insurance	1,057.38	967.74	1,161.89
Defined Contribution Plan	**4,940.73**	**4,025.02**	**3,861.57**

Defined Benefit Plan

The Group has a defined benifit 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 Group at 15 days salary (last drawn salary) for each completed year of service.

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.

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2020
Present value of funded obligations	4,322.66	3,757.45	3,088.29
Fair value of planned assets	3,629.98	1,570.27	960.47
Defined Benefit obligation/(asset)	**692.68**	**2,187.18**	**2,127.82**

Post employment defined benefit plan

Net benefit expense recognised in statement of profit and loss	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2020
Current service cost	732.36	655.79	563.10
Net Interest on net defined benefit liablity/ (asset)	139.67	141.80	94.14
Net benefit expense	**872.04**	**797.59**	**657.24**

Balance Sheet

Details of changes in present value of defined benefit obligations as follows:

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2020
Defined benefit obligation at the beginning of the year	3,757.45	3,088.30	2,289.49
Current service cost	732.36	655.79	563.11
Interest cost on benefit obligations	237.70	203.48	179.28
Actuarial (Gain) / Loss on Total Liabilities	36.19	131.07	375.82
Benefits paid	(441.05)	(321.19)	(319.41)
Benefit obligation at the end of the year	**4,322.66**	**3,757.45**	**3,088.29**

Details of changes fair value of plan assets are as follows: -

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**	**As at 31st March, 2020**
Fair value of plan assets at the beginning of the year	1,570.65	960.55	1,105.32
Actual Return on Plan Assets	152.56	40.49	52.22
Employer contributions	2,342.96	889.00	119.31
Benefits paid	(436.18)	(319.77)	(316.30)
Fair value of plan assets as at the end of the year	**3,629.99**	**1,570.27**	**960.55**

Remeasurement gain/ (loss) in other comprehensive income (OCI)	**As at 31st March, 2022**	**As at 31st March, 2021**	**As at 31st March, 2020**
Actuarial changes arising from changes in financial assumptions	(84.02)	(24.27)	231.62
Experience adjustments	187.95	32.84	144.20
Return on Plan assets, excluding amount included in net interest on the net defined benefit liablity/(asset)	(122.27)	143.32	32.95
Actuarial (gain) / loss (through OCI)	**(18.34)**	**151.89**	**408.78**

The principal assumptions used in determining gratuity obligations for the Group's plans are shown below:

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**	**As at 31st March, 2020**
Salary Growth Rate	0 % to 10%	0 % to 10%	0 % to 10%
Discount Rate	4.25 % to 5.79%	4.25 % to 5.79%	5.21 % to 7%
Withdrawal Rate	5 % to 23%	5 % to 23%	5 % to 20%
Mortality	100% of IALM 2006-2008	100% of IALM 2006-2008	100% of IALM 2006-2008
Interest rate on net DBO	4.25 % to 5.79%	4.25 % to 5.79%	5.21 % to 7%
Expected average remaining working life	2 Yrs to 33.08Yrs	2 Yrs to 33.08Yrs	2 Yrs to 33.55Yrs

Investments quoted in active markets:

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**	**As at 31st March, 2020**
Equity instruments	-	-	-
Debt instruments	-	-	-
Real estate	-	-	-
Derivatives	-	-	-
Investment Funds with Insurance Group	0 - 100%	0 - 100%	0 - 100%
Of which, Unit Linked	-	-	-
Of which, Traditional/ Non-Unit Linked	0 - 100%	0 - 100%	0 - 100%
Asset-backed securities	-	-	-
Structured debt	-	-	-
Cash and cash equivalents	-	-	-
Total	0-100%	0-100%	100.00%

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A quantitative sensitivity analysis for significant assumptions as at March 31, 2022, March 31, 2021 and March 31, 2020 are as shown below:

Assumptions	**Sensitivity Level**	**As at 31st March, 2022**	**As at 31st March, 2021**	**As at 31st March, 2020**
Discount Rate	Increase by 1%	4,090.48	3,513.37	2,065.53
Discount Rate	Decrease by 1%	4,617.29	4,041.13	2,469.31
Further Salary Increase	Increase by 1%	4,645.79	4,065.77	2,476.18
Further Salary Increase	Decrease by 1%	4,034.70	3,496.12	2,057.10
Employee turnover	Increase by 1%	4,366.69	3,786.72	2,324.91
Employee turnover	Decrease by 1%	4,271.16	3,730.03	2,165.84
Mortality Rate	Increase in expected lifetime by 1 year	4,353.86	3,824.36	2,244.15
Mortality Rate	Increase in expected lifetime by 3 years	4,263.10	3,802.73	2,231.72

1. The weighted average duration of the defined benefit obligation as at 31st March 2022 is 5 to 10 years (2021: 5 to 10 years, 2020 : 5 to 10 years).
2. Gratuity liability is funded through a Gratuity Fund managed by Life Insurance Corporation of India Ltd.
3. 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.
4. 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 and other relevant factors.

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Muthoot FinCorp Limited

Annexure VI - Notes to Reformatted Consolidated Financial Statements

(Amount in INR Lakhs, except share data and unless otherwise stated)

38 Maturity analysis of assets and liabilities

Particulars	As at 31st March, 2022			As at 31st March, 2021			As at 31st March, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	3,15,233.84	-	3,15,233.84	98,979.83	-	98,979.83	1,50,001.60	-	1,50,001.60
Bank Balance other than above	30,453.94	11,164.76	41,618.70	28,312.26	11,875.00	40,187.25	1,374.15	18,251.79	19,625.93
Trade receivables	4,235.12	-	4,235.12	2,748.83	-	2,748.83	3,877.77	-	3,877.77
Loans	19,62,017.72	3,04,475.05	22,66,492.77	20,41,181.24	2,49,446.22	22,90,627.47	14,61,897.08	2,90,881.88	17,52,778.97
Investments	6,187.95	4,084.76	10,272.71	3,252.48	3,307.99	6,560.46	4,870.69	3,460.06	8,330.75
Other financial assets	4,691.06	9,574.07	14,265.13	11,765.92	9,231.33	20,997.25	4,419.62	12,731.24	17,150.86
Non-financial Assets									
Current tax assets (net)	2,997.82	4,199.84	7,197.66	713.37	1,264.24	1,977.61	4,546.99	-	4,546.99
Deferred tax assets (net)	-	9,959.42	9,959.42	-	4,963.43	4,963.43	-	2,993.24	2,993.24
Investment Property	-	30,236.55	30,236.55	-	30,236.55	30,236.55	-	30,236.55	30,236.55
Property, plant and equipment	-	43,392.79	43,392.79	-	45,543.44	45,543.44	-	49,312.84	49,312.84
Capital work-in-progress	-	-	-	-	-	-	-	-	-
Intangible assets under development	-	-	-	-	114.45	114.45	-	87.44	87.44
Other intangible assets	-	1,953.04	1,953.04	-	1,891.73	1,891.73	-	1,622.54	1,622.54
Right-of-use assets	9,896.03	56,362.54	66,258.57	11,320.80	39,515.90	50,836.70	9,995.05	42,726.92	52,721.97
Other non financial assets	6,697.03	24,420.65	31,117.68	32,273.92	515.35	32,789.27	6,467.81	24,425.74	30,893.55
Total assets	**23,42,410.50**	**4,99,823.47**	**28,42,233.97**	**22,30,548.64**	**3,97,905.63**	**26,28,454.26**	**16,47,450.77**	**4,76,730.23**	**21,24,181.00**
Liabilities									
Financial Liabilities									
Trade payables	343.69	-	343.69	272.51	-	272.51	335.84	-	335.84
Other Payables	5,727.01	31.49	5,758.50	2,147.06	-	2,147.06	37,302.79	-	37,302.79
Debt Securities	1,59,738.41	2,87,602.62	4,47,341.02	2,16,246.35	2,66,584.76	4,82,831.10	22,665.54	86,388.68	1,09,054.22
Borrowings (other than debt security)	11,66,704.17	4,34,387.87	16,01,092.04	11,18,280.85	3,38,240.32	14,56,521.18	8,40,350.67	4,88,548.94	13,28,899.61
Lease Liability	15,524.02	58,709.09	74,233.12	10,450.39	45,548.17	55,998.56	14,425.72	40,154.49	54,580.21
Subordinated Liabilities	45,996.80	1,95,029.58	2,41,026.38	56,901.59	1,95,106.74	2,52,008.33	33,160.22	2,29,500.02	2,62,660.24
Other Financial liabilities	52,095.53	39,667.21	91,762.74	42,561.80	27,768.27	70,330.07	36,959.04	18,934.62	55,893.66
Non-financial Liabilities									
Current tax liabilities (net)	58.26	-	58.26	-	-	-	287.56	-	287.56
Provisions	303.70	886.86	1,190.56	249.61	2,476.58	2,726.19	185.72	2,364.57	2,550.30
Deferred tax liabilities (net)	-	3,995.14	3,995.14	-	233.57	233.57	-	3,206.56	3,206.56
Other non-financial liabilities	2,316.47	-	2,316.47	1,915.66	-	1,915.66	4,107.23	-	4,107.23
Total Liabilities	**14,48,808.06**	**10,20,309.85**	**24,69,117.91**	**14,49,025.81**	**8,75,958.41**	**23,24,984.22**	**9,89,780.35**	**8,69,097.88**	**18,58,878.23**
Net	**8,93,602.44**	**(5,20,486.38)**	**3,73,116.06**	**7,81,522.82**	**(4,78,052.78)**	**3,03,470.04**	**6,57,670.42**	**(3,92,367.65)**	**2,65,302.78**

39 Contingent Liabilities (to the extent not provided for)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(i) Contingent Liabilities			
(i) Income Tax Demands	3,419.85	6,334.02	6,327.34
(ii) Service Tax Demands	5,106.18	5,106.18	3,600.90
(iii) Value Added Tax Demands	1,327.12	1,432.70	1,432.70
(iv) Bank Guarantees	36.90	36.69	92.09
(v) Claims not acknowledged as debt in view of counter claims raised	917.78	-	-
(vi) Cash Margin on Securitisation	2,053.40	9,327.10	2,258.62

(vii) Some of the branches of the Company had received notices under the Kerala Money Lenders Act, 1958, for registration, which was challenged by the Company before the Hon'ble Supreme Court. The Apex Court has allowed the appeals filed by NBFCs including the Company, vide its judgement dated May 10, 2022 ruling that state level money lending enactments shall have no application to NBFCs registered under the RBI and regulated by the RBI. In view of the said ruling of the Supreme Court, the contingency with respect to the Kerala Money Lenders Act ceases to exist.

(viii) The Company has filed a Writ Petition before the Honourable High Court of Madras on 30th July, 2019 challenging the Order passed by the Income Tax Settlement Commission, Chennai Bench abating the proceedings before it relating to the Settlement Application filed by the Company dated December 17, 2017 ("Settlement Application"); and praying for stay on proceedings initiated by the Joint Commissioner of Income Tax (OSD), Central Circle, Thiruvananthapuram post abatement of proceedings by the Settlement Commission. The tax and interest due on the issues forming part of the Settlement Application totaled to ₹7,406 lakh. The Settlement Application related to notices received under Section 147 of the Income Tax Act, as per which the income chargeable to tax for the Financial Years 2011-12 to 2016-17 of MFL had escaped assessment, and Section 153A of the Income Tax Act, as per which MFL was required to prepare true and correct return of which MFL was assessable for the Assessment Years 2011-2012 to 2016-2017. The proceedings before the High Court of Madras is currently pending.

(ix) Other commitments

Loan commitment in respect of partly disbursed loans is INR 4,419.14 (31 March 2021 : INR 4,019.10, 31 March 2020 : INR 4,633.89).

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40 Related Party Disclosures

Names of Related parties with whom transaction has taken place

(A) Subsidiaries

Muthoot Microfin Limited
Muthoot Housing Finance Company Limited
Muthoot Pappachan Technologies Private Limited

(B) Key Management Personnel	Designation
Thomas John Muthoot	Managing Director
Thomas George Muthoot	Director
Thomas Muthoot	Wholetime Director Cum Chief Financial Officer
Preethi John Muthoot	Additional Director
Kurian Peter Arattukulam	Director
Vikraman Ampalakkat	Director
Thuruthiyil Devassia Mathai	Company Secretary

(C) Enterprises owned or significantly influenced by key management personnel or their relatives

MPG Hotels and Infrastructure Ventures Private Limited
Muthoot Automotive (India) Private Limited
Muthoot Automobile Solutions Private Limited
Muthoot Capital Services Limited
Muthoot Motors Private Limited
Muthoot Risk Insurance and Broking Services Private Limited
Muthoot Pappachan Chits (India) Private Limited
Muthoot Exim Private Limited
Muthoot Kuries Private Limited
MPG Security Group Private Limited
Muthoot Estate Investments
Muthoot Motors (Cochin)
Muthoot Pappachan Foundation
M-Liga Sports Excellence Private Limited
Thinking Machine Media Private Limited
Muthoot Hotels Private Limited

(D) Relatives of Key Management Personnel

Janamma Thomas
Nina George
Remmy Thomas
Thomas M John
Suzannah Muthoot
Hannah Muthoot
Tina Suzanne George
Ritu Elizabeth George
Shweta Ann George

(E) Other Related Parties

Speckle Internet Solutions Private Limited

Related Party transactions during the year:

Particulars	Key Management Personnel & Directors			Relatives of Key Management Personnel			Entities over which Key Management Personnel and their relatives are able to exercise significant influence		
	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2020
Revenue									
Auction of Gold Ornaments	-	-	-	-	-	-	6,104.86	1,270.97	1,918.82
Commission Received	-	-	-	-	-	-	1,225.44	1,014.52	1,229.81
Delayed Interest	-	-	-	-	-	-	-	3.58	-
Processing Fee received	-	-	15.00	-	-	-	-	0.73	0.75
Rent received	-	-	-	-	-	-	286.39	276.24	304.87
Revenue from Travel Services	1.59	-	-	-	-	-	10.10	5.56	6.54
Interest accrued on loans & advances	2,388.00	2,388.00	2,386.26	-	-	-	29.66	30.15	16.10
Sale of Used Assets	-	-	-	-	-	-	0.03	-	-
Professional Charges-IT support	-	-	-	-	-	-	177.87	179.26	632.62
Expense									
Commission Paid	500.00	132.00	132.00	-	-	-	17.09	47.87	3.43
Interest paid	531.66	479.36	398.55	78.74	62.97	42.04	336.22	449.75	334.64
Hotel Service payments	-	-	-	-	-	-	28.31	32.93	54.41
Professional & Consultancy Charges	-	-	-	-	-	-	2,104.14	2,092.00	1,773.55
Purchase of Gold Coins	-	-	-	-	-	-	90.77	16.86	13.23
Reimbursement of Expenses	-	-	-	-	-	-	(20.46)	(81.77)	(12.72)
Rent paid	174.90	168.35	165.13	-	-	-	17.51	15.17	13.50
Remuneration Paid	5,039.60	2,196.94	2,200.04	41.00	23.49	18.90	-	-	-
Sitting Fee paid	13.50	7.50	8.00	-	-	-	-	-	-
Incentive paid	-	-	-	-	-	-	-	24.27	-
Processing fee paid	-	-	-	-	-	-	-	19.50	-
CSR Expenditure	-	-	-	-	-	-	-	-	178.00
Marketing Expense	-	-	-	-	-	-	-	1.08	-
Collection Charges	-	-	-	-	-	-	-	12.98	-
Trademark fee	6.00	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	1.89	19.46	-
Asset									
Advance for CSR Activities	-	-	-	-	-	-	523.31	1,027.29	285.11
Investment made in Equity	-	-	-	-	-	-	200.00	18.00	-
Loans Advanced	-	-	19,900.00	-	-	-	-	290.00	300.00
Loan repayments received	-	-	(19,900.00)	-	-	-	(290.00)	(239.64)	(125.26)
Purchase of Vehicle	-	-	-	-	-	-	10.74	-	-
Refund received against advance for property	-	-	-	-	-	-	(3,000.00)	-	(19,600.00)

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Related Party transactions during the year (contd.):

Particulars	Key Management Personnel & Directors			Relatives of Key Management Personnel			Entities over which Key Management Personnel and their relatives are able to exercise significant influence		
	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2020
Liability									
Advance received towards Owners share	-	-	-	-	-	-	432.15	241.00	210.13
ICD accepted	-	-	-	-	-	-	-	-	7,500.00
ICD repaid	-	-	-	-	-	-	-	-	(7,500.00)
Investment in Debt Instruments	-	260.30	-	0.50	175.50	307.00	1.00	-	-
Redemption of Investment in Debt Securities	-	-	-	(1.14)	(156.00)	-	-	-	-
Security Deposit Accepted	-	-	-	-	-	-	141.44	55.48	0.55
Security Deposit Repaid	-	-	-	-	-	-	(167.13)	(40.26)	(3.73)
Loan Availed	-	-	-	-	-	-	60.00	3,200.00	-
Loan Repaid	-	-	-	-	-	-	(1,400.00)	(1,000.00)	-
Dividend Paid	10,036.91	-	11,624.01	1,549.71	-	1,893.71	35.72	-	41.67

Balance outstanding as at the year end:

Particulars	Key Management Personnel & Directors			Relatives of Key Management Personnel			Entities over which Key Management Personnel and their relatives are able to exercise significant influence		
	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2020
Asset									
Advance for CSR Activities	-	-	-	-	-	-	8.05	-	30.40
Advance for Property/Shares	1,588.53	1,588.53	1,588.53	133.87	133.87	133.87	24,277.77	27,277.77	27,277.77
Advance received towards Owners share	-	-	-	-	-	-	903.13	221.01	210.13
Commission Receivable	-	-	-	-	-	-	73.67	25.05	229.23
Expense Reimbursements Receivable	-	-	-	-	-	-	1.48	0.86	2.84
Interest on Loan Receivable	61.55	61.55	61.55	-	-	-	-	3.71	1.15
Loans Advanced	19,900.00	19,900.00	19,900.00	-	-	-	693.33	290.00	239.64
Rent Receivable	-	-	-	-	-	-	12.40	8.33	34.51
Travel Service Receivables	0.79	1.12	-	-	-	-	4.06	2.09	8.32
Security Deposit advanced	3.58	3.58	-	-	-	-	-	-	-
Debtors	-	-	-	-	-	-	8.33	27.01	36.10
Investment in Equity Outstanding	-	-	-	-	-	-	226.00	26.00	8.00
Liability									
Collection balance payable	-	-	-	-	-	-	0.22	6.93	6.36
Commission Payable	-	-	78.27	-	-	-	0.27	2.33	-
Interest Payable	83.00	218.89	174.72	54.22	21.66	8.76	13.93	16.05	0.25
Rent Payable	6.66	6.27	5.90	-	-	-	0.92	0.90	-
Remuneration Payable	-	-	5.63	-	-	-	-	-	-
Investment in Debt Instruments	267.30	267.30	-	332.33	332.97	313.47	107.53	51.40	-
PDI issued	3,845.00	3,845.00	20.00	355.00	355.00	-	1,025.00	3,015.00	-
Professional & Consultancy Charges payable	-	-	-	-	-	-	0.12	53.69	4.23
Security Deposit received	-	-	3.59	-	-	-	31.94	57.63	56.85
Loan outstanding	400.09	400.09	400.09	-	-	-	-	2,033.33	-
Expense Payable	1.08	-	-	-	-	-	4.15	3.18	2.37

Note

a) Related parties 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 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2020
Short–term employee benefits	5,053.10	2,204.44	2,208.04
Post-employment benefits	-	-	-
Total compensation paid to key managerial personnel	**5,053.10**	**2,204.44**	**2,208.04**

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(Amount in INR Lakhs, except share data and unless otherwise stated)

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 assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at 31st March 2022:

Particulars	**At FVTPL**			
	Level-1	**Level-2**	**Level-3**	**Total**
Financial Assets				
Investment in JM Financial India Fund II	156.37	-	-	156.37
Investment in Strugence Debt Fund	997.48	-	-	997.48
Investment in BPEA India Credit - Trust II	514.24	-	-	514.24
Investments in Mutual Fund	4,076.39	-	-	4,076.39
Financial Liabilities				
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	-	-	15,213.00	15,213.00

Particulars	**At FVTOCI**			
	Level-1	**Level-2**	**Level-3**	**Total**
Financial Assets				
Investment in Muthoot Pappachan Chits Private Limited	-	15.14	-	15.14
Investment in Avenues India Private Limited	-	477.67	-	477.67
Investment in Fair Asset Technologies (P) Limited	-	719.85	-	719.85
Investment In The Thinking Machine Media Private Limited	-	18.00	-	18.00
Investment In Speckle Internet Solutions Private Limited	-	198.10	-	198.10
Investment in Equity Shares (DP account with Motilal Oswal)	1,646.32	-	-	1,646.32
Investment in PMS - Motilal Oswal	465.24	-	-	465.24
Loans	-	-	2,06,894.06	2,06,894.06

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at 31st March 2021:

Particulars	**At FVTPL**			
	Level-1	**Level-2**	**Level-3**	**Total**
Financial Assets				
Investment in JM Financial India Fund II	106.90	-	-	106.90
Investments in Mutual Fund	290.02	-	-	290.02

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in Muthoot Pappachan Chits Private Limited	-	6.52	-	6.52
Investment in Avenues India Private Limited	-	477.48	-	477.48
Investment in Fair Asset Technologies (P) Limited	-	703.59	-	703.59
Investment in Algiz Consultancy Services Private Limited	-	-	-	-
Investment In The Thinking Machine Media Private Limited	-	18.00	-	18.00
Investment in Equity Shares (DP account with Motilal Oswal)	1,038.94	-	-	1,038.94
Investment in PMS - Motilal Oswal	631.11	-	-	631.11
Loans	-	-	98,346.00	98,346.00

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at 31st March 2020:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Investment in JM Financial India Fund II	121.80	-	-	121.80
Investments in Mutual Fund	2,630.89	-	-	2,630.89

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Investment in Muthoot Pappachan Chits Private Limited	-	5.23	-	5.23
Investment in Avenues India Private Limited	-	400.26	-	400.26
Investment in Fair Asset Technologies (P) Limited	-	702.76	-	702.76
Investment in Algiz Consultancy Services Private Limited	-	-	-	-
Investment in Equity Shares (DP account with Motilal Oswal)	872.57	-	-	872.57
Investment in PMS - Motilal Oswal	379.33	-	-	379.33
Loans	-	-	1,97,873.94	1,97,873.94

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

Fair value technique

Investments at fair value

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. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report and valued on a case-by-case has been classified as Level 2.

Investment at fair value through profit and loss

For investment at fair value through profit and loss, valuation are done using quoted prices from active markets or on published Net Asset Values of the investment at the measurement date or at the nearest available date.

Financial Liabilities with significant unobservable inputs (Level 3)

This level of hierarchy includes financial liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data, this level of hierarchy includes cumulative compulsory convertible preference shares.

The fair value of the CCCPS is measured using the Monte Carlo Simulation technique. The Monte Carlo Simulation Method is one where a risk-neutral framework is used to simulate a range of simulated values, representing all the potential paths a variable could move over the period of the simulation. The inputs to this model are taken from observable market where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Significant unobservable inputs	As at March 31, 2022		As at March 31, 2021 & As at March 31, 2020	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount Rate of CCCPS Coversion Feature	(511.25)	531.08	-	-
Discount for Lack of Marketability	(234.05)	234.05	-	-

Loan assets carried at fair value through other comprehensive income

Loan receivables valuation is carried out for two portfolios segregated on the basis of repayment frequency – monthly and weekly. The valuation of each portfolio is done by discounting the aggregate future cash flows with risk-adjusted discounting rate for the remaining portfolio tenor.

Following inputs have been used to calculate the fair value of loans receivables:

(i) Future cash flows: Include principal receivable, interest receivable and tenor information based on the repayment schedule agreed with the borrowers. Inputs include:

(ii) Risk-adjusted discount rate:

This rate has been arrived using the cost of funds approach.

The following inputs have been used:

(i) Cost of funds

(ii) Credit spread of borrowers

(iii) Servicing Cost of a financial asset

(iv) Discount rate

Loan portfolio	Fair valuation as at March 31, 2022	Fair valuation as at March 31, 2021	Fair valuation as at March 31, 2020
Monthly	1,46,330.73	64,996.63	1,16,118.49
Weekly	65,938.08	33,848.44	87,900.43
Total	**2,12,268.82**	**98,845.07**	**2,04,018.92**

Fair value measurement of Financial Assets sensitivity to significant unobservable inputs as at the end of each reporting period is as follows:

Particulars	Fair valuation as at March 31, 2022	Fair valuation as at March 31, 2021	Fair valuation as at March 31, 2020
Impact on fair value if change in risk adjusted discount rate			
- Impact due to increase of 0.50 %	(916.00)	(406.50)	(1,279.69)
- Impact due to decrease of 0.50 %	922.00	408.90	1,289.72
Impact on fair value if change in probability of default (PD)			
- Impact due to increase of 0.50 %	(316.00)	(135.80)	(437.40)
- Impact due to decrease of 0.50 %	317.00	136.10	438.50
Impact on fair value if change in loss given default (LGD)			
- Impact due to increase of 0.50 %	(89.00)	(41.30)	(83.97)
- Impact due to decrease of 0.50 %	89.00	41.40	84.01

Reconciliation

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

Particulars	As at 31st March 2022		As at 31st March 2021		As at 31st March 2020	
	Loan assets	Preference Shares other than those that qualify as Equity	Loan assets	Preference Shares other than those that qualify as Equity	Loan assets	Preference Shares other than those that qualify as Equity
Opening balance	98,845.07	-	2,04,018.92	-	1,98,625.94	-
Loan originated / Preference shares issued	2,06,558.91	15,000.00	54,691.20	-	3,48,476.29	-
Sales/derecognition	(32,655.95)	-	(76,599.32)	-	(2,82,773.73)	-
Total gain and losses						
in profit and loss	-	-	-	-	-	-
in OCI	4,491.27	213.00	(3,174.60)	-	593.62	-
Settlements / conversion	(64,970.47)	-	(80,091.13)	-	(60,903.20)	-
Closing balance	**2,12,268.82**	**15,213.00**	**98,845.07**	**-**	**2,04,018.92**	**-**

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Muthoot FinCorp Limited
Annexure VI - Notes to Reformatted Consolidated Financial Statements
(Amount in INR Lakhs, except share data and unless otherwise stated)

Fair Value Measurement (contd…)

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 Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Particulars	Level	Carrying Value			Fair Value		
		As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2020
Financial assets							
Cash and cash equivalents	1	3,15,233.84	98,979.83	1,50,001.60	3,15,233.84	98,979.83	1,50,001.60
Bank Balance other than above	1	41,618.70	40,187.25	19,625.93	41,618.70	40,187.25	19,625.93
Trade receivables	3	4,235.12	2,748.83	3,877.77	4,235.12	2,748.83	3,877.77
Loans	3	20,59,598.71	21,92,281.46	15,54,905.03	20,59,598.71	21,92,281.46	15,54,905.03
Investments - at amortised cost	3	987.91	1,287.91	3,217.91	987.91	1,287.91	3,217.91
Other Financial assets	3	14,265.13	20,997.25	17,150.86	14,265.13	20,997.25	17,150.86
Financial assets		**24,35,939.41**	**23,56,482.53**	**17,48,779.10**	**24,35,939.41**	**23,56,482.53**	**17,48,779.10**
Financial Liabilities							
Payable	3	6,102.19	2,419.57	37,638.64	6,102.19	2,419.57	37,638.64
Debt securities	3	4,47,341.02	4,82,831.10	1,09,054.22	4,47,341.02	4,82,831.10	1,09,054.22
Borrowings (other than debt securities)	3	16,01,092.04	14,56,521.18	13,28,899.61	16,01,092.04	14,56,521.18	13,28,899.61
Lease Liabilities		74,233.11	55,998.56	54,580.21	74,233.11	55,998.56	54,580.21
Subordinated liabilities	3	2,41,026.38	2,52,008.33	2,62,660.24	2,41,026.38	2,52,008.33	2,62,660.24
Other financial liabilities	3	76,549.74	70,330.07	55,893.66	76,549.74	70,330.07	55,893.66
Financial Liabilities		**24,46,344.48**	**23,20,108.79**	**18,48,726.57**	**24,46,344.48**	**23,20,108.79**	**18,48,726.57**

Valuation techniques

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

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 ie, 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.

Financial liability at amortised cost

The fair values of financial liability held-to-maturity are estimated using a 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.

(Amount in INR Lakhs, except share data and unless otherwise stated)

42 Segment Reporting

The Board of Directors and the Managing Director of the Company together constitute the Chief Operating Decision Maker ("CODM"). Operating segment are components of the Group whose operating results are regularly reviewed by the CODM to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Group are in India. All non-current assets of the Group are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating Segments".

43 Change in liabilities arising from financing activities

Particulars	As at 31st March, 2021	Cash Flows	Changes in fair value (gain)/loss	Ind AS 116 - Lease Liabilities	Others	As at 31st March, 2022
Debt Securities	4,82,831.10	(35,218.61)	-	-	(271.47)	4,47,341.02
Borrowings other than debt securities	14,56,521.18	1,46,692.17	-	-	(2,121.31)	16,01,092.04
Lease Liabilities	55,998.56	(19,575.16)	-	37,809.72	-	74,233.11
Subordinated Liabilities	2,52,008.33	(9,201.75)	-	-	(1,780.20)	2,41,026.38
Total liabilities from financing activities	**22,47,359.16**	**82,696.65**	**-**	**37,809.72**	**(4,172.98)**	**23,63,692.55**

Particulars	As at 1st April, 2020	Cash Flows	Changes in fair value (gain)/loss	Ind AS 116 - Lease Liabilities	Others	As at 31st March, 2021
Debt Securities	1,09,054.22	3,75,224.21	-	-	(1,447.34)	4,82,831.10
Borrowings other than debt securities	13,28,899.61	1,26,788.46	-	-	833.11	14,56,521.18
Lease Liabilities	54,580.21	(18,139.06)	-	19,557.41	-	55,998.56
Subordinated Liabilities	2,62,660.24	(10,780.60)	-	-	128.69	2,52,008.33
Total liabilities from financing activities	**17,55,194.28**	**4,73,093.02**	**-**	**19,557.41**	**(485.55)**	**22,47,359.16**

Particulars	As at 1st April, 2019	Cash Flows	Changes in fair value (gain)/loss	Ind AS 116 - Lease Liabilities	Others	As at 31st March, 2020
Debt Securities	54,008.85	55,615.21	-	-	(569.84)	1,09,054.22
Borrowings other than debt securities	11,29,466.69	2,00,712.20	-	-	(1,279.29)	13,28,899.61
Lease Liabilities	-	(17,770.71)	-	72,350.92	-	54,580.21
Subordinated Liabilities	2,75,517.96	(12,905.80)	-	-	48.08	2,62,660.24
Total liabilities from financing activities	**14,58,993.50**	**2,25,650.91**	**-**	**72,350.92**	**(1,801.05)**	**17,55,194.28**

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44 Risk Management

The Group’s principal financial liabilities comprise of borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the Group’s operations. The Group’s principal financial assets include loans, investments, cash and cash equivalents, trade receivables and other receivables that derive directly from its operations.
As a financial lending institution, Group is exposed to various risks that are related to lending business and operating environment. The principal objective in Group's risk management processes is to measure and monitor the various risks that Group is subject to and to follow policies and procedures to address such risks.
The Groups Risk Management Committee (RMC) comprise of the Board of directors constituted in accordance with the RBI rules. The RMC has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets on a quarterly basis to review the risk management practices and working of the risk management department. The committee is chaired by an Independent Director. 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 Group has implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Group. The risk management process is continuously reviewed, improved and adapted in the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis. The Group has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically adressed through mitigating actions on a continuing basis.
The major type of risk Group faces in business are credit risk, liquidity risk, market risk and operational risk.

I) 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, microfinance loan personal loans and others.
The Group addressess credit risk through following major processess:

- 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
- Structured and standardised credit approval process
- Verification of credit history from credit bureau agencies, personal verification of customers business and residence
- Technical and Legal Verification
- Comprehensive credit risk assessment and cash flow analysis

In order to mitigate the impact of credit risk in the future profitability, the Company makes reserves basis the expected credit loss (ECL model) for the outstanding loans.

A) Impairment Assessment

The Group’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 care

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 unlikeness 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.
It is the Group’s policy to consider a financial instrument as ‘cured’ and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least three consecutive months. 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.

Rating	**Loans Days past due (DPD)**	**Stages**
High grade	Not yet due	Stage I
Standard grade	1-30 DPD	Stage I
Sub-standard grade	31-60 DPD	Stage II
Past due but not impaired	61-89 DPD	Stage II
Individually impaired	90 DPD or More	Stage III

Exposure at Default (EAD)

The outstanding balance as at the reporting date is considered as EAD by the Group.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, 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 events 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 90 day DPD approach considering fresh slippage using historical information.

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 31st March 2022, 31st March 2021 and 31st March 2020.

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 Group expects to receive.

LGD Rates have been computed internally based on the discounted recoveries in NPA accounts that are closed/ written off/ repossessed and upgraded during the year.

When estimating ECLs on a collective basis for a group of similar assets, the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Significant Increase in credit risk

The internal rating model evaluates the loans on an ongoing basis. The rating model also assesses if there has been a significant increase in credit risk since the previously assigned risk grade. One key factor that indicates significant increase in credit risk is when contractual payments are more than 30 days past due.

II) Liquidity risk

Asset Liability Management (ALM)

Liquidity risk refers to the risk that the Group may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management, is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. Our resource mobilisation team sources funds from multiple sources, including from banks, financial institutions, capital & retail markets to maintain a healthy mix of sources. The resource mobilisation team is responsible for diversifying fund raising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed.

The table below shows the maturity pattern of the assets and liabilities:

Maturity pattern of assets and liabilities as on 31st March 2022:

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	Total
Cash and cash equivalents	3,07,990.67	2,405.67	1,180.50	-	3,657.00	-	-	-	3,15,233.84
Bank Balance other than (a) above	6,916.52	-	697.77	9,156.46	13,683.19	11,013.08	151.68	-	41,618.70
Receivables	3,798.54	24.75	19.67	59.02	333.14	-	-	-	4,235.12
Loans	3,26,665.99	1,03,696.85	1,21,465.22	6,51,574.59	7,58,615.07	1,65,092.38	22,947.62	1,16,435.06	22,66,492.77
Investments	3,761.56	629.50	-	596.89	1,200.00	1,511.72	-	2,573.04	10,272.71
Other Financial assets	2,556.28	337.64	165.22	499.56	1,132.35	4,661.38	737.87	4,174.83	14,265.13
Total	**6,51,689.56**	**1,07,094.40**	**1,23,528.39**	**6,61,886.52**	**7,78,620.75**	**1,82,278.56**	**23,837.16**	**1,23,182.92**	**26,52,118.27**
Payables	197.39	146.30	-	-	-	-	-	-	343.69
Other Payables	5,578.53	131.15	2.32	11.75	3.26	16.98	14.51	-	5,758.50
Debt Securities	28,738.06	12,441.67	15,054.30	21,457.73	82,046.65	2,30,380.14	44,745.81	12,476.68	4,47,341.02
Borrowings (other than Debt Securities)	57,425.88	51,136.15	57,501.68	2,09,159.77	7,91,480.69	3,70,643.71	37,938.85	25,805.30	16,01,092.04
Subordinated Liabilities	5,173.45	2,746.57	2,088.25	8,396.96	27,591.58	74,996.73	40,621.54	79,411.31	2,41,026.38
Other Financial liabilities	18,585.98	2,614.18	2,000.61	6,553.14	22,341.62	32,078.45	5,991.94	1,596.82	91,762.74
Total	**1,15,699.30**	**69,216.00**	**76,647.15**	**2,45,579.36**	**9,23,463.80**	**7,08,116.00**	**1,29,312.65**	**1,19,290.11**	**23,87,324.37**

Maturity pattern of assets and liabilities as on 31st March 2021:

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	Total
Cash and cash equivalents	97,655.94	37.68	1,286.21	-	-	-	-	-	98,979.83
Bank Balance other than (a) above	15,005.66	851.93	1,347.58	2,395.10	8,711.99	11,502.63	372.37	-	40,187.25
Receivables	2,742.91	5.92	-	-	-	-	-	-	2,748.83
Loans	5,58,324.36	2,22,144.63	2,59,826.00	7,38,694.00	2,62,192.25	1,30,308.29	18,892.76	1,00,245.17	22,90,627.47
Investments	2,952.48	-	-	-	300.00	1,111.40	1,000.00	1,196.59	6,560.46
Other Financial assets	1,991.29	102.98	396.33	906.06	8,369.25	7,502.82	343.90	1,384.61	20,997.25
Total	**6,78,672.64**	**2,23,143.14**	**2,62,856.12**	**7,41,995.16**	**2,79,573.49**	**1,50,425.14**	**20,609.03**	**1,02,826.37**	**24,60,101.09**
Payables	176.93	95.58	-	-	-	-	-	-	272.51
Other Payables	1,808.61	67.51	270.93	-	-	-	-	-	2,147.06
Debt Securities	-	-	12,521.76	3,032.44	2,00,692.15	2,18,301.38	48,283.38	-	4,82,831.10
Borrowings (other than Debt Securities)	26,787.71	27,114.94	2,29,651.67	2,00,796.54	6,33,930.00	2,51,747.86	38,864.35	47,628.11	14,56,521.18
Subordinated Liabilities	3,242.44	4,515.61	5,101.30	15,839.18	28,203.06	94,922.64	41,860.83	58,323.27	2,52,008.33
Other Financial liabilities	23,871.83	1,294.82	2,498.38	6,426.18	8,470.59	18,428.00	5,804.81	3,535.46	70,330.07
Total	**55,887.51**	**33,088.45**	**2,50,044.05**	**2,26,094.34**	**8,71,295.80**	**5,83,399.88**	**1,34,813.38**	**1,09,486.84**	**22,64,110.24**

Maturity pattern of assets and liabilities as on 31st March 2020:

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	Total
Cash and cash equivalents	1,47,267.00	1,435.30	1,169.11	-	130.20	-	-	-	1,50,001.60
Bank Balance other than (a) above	47.89	116.62	104.67	169.85	935.11	18,119.76	132.03	-	19,625.93
Receivables	3,812.07	34.10	31.60	-	-	-	-	-	3,877.77
Loans	40,786.47	1,100.88	1,46,989.42	4,54,166.67	8,18,853.64	1,91,654.42	24,471.68	74,755.79	17,52,778.97
Investments	2,239.80	5.25	2,625.64	-	-	421.80	1,930.00	1,108.25	8,330.75
Other Financial assets	1,886.11	154.91	246.20	799.75	1,332.66	10,878.54	824.00	1,028.70	17,150.86
Total	**1,96,039.34**	**2,847.06**	**1,51,166.64**	**4,55,136.27**	**8,21,251.61**	**2,21,074.52**	**27,357.71**	**76,892.74**	**19,51,765.88**
Payables	256.88	78.96	-	-	-	-	-	-	335.84
Other Payables	36,976.46	22.25	-	-	304.09	-	-	-	37,302.79
Debt Securities	-	-	124.32	124.32	22,416.90	54,540.32	31,848.36	-	1,09,054.22
Borrowings (other than Debt Securities)	9,674.45	30,859.52	28,578.14	2,25,920.21	5,45,318.35	3,93,428.55	69,479.57	25,640.82	13,28,899.61
Subordinated Liabilities	992.82	3,454.59	4,786.61	6,583.47	17,342.73	1,03,888.85	73,829.14	51,782.03	2,62,660.24
Other Financial liabilities	20,148.84	1,979.36	2,471.19	4,224.37	8,135.27	10,042.29	5,050.95	3,841.37	55,893.66
Total	**68,049.45**	**36,394.69**	**35,960.26**	**2,36,852.38**	**5,93,517.34**	**5,61,900.01**	**1,80,208.03**	**81,264.22**	**17,94,146.37**

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 and other market changes. The Group is exposed to two types of market risk as follows:

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

The 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, debt securities and subordinate laibilities are as follows:

Particulars	31st March 2022	31st March 2021	31st March 2020
On Borrowings			
1% increase	(15,288.07)	(13,926.54)	(12,291.83)
1% decrease	15,288.07	13,926.54	12,291.83

Particulars	31st March 2022	31st March 2021	31st March 2020
On Debt Securities			
1% increase	4,650.86	2,959.41	815.32
1% decrease	(4,650.86)	(2,959.41)	(815.32)

Particulars	31st March 2022	31st March 2021	31st March 2020
On Subordinate Liabilities			
1% increase	2,465.17	2,573.34	2,690.89
1% decrease	(2,465.17)	(2,573.34)	(2,690.89)

Price risk

Equity price risk is the risk that the fair value of equities decreases as the result of changes in level of equity indices and individual stocks. The trading and non-trading equity price risk exposure arises from equity securities classified at FVTPL and FVOCI respectively".

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, 2022	10/(10)	432.28 / (432.28)	354.10 / (354.10)
As at March 31, 2021	10/(10)	39.69 / (39.69)	287.40 / (287.40)
As at March 31, 2020	10/(10)	275.27 / (275.27)	235.92 / (235.92)

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 or later than expected.

Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

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45 Impact of Covid-19

The after effects of the COVID-19 pandemic and resultant restrictions have continued to have its impact on economic activity during the year ended March 31, 2022. However, this has not resulted in a significant impact on the operations / financial position of the Group, though there has been an expected level of stress in collections and higher gold auctions during the year.

Pursuant to the relevant Reserve Bank of India circulars allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Group had granted moratorium to its borrowers based on its Board approved policy. For such accounts, where the moratorium was granted, the asset / stage-wise classification remained stand still during the moratorium period. Pursuant to the judgement of the Honourable Supreme Court dated March 23, 2021, vacating the interim order not to declare accounts as NPA and the RBI circular thereon, the Group has carried out the asset classification of borrowers as at March 31, 2021 and subsequently as per the ECL model and the extant RBI instructions / IRAC norms. Further, in accordance with the relevant circulars on Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances, the Company has restructured a total of 1,600 MSME accounts, amounting to INR 2,703.11 during the year ended March 31, 2021. The Group continues to assess the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they fall due and the management believes that the Group will be able to pay its obligations as and when these become due in the foreseeable future. The Group would continue to focus on maintaining adequate capital and ensuring liquidity at all points in time. The Group has recorded a management overlay allowance of INR 4,796.75 (March 31, 2021 - INR 4,613.89, March 31, 2020 - INR 8,167.51) in its Expected Credit Loss provision in view of the circumstances following the pandemic, based on the information available at this time.

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46 Disclosures under the Listing Agreement for Debt Securities

(i) Debenture Trustees:

Trustees for Public Issue
SBICAP Trustee Company Limited
Mistry Bhavan, 4th Floor, 122
Dinshaw Vachha Road,
Churchgate, Mumbai - 400020
Tel : 022-4302 5555
Fax : 022-22040465
Email : corporate@sbicaptrustee.com

Trustees for Perpetual Debt Instrument
Vistra ITCL (India) Limited (formerly IL&FS Trust Company Limited)
The IL&FS Financial Centre,
Plot C- 22, G Block,
Bandra Kurla Complex,
Bandra(E), Mumbai 400051
Tel +91 22 2659 3535
Fax +91 22 26533297
Email: mumbai@vistra.com

Trustees for Listed Private Placement & Public Issue
Catalyst Trusteeship Limited
GDA House, Plot No 85, Bhusari Colony (Right),
Paud Road, Pune – 411 038, Maharashtra
Office: +91 20 2528 0081
Fax: +91 20 2528 0275
Email: dt@ctltrustee.com

Trustees for Public Issue & Private Placement
Vardhman Trusteeship Private Limited
The Capital, 412 A. 4th Floor,
A-Wing, Bandra Kurla Complex
Bandra (East), Mumbai 400 051, Maharashtra
Tel: +91 22 4264 8335
E-mail: corporate@vardhmantrustee.com

(ii)Security:
1. Privately Placed Secured Debentures are secured by subservient charge on all current assets of the Company, both present and future (as more specifically disclosed in Note 17).

2. Covered Bond issued by the Company in the nature of secured, redeemable, listed non-convertible debentures on a private placement basis is secured by way of first ranking pari passu charge by way of mortgage over, certain immovable property of the Company and is covered by receivables against a pool of gold loans originated by the Company amounting to a minimum cover of prescribed times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon. (as more specifically disclosed in Note 17).

3. Debentures issued by way of public issue are secured by exclusive mortgage and first charge over certain immovable property of the Company and subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company, to be held on pari passu basis among the present and / or future NCD holder (as more specifically disclosed in Note 17).

4. Listed Debentures privately placed under Targeted Long-Term Repo Operations (TLTRO) is secured by first pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a prescribed asset coverage ratio of the value of the outstanding principal amounts of the Debentures. (as more specifically disclosed in Note 17).

(iii) Utilisation of Funds raised by way of Public Issue of Debt Securities:
The Group has utilised the Net Proceeds raised by way of allotment of Public Issue of Debt Securities and other Listed Debt Securities, in accordance with the Objects of such issue of debt securities. As at the years ended March 31, 2022, March 31, 2021 and March 31, 2020, no portion of such allotted proceeds remain unutilized.

(iv)Others:

Particulars	At 31st March, 2022	At 31st March, 2021	At 31st March 2020
Loans & advances in the nature of loans to subsidiaries	Nil	Nil	1,365.00
Loans & advances in the nature of loans to associates	Nil	Nil	Nil
Loans & advances in the nature of loans where there is-			
(i) no repayment schedule or repayment beyond seven years	Nil	Nil	Nil
(ii) no interest or interest below section 186 of the Companies Act	Nil	Nil	Nil
Loans & advances in the nature of loans to other firms/companies in which directors are interested	693.33	293.71	239.64

47 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund established under Section 125 of the Companies Act, 2013 as at the years ended March 31, 2022, March 31, 2021 and March 31, 2020.

48 Business combinations and acquisition of non-controlling interests

The Company has not subscribed to equity shares of any of its subsidiaries during the year (Previous Year: Nil). During the year ended March 31, 2020, the company subscribed to 58,14,000 equity shares in Muthoot Housing Finance Company Limited for a consideration of INR2,500.02.

49 The previous year figures have been reclassified and regrouped wherever required.

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(Amount in INR Lakhs, except share data and unless otherwise stated)

50 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

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities as at 31st March 2022		Share in profit or loss for the year ended 31st March 2022		Share in other comprehensive income for the year ended 31st March 2022	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/loss	Amount	As a % of consolidated other comprehensive income	Amount
Parent						
Muthoot FinCorp Limited	92.45%	3,44,949.33	84.07%	34,685.13	54.31%	1,807.73
Subsidiaries						
Indian						
1. Muthoot Microfin Limited	22.48%	83,871.92	7.31%	3,015.05	61.77%	2,056.29
2. Muthoot Housing Finance Company Limited	5.14%	19,166.90	3.32%	1,371.02	0.29%	9.52
3. Muthoot Pappachan Technologies Limited	0.00%	(6.02)	0.11%	46.31	(0.07%)	(2.37)
Non-controlling interests in all subsidiaries						
Indian subsidiaries	14.56%	54,336.58	5.05%	2,084.40	35.36%	1,177.00
Other Adjustment / Consol adjustment	(34.63%)	(1,29,202.64)	0.13%	53.21	(51.66%)	(1,719.47)
Total		**3,73,116.05**		**41,255.11**		**3,328.70**

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities as at 31st March 2021		Share in profit or loss for the year ended 31st March 2021		Share in other comprehensive income for the year ended 31st March 2021	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/loss	Amount	As a % of consolidated other comprehensive income	Amount
Parent						
Muthoot FinCorp Limited	105.47%	3,20,078.80	93.02%	36,953.74	696.70%	(12,313.02)
Subsidiaries						
Indian						
1. Muthoot Microfin Limited	18.66%	56,642.29	1.13%	448.72	87.69%	(1,549.85)
2. Muthoot Housing Finance Company Limited	5.85%	17,745.14	4.08%	1,621.97	0.47%	(8.37)
3. Muthoot Pappachan Technologies Limited	(0.02%)	(49.96)	0.00	92.15	(0.24%)	4.31
Non-controlling interests in all subsidiaries						
Indian subsidiaries	12.04%	36,536.95	1.78%	707.08	50.12%	(885.72)
Other Adjustment / Consol adjustment	(42.01%)	(1,27,483.18)	(0.24%)	(95.54)	(734.74%)	12,985.31
Total		**3,03,470.04**		**39,728.12**		**(1,767.34)**

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities as at 31st March 2020		Share in profit or loss for the year ended 31st March 2020		Share in other comprehensive income for the year ended 31st March 2020	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/loss	Amount	As a % of consolidated other comprehensive income	Amount
Parent						
Muthoot FinCorp Limited	111.36%	2,95,438.11	84.94%	21,907.51	(11,854.33%)	(6,287.53)
Subsidiaries						
Indian						
1. Muthoot Microfin Limited	21.68%	57,512.60	4.49%	1,158.12	283.50%	150.37
2. Muthoot Housing Finance Company Limited	6.04%	16,021.33	6.43%	1,658.95	-42.80%	(22.70)
3. Muthoot Pappachan Technologies Limited	0.00	1,112.09	0.00	41.20	(19.98%)	(10.60)
Non-controlling interests in all subsidiaries						
Indian subsidiaries	13.83%	36,702.88	4.22%	1,089.08	138.56%	73.49
Other Adjustment / Consol adjustment	(53.33%)	(1,41,484.25)	(0.24%)	(62.06)	115.95	6,150.01
Total		**2,65,302.76**		**25,792.81**		**53.04**

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Rangamani & Co
Chartered Accountants,
Rose gardens,
Near Iron Bridge,
Alappuzha,
Kerala: 688011

Krishnan Retna & Associates
Chartered Accountants,
TC 37/1510-133,201,
Nandini Garden, Fort PO,
Thiruvananthapuram,
Kerala: 695023

Report of Independent Auditors on the Reformatted Standalone Statement of Assets and Liabilities as at March 31, 2022, 2021 and 2020, the Reformatted Standalone Statement of Profit and Loss, the Reformatted Standalone Statement of Cash Flows and the Reformatted Standalone Statement of Changes in Equity for the years ended March 31, 2022, 2021 and 2020 of Muthoot Fincorp Limited (collectively the "Reformatted Ind AS Standalone Financial Statements")

To,
The Board of Directors
Muthoot Fincorp Limited,
Muthoot Centre, Punnen Road,
Trivandrum, Kerala -695001

Dear Sirs,

We have examined the attached Reformatted Ind AS Standalone Financial Statements of Muthoot Fincorp Limited (the "Company") as at and for the years ended 31/03/2022, 31/03/2021 and 31/03/2020, annexed to this report and prepared by the Company for the purposes of inclusion in the offer document prepared by the Company in connection with its Proposed Public Issue of Secured, Redeemable, Non-Convertible Debentures ("the Debentures" or "the NCDs")**.** Such financial statements, which have been approved by the Stock Allotment Committee authorized by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

a) Section 26 of Chapter III of the Companies Act, 2013, as amended (the "Act"); and

b) relevant provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, (the "**SEBI NCS Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**"), as amended from time to time.

c) the Guidance Note (Revised) on Reports in Company Prospectus issued by the Institute of Chartered Accountants of India, as amended from time to time.

The preparation of the Reformatted Ind AS Standalone Financial Statements is the responsibility of the Company's management. Our responsibility is to report on such statements based on our procedures.

1. The Reformatted Ind AS Standalone Financial Statements have been extracted by the management from the audited, standalone financial statements of the Company prepared in accordance with the Ind AS framework as at March 31, 2022, March 31, 2021 and March 31, 2020, and from the books of account underlying such financial statements of the Company, which were approved by the Board of Directors on 28/05/2022, 23/06/2021 and 09/07/2020 respectively.

   We have audited the accounts of the Company for the year ended March 31, 2022, prepared in accordance with the Ind AS framework, in respect of which we have issued unmodified audit opinion vide our report dated 28/05/2022. The audit of the accounts of the Company for the years ended March 31, 2021 and March 31, 2020 prepared in accordance with the Ind AS framework was done by M/s. Rangamani & Co (FRN 003050S), in respect of which they have issued unmodified audit opinion vide their reports dated 23/06/2021 and 09/07/2020, on which we have relied.

2. We have examined such Reformatted Ind AS Standalone Financial Statements taking into consideration:

   a) the terms of engagement received from the Company requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its Proposed Public Issue Of Debt Securities;

   b) the requirements of Section 26 of the Companies Act, 2013 and the SEBI NCS Regulations; and

   c) the Guidance Note (Revised) on Reports in Company Prospectus issued by the Institute of Chartered Accountants of India.

3. In accordance with the requirements of Section 26 of the Companies Act, 2013 read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Guidance Note and the terms of our engagement agreed with you, we further report that the Reformatted Ind AS Standalone Financial Statements consisting of:

a) the Reformatted Standalone Statement of Assets and Liabilities, Notes forming part thereof and the Significant Accounting Policies as at March 31, 2022, March 31, 2021 and March 31, 2020;

b) the Reformatted Standalone Statement of Profit and Loss , Notes forming part thereof and the Significant Accounting Policies, for the years ended March 31, 2022, March 31, 2021 and March 31, 2020;

c) the Reformatted Standalone Statement of Cash Flows of the Company, as at March 31, 2022, March 31, 2021 and March 31, 2020; and

d) the Reformatted Standalone Statement of Changes in Equity as at March 31, 2022, March 31, 2021 and March 31, 2020;

proposed to be included in the offer document prepared by the management and approved by the Stock Allotment Committee authorized by the Board of Directors of the Company, that are set out in Annexure I to VI to this report, have been examined by us, and are accurately extracted from the audited standalone financial statements of the Company for the years ended March 31, 2022, March 31, 2021 and March 31, 2020.

4. Based on our examination as above, we further report that:

a) these Reformatted Ind AS Standalone Financial Statements have been presented in “Rupees in Lakhs”

b) the Reformatted Ind AS Standalone Financial Statements have to be read in conjunction with the Notes on Reformatted Ind AS Standalone Financial Statements and Significant Accounting Policies.

c) the figures of earlier periods have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to conform to the classification adopted for the Reformatted Ind AS Standalone Financial Statements as at and for the year ended March 31, 2022.

d) there are no extraordinary items which need to be disclosed separately in the attached Reformatted Standalone Statements, other than those disclosed;

e) there are no qualifications in the auditors' reports for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, that require any adjustments to the Reformatted Standalone Financial Statements.

(i) The report on the Audit of the Standalone Ind AS Financial Statements for the year ended March 31, 2021 included the following Emphasis of Matter paragraph;

Emphasis of Matter

We draw attention to Note 44 to the standalone Ind AS financial statements, relating to the impact of Covid-19 Pandemic. Our opinion is not modified in respect of this matter.

(ii) The auditors' report for the year ended March 31, 2020 included the following Emphasis of Matter paragraph;

Emphasis of Matter

We draw attention to Note 44 to the standalone Ind AS financial statements, relating to the impact of Covid-19 Pandemic, in which the management has discussed the probable impact on the company and the environment in which it operates. This note also indicates that the extent to which the Covid-19 pandemic will have impact on the Company's financial performance is dependent on future developments, which are uncertain. Our opinion is not modified in respect of this matter.

f) the Reformatted Ind AS Standalone Financial Statements conform to the requirements of Schedule III of the Companies Act, 2013; and

g) in the preparation and presentation of Reformatted Ind AS Standalone Financial Statements based on audited financial statements as referred to in paragraph 3 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 1 above.

5. Based on our examination of financial information specified in para 2 above, we state that in our opinion, the financial information so specified above, have been prepared in

accordance with the requirements of the relevant provisions of the Companies Act, 2013 and of the SEBI NCS Regulations.

6. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2022. Accordingly, we express no opinion on the financial position, results of operations, changes in equity or cash flows of the Company as of any date or for any period subsequent to March 31, 2022.

7. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this be construed as a new opinion on any of the financial statements referred to herein.

8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

9. This report is intended solely for your information and for inclusion in the Offer Document prepared in connection with the proposed public issue of debt securities of the Muthoot Fincorp Limited and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Rangamani & Co.,
Chartered Accountants,
ICAI FRN:003052S

R. Krishnan
(Partner)
M.No.025927

UDIN: 22025927ANKYGG1150
Place: Alleppey
Date: July 21, 2022

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

CA. Nikhil R Kumar
(Partner)
M.No. 231162

UDIN: 22231162ANKZMB2941
Place: Thiruvananthapuram
Date: July 21, 2022

MUTHOOT FINCORP LIMITED

Muthoot Centre, Punnen Road, Trivandrum, Kerala-695039

ANNEXURE I - REFORMATTED STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(INR in lakhs)

Particulars	Note	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
ASSETS				
1 Financial assets				
Cash and cash equivalents	5	2,35,980.59	40,917.19	30,017.28
Bank Balance other than above	6	11,089.14	16,326.10	984.69
Receivables	7			
Trade Receivables		2,630.50	1,819.94	2,918.88
Loans	8	17,01,520.88	18,45,298.14	13,91,802.06
Investments	9	1,63,959.06	1,61,803.59	1,78,170.99
Other Financial assets	10	13,049.87	19,259.56	15,447.47
2 Non-financial Assets				
Current tax assets (net)		2,997.82	676.03	-
Investment Property	11	30,236.55	30,236.55	30,236.55
Property, Plant and Equipment	12	38,915.42	41,313.73	45,322.32
Other Intangible assets	13	937.59	833.76	437.68
Right-of-use assets	14	57,939.67	43,527.94	45,001.80
Other non financial assets	15	31,120.00	32,015.82	29,551.15
Total assets		**22,90,377.08**	**22,34,028.35**	**17,69,890.86**
LIABILITIES AND EQUITY				
LIABILITIES				
1 Financial Liabilities				
Payables	16			
(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		-	-	-
(II) Other Payables				
(i) total outstanding dues of micro enterprises and small enterprises		79.03	45.85	36.16
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		4,703.28	1,724.99	36,843.99
Debt Securities	17	3,79,379.03	4,36,586.45	86,113.32
Borrowings (other than debt securities)	18	11,53,567.02	10,98,836.85	9,68,313.27
Lease Liability	14	64,656.45	47,841.90	46,447.77
Subordinated Liabilities	19	2,38,526.64	2,49,512.07	2,60,167.47
Other Financial liabilities	20	76,253.36	50,591.66	40,940.86
2 Non-financial Liabilities				
Current tax liabilities (net)		-	-	287.56
Provisions	21	2,959.81	2,823.83	2,380.89
Deferred tax liabilities (net)	34	23,668.26	24,720.32	29,440.60
Other non-financial liabilities	22	1,634.89	1,265.63	3,480.88
3 Equity				
Equity share capital	23	19,370.56	19,370.56	19,370.56
Other equity	24	3,25,578.77	3,00,708.24	2,76,067.53
Total liabilities and equity		**22,90,377.08**	**22,34,028.35**	**17,69,890.86**

See accompanying notes to the Financial Statements 1 to 4

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Alleppey

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Nikhil R Kumar
Partner
Membership No.231162
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director and
Chief Financial Officer
DIN: 00082099
Place: Kochi

Date: July 21, 2022

MUTHOOT FINCORP LIMITED

Muthoot Centre, Punnen Road, Trivandrum, Kerala-695039

ANNEXURE II - REFORMATTED STANDALONE STATEMENT OF PROFITS AND LOSSES

(INR in lakhs)

		Particulars	Notes	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2020
(I)		**Revenue from operations**				
	(i)	Interest income	25	3,18,760.74	2,98,476.23	2,39,311.54
	(ii)	Dividend income		17.44	22.57	22.54
	(iii)	Rental income		533.22	526.84	518.97
	(iv)	Fees and commission income		9,952.29	7,543.16	10,062.43
	(v)	Net gain on derecognition of financial instruments under amortised cost category		37.53	14,552.26	19,394.52
	(vi)	Others	26	3,332.38	2,086.62	2,780.81
		Total Revenue from operations		**3,32,633.60**	**3,23,207.67**	**2,72,090.82**
(II)		Other Income		158.05	90.79	376.82
(III)		**Total Income (I + II)**		**3,32,791.64**	**3,23,298.46**	**2,72,467.64**
		Expenses				
	(i)	Finance costs	27	1,63,547.79	1,66,698.09	1,37,358.83
	(ii)	Impairment on financial instruments	28	7,152.74	5,041.91	7,959.93
	(iii)	Net Loss on fair value changes	29	231.27	53.91	(160.97)
	(iv)	Employee benefits expenses	30	53,690.84	48,521.07	48,862.15
	(v)	Depreciation, amortization and impairment	31	21,070.48	22,636.89	20,999.45
	(vi)	Other expenses	32	40,284.88	30,889.42	27,019.93
(IV)		**Total Expenses**		**2,85,978.01**	**2,73,841.27**	**2,42,039.31**
(V)		**Profit before tax (III- IV)**		**46,813.64**	**49,457.19**	**30,428.32**
(VI)		Tax Expense:				
		(1) Current tax		13,719.62	13,504.00	9,463.18
		(2) Deferred tax		(1,591.11)	(1,000.55)	(942.38)
(VII)		Profit for the year (V-VI)		**34,685.13**	**36,953.74**	**21,907.51**
(VIII)		**Other Comprehensive Income**				
	A	(i) Items that will not be reclassified to profit or loss				
		Net gain / (loss) on equity instruments measured through other comprehensive income		2,167.51	(15,966.40)	(8,138.27)
		Remeasurement of the defined benefit liabilities		179.27	(66.36)	(69.51)
		(ii) Income tax relating to items that will not be reclassified to profit or loss		(539.05)	3,719.73	1,920.25
		Subtotal (A)		1,807.73	(12,313.02)	(6,287.53)
	B	(i) Items that will be reclassified to profit or loss		-	-	-
		(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-
		Subtotal (B)		-	-	-
		Other Comprehensive Income (A+B)		**1,807.73**	**(12,313.02)**	**(6,287.53)**
(IX)		**Total Comprehensive Income for the year (VII+VIII)**		**36,492.86**	**24,640.72**	**15,619.98**
(X)		**Earnings per equity share**	33			
		Basic (INR)		17.91	19.08	11.31
		Diluted (INR)		17.36	19.08	11.31

See accompanying notes to the financial statements 1 to 4

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Alleppey

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Nikhil R Kumar
Partner
Membership No.231162
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director &
Chief Financial Officer
DIN: 00082099
Place: Kochi

Date: July 21, 2022

MUTHOOT FINCORP LIMITED

Muthoot Centre, Punnen Road, Trivandrum, Kerala-695039

ANNEXURE III - REFORMATTED STANDALONE STATEMENT OF CASH FLOWS

(INR in lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
A Cash flow from Operating activities			
Net Profit before taxation	**46,813.64**	**49,457.19**	**30,428.32**
Adjustments to reconcile profit before tax to net cash flows:			
Add: Depreciation, amortisation and impairment	21,070.48	22,636.89	20,454.08
Add: Impairment on financial instruments	7,152.74	5,041.91	7,959.93
Add: Finance cost	1,63,547.79	1,66,698.09	1,37,358.83
Add: Provision for Gratuity	174.23	440.78	328.27
Add: Provision for Compensated absence	(38.25)	68.52	(105.21)
Add: Net (gain) / loss on fair value changes	231.27	53.91	(160.97)
Less: Income on investments	(1,578.71)	(593.00)	-
Less: Dividend income	(17.44)	(22.57)	(22.54)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	***2,37,355.75***	***2,43,781.71***	***1,96,240.71***
Adjustments for:			
(Increase)/Decrease in Trade receivables	(810.56)	1,098.94	(81.94)
(Increase)/Decrease in Bank balances other than cash and cash equivalents	5,236.97	(15,341.41)	4,833.46
(Increase)/Decrease in Loans	1,36,624.52	(4,58,537.99)	(2,10,085.15)
(Increase)/Decrease in Other financial asset	5,429.50	(4,290.64)	13,514.13
(Increase)/Decrease in Other non-financial asset	895.82	(2,464.66)	4,448.58
Increase/(Decrease) in Other financial liabilities	585.17	(191.27)	729.19
Increase/(Decrease) in Other non-financial liabilities	369.26	(2,215.26)	1,844.75
Increase/(Decrease) in Trade payables	3,011.46	(35,109.31)	(9,234.97)
Increase/(Decrease) in Provisions	179.27	(66.36)	(69.51)
Cash generated / (utilised) from / (for) operations	**3,88,877.17**	**(2,73,336.26)**	**2,139.24**
Finance cost paid	(1,50,126.58)	(1,52,255.92)	(1,39,383.94)
Income tax paid	(16,041.41)	(14,533.94)	(12,834.72)
Net cash flows from operating activities	**2,22,709.17**	**(4,40,126.12)**	**(1,50,079.42)**
B Cash flow from Investing activities			
Purchase of property, plant and equipment and intangible assets	(3,802.61)	(3,668.14)	(2,314.18)
Proceeds against (purchase) / sale of investment funds	420.54	(39.00)	123.77
Proceeds against (purchase) / sale of equity investments	(526.77)	465.09	111.14
Proceeds against (purchase) / sale of debt securities	300.00	(70.00)	(320.00)
Investments in unquoted equity shares	(200.00)	(9.00)	-
Dividend income	17.44	22.57	22.54
Income on investments	1,578.71	593.00	-
Acquisition of shares in subsidiaries			(2,500.02)
Net cash flows from investing activities	**(2,212.69)**	**(2,705.48)**	**(4,876.76)**
C Cash flow from Financing activities			
Increase / (decrease) in debt securities	(57,821.90)	3,50,473.14	62,612.47
Increase / (decrease) in borrowings (other than debt securities)	56,034.28	1,30,523.58	1,42,795.98
Increase / (decrease) in subordinated liabilities	(9,201.75)	(10,655.40)	(12,905.79)
Payment of lease liabilities	(17,821.39)	(16,609.79)	(16,572.01)
Proceeds from issue of Cumulative Compulsorily Convertible Preference Shares	15,000.00	-	-
Dividend paid	(11,622.33)	-	(16,346.56)
Net cash flows from financing activities	**(25,433.09)**	**4,53,731.52**	**1,59,584.08**
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	**1,95,063.39**	**10,899.92**	**4,627.91**
Cash and cash equivalents at April 01, 2021 / April 01, 2020 / April 01, 2019	40,917.19	30,017.28	25,389.37
Cash and cash equivalents at March 31, 2022 / March 31, 2021 / March 31, 2020	**2,35,980.59**	**40,917.19**	**30,017.28**

See accompanying notes to the financial statements

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Alleppey

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Nikhil R Kumar
Partner
Membership No.231162
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director &
Chief Financial Officer
DIN: 00082099
Place: Kochi

Date: July 21, 2022

MUTHOOT FINCORP LIMITED

Muthoot Centre, Punnen Road, Trivandrum, Kerala-695039

ANNEXURE IV - REFORMATTED STANDALONE STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

Equity shares of INR 10/- each issued, subscribed and fully paid *(INR in lakhs)*

Particulars	No. of shares	Amount
Balance as on 1st April 2019	**19,37,05,560.00**	**19,370.56**
Changes in equity share capital during the year	-	-
Balance as on 31st March 2020	**19,37,05,560.00**	**19,370.56**
Changes in equity share capital due to prior period errors	-	-
Balance as on 31st March 2021	**19,37,05,560.00**	**19,370.56**
Changes in equity share capital due to prior period errors	-	-
Balance as on 31st March 2022	**19,37,05,560.00**	**19,370.56**

B. Other Equity *(INR in lakhs)*

Particulars	Reserves and Surplus				Other Comprehensive Income		Total Other Equity
	Securities Premium Reserve	Statutory Reserve	Debenture Redemption Reserve	Retained Earnings	Equity Instruments through Other Comprehensive income	Actuarial valuation of gratuity impact through Other Comprehensive Income	
Balance as on 31st March 2019	**38,129.85**	**37,194.43**	**976.33**	**83,853.69**	**1,00,412.85**	**258.99**	**2,60,826.15**
Profit for the year	-	-	-	21,907.51	-	-	21,907.51
Other Comprehensive Income (net of taxes)	-	-	-	-	(6,235.52)	(52.02)	(6,287.53)
Write back from Debenture Redemption Reserve	-	-	(976.33)	976.33	-	-	-
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	4,381.50	-	(4,381.50)	-	-	-
Deferred Tax – Prior Years	-	-	-	(1,394.72)	17,362.68	-	15,967.96
Dividend Paid	-	-	-	(13,559.39)	-	-	(13,559.39)
Dividend Tax Paid	-	-	-	(2,787.17)	-	-	(2,787.17)
Balance as on 31st March 2020	**38,129.85**	**41,575.93**	**-**	**84,614.75**	**1,11,540.02**	**206.98**	**2,76,067.53**
Profit for the year	-	-	-	36,953.74	-	-	36,953.74
Other Comprehensive Income (net of taxes)	-	-	-	-	(12,263.37)	(49.66)	(12,313.02)
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	7,390.75	-	(7,390.75)	-	-	-
Balance as on 31st March 2021	**38,129.85**	**48,966.68**	**-**	**1,14,177.75**	**99,276.65**	**157.32**	**3,00,708.24**
Profit for the year	-	-	-	34,685.13	-	-	34,685.13
Other Comprehensive Income (net of taxes)	-	-	-	-	1,673.58	134.15	1,807.73
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	6,937.03	-	(6,937.03)	-	-	-
Dividend Paid	-	-	-	(11,622.33)	-	-	(11,622.33)
Balance as on 31st March 2022	**38,129.85**	**55,903.70**	**-**	**1,30,303.52**	**1,00,950.23**	**291.47**	**3,25,578.77**

See accompanying notes to the Financial Statements

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Alleppey

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Nikhil R Kumar
Partner
Membership No.231162
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director and
Chief Financial Officer
DIN: 00082099
Place: Kochi

Date: July 21, 2022

Muthoot FinCorp Limited
Annexure V - Significant Accounting Policies to reformatted standalone financial statements

1. Corporate Information

Muthoot FinCorp Limited, ('MFL' or 'the Company'), is a public limited company, incorporated on June 10, 1997 under the provisions of Companies Act, 1956. The company is a Non-Deposit Accepting Non-Banking Financial Company (NBFC) registered with Reserve Bank of India (RBI) and is classified as a Non Deposit Taking Systematically Important Loan Company (NDSI).

Muthoot FinCorp Limited, the flagship company of the 135 year old Muthoot Pappachan Group, provides a diverse mix of retail offerings catering to the various needs of its customers and is primarily engaged in business of Gold Loans through its branch network across India. The company also offers SME Loans, Forex Services, Money Transfer Services and Wealth Management Services to its customers in its strive to be the most trusted financial service provider. The company is engaged in real estate business to a very limited extent.

MFL is the parent company of Muthoot Microfin Limited, Muthoot Housing Finance Company Limited and Muthoot Pappachan Technologies Limited.

The Company's registered office is at Muthoot Centre, TC No.14/2074-7, Punnen Road, Thiruvananthapuram, Kerala, India.

The Registration details of the Company are as follows:
Reserve Bank of India Registration no.: N - 16.00170
Corporate Identity Number (CIN): U65929KL1997PLC011518

2. Basis of preparation

The reformatted standalone statement of assets and liabilities of the Company as at March 31, 2022, March 31, 2021 and March 31, 2020, the reformatted standalone statement of profit and loss, the reformatted standalone statement of cash flows, the reformatted standalone statement of changes in equity and the significant accounting policies and explanatory notes thereto as at and for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 (together referred as "Reformatted Standalone Financial Statements") have been extracted by the Management from the audited standalone financial statements of the Company for the year ended March 31, 2022, March 31, 2021 and March 31, 2020.

The Reformatted Standalone Financial Statements have been prepared by the management in connection with the proposed listing of secured and / or unsecured redeemable non-convertible debentures of the Company with the BSE Limited and in accordance with the requirements of Section 26 of the Companies Act, 2013 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued by the Securities and Exchange Board of India.

The reformatted standalone 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 and has been prepared under the Ind AS framework.

Basis of measurement

The reformatted standalone financial statements have been prepared on a historical cost basis, except for following assets and liabilities which have been measured at fair value:

i) Investments in equity instruments at fair value through other comprehensive income (FVOCI) or at fair value through statement of profit or loss (FVTPL)

ii) Investments which are held for trading
iii) Defined benefit plans.
iv) Cumulative, Compulsorily Convertible Preference Shares issued at Fair Value through profit or loss (FVTPL)

Functional and presentation currency
The reformatted standalone financial statements are presented in Indian Rupees (INR) which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest lakhs, except when otherwise indicated.

3. Significant accounting policies

3.1 Recognition of interest income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed:

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets. Interest income is not recognized on credit impaired assets.

3.2 Recognition of revenue from sale of goods and services

Revenue (other than for financial instruments) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

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.

3.2.1 Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

3.2.2 Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

3.2.3 Fees and commission income

Fees and commission income such as service charges, commission from fee based business lines, service income etc. are recognised on point in time basis.

3.2.4 Net gain 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 on fair value change of financial assets measured at FVTPL on net basis.

3.2.5 Net gain on derecognition of financial instruments

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the excess interest spread (EIS).

3.3 Financial instruments

1.1.1. Initial recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Loans are recognised when funds are transferred to the customers' account. Investments are recognised on settlement date. The Company recognises debt securities and borrowings when funds reach the Company, post allotment if applicable.

1.1.2. Initial and subsequent measurement of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Debt instruments at amortised cost
2. Debt instruments at fair value through other comprehensive income (FVTOCI)
3. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
4. Equity instruments in subsidiary companies at cost
5. Equity instruments measured at fair value through other comprehensive income FVTOCI

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

1.1.3. Financial assets measured at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement at fair value plus directly attributable costs, these financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

1.1.4. Financial assets measured at fair value through other comprehensive income

A 'debt instrument' is measured at fair value through other comprehensive income if both the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and selling the assets and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement.

1.1.5. Financial Instrument measured at fair value through profit or loss

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVOCI criteria may be designated as at FVTPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Company's investment is classified as FVTPL, if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking.

Financial instruments held at fair value through profit or loss, are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise.

1.1.6. Equity instruments

The Company subsequently measures investment in equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of definition of Equity under Ind AS 32 *Financial Instruments*: *Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments classified at FVOCI are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI.

3.3.1 Financial Liabilities

Initial Measurement

All financial liabilities are initially recognised at fair value. Transaction cost that are directly attributable to the acquisition or the issue of financial liability, which are not at fair value through profit or loss, are adjusted to fair value at initial recognition.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

3.4 Derecognition of financial assets and liabilities

3.4.1 Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

a) The Company 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 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'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset or,
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

- The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

3.4.2 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 profit or loss.

3.5 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 counter parties.

3.6 Impairment of financial assets

3.6.1 Overview of the Expected Credit Loss (ECL) principles

The Company has created provisions on all financial assets wherever required, except for financial assets classified as FVTPL, based on the expected credit loss method.

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. The 12-month ECL is 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 instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into three stages as described below:

<u>For non-impaired financial instruments</u>

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial instruments. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.
- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Company recognises lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities recognize 12 months of ECL.

<u>For impaired financial instruments:</u>

Financial instruments 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 instruments.

3.6.2 The calculation of ECLs

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, schemes, ticket size, loan to value and geographies, the Company has bifurcated its loan portfolio into various pools. PD is calculated using Incremental NPA approach considering fresh slippage using historical information.

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.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. 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.

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when it is determined that the customer 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.

Collateral

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as gold, securities, letters of credit/guarantees, stock, current asset etc. However, the fair value of collateral affects the calculation of ECLs. The fair value of the same is based on data provided by third party or management judgements.

Impairment of Trade receivables

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables.

3.7 Determination of fair value

The Company measures financial instruments, such as, investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which enough data are available to measure fair value, maximising the use of relevant observable inputs and 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.

3.8 Foreign Currency translation

Transactions in foreign currencies, if any, are initially recorded in the functional currency at the spot rate of ex-change ruling at the date of the transaction. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non–trading activities are taken to other income/expense in the statement of profit and loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

3.9 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.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees including upfront costs incurred in relation to borrowings, commissions payable to advisers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability. Interest accrued on lease liability recognized and measured in accordance with Ind AS 116 “Leases” also forms part of Finance cost.

3.10 Other income and expenses

All Other income and expense are recognized in the period they occur.

3.11 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less and forex balances, 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 an integral part of the Company’s cash management.

3.12 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.12.1 Depreciation

Tangible assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is charged based on a review by the management during the year and at the rates derived based on the useful lives of the assets as specified in Schedule II of the Companies Act, 2013 on Straight Line Method.

The estimated useful lives are as follows:

Particulars	Useful life
Buildings	60 years
Computer	3 years
Furniture and Fixtures	5 to 30 years
Plant and Equipment	5 to 20 years
Vehicles	5 to 8 years
Windmill	22 years
Office equipment	15 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.

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 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.

3.13 Intangible assets

The Company's intangible assets consist of computer software.

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised using the Written down value method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a Written down value basis over a period of 3 years keeping residual value 5%.

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.

3.14 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, borrowing cost and other directly attributable cost in bringing the asset to its working condition for its intended use. Subsequent expenditure is capitalized to the assets carrying amount only when it is probable that the future economic benefit associated with the expenditure will flow to the company.

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 these reformatted standalone financial statements. Fair value has been determined by an 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.

3.15 Impairment of non-financial assets

The Company's assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. 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 considered. 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 or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.16 Post-employment benefits

3.16.1 Defined contribution schemes

Contributions to the Employees Provident Fund Scheme maintained by the Central Government, Employee State Insurance Corporation (ESIC) etc. are accounted for on an accrual basis. Retirement benefit in the form of provident fund is a defined contribution scheme.

The company has no obligation, other than the contribution payable under the schemes. The company recognizes contribution payable to the provident fund scheme / ESIC as expenditure, when an employee renders the related service. If the contribution payable to the scheme / ESIC for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset.

3.16.2 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 contributions to a Gratuity Fund administered by the Life Insurance Corporation of India.

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 OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

3.17 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.

3.18 Taxes

Income tax expense represents the sum of current tax and deferred tax.

3.18.1 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 (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.18.2 Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to items recognised outside profit and loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

3.18.3 Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from and / or payable to, the taxation authority is included as part of receivables or payables respectively in the balance sheet.

3.19 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.

3.20 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after 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.

3.21 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.22 Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Transition to Ind AS 116

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces single, on-balance sheet lease accounting model for leases.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019, using modified retrospective approach and accordingly previous period information has not been reinstated.

Company as a lessee

The Company's lease asset class consists of building, equipment and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has, at the date of transition, recognized a right-of use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term lease) and low value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are recognized at cost, which comprises the present value of the lease liability as at the date of transition. Right-of-use assets are depreciated on a straight-line basis over the shorter of the balance lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit on the lease or, if not readily determinable, using the incremental borrowing rates. Interest accrued on lease liability and lease payments made, are subsequently adjusted to the initial recognition of lease liability.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability. For leases that were classified as finance lease applying Ind AS 17, the carrying amount of the right-of-use asset and the lease liability at the date of transition to Ind AS 116 is the carrying amount of the lease asset and the lease liability on the transition date as measured applying Ind AS 17.

Company as a lessor

Leases where the Company does not transfer substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Rental Income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss.

3.23 Cash flow statement

Cash flows are reported using indirect method, whereby net profits 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 and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

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 and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

4.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI 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 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 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.

4.3 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.

4.4 Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement 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 several 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, regulatory advisories, market conditions and forecasts and revise when necessary.

4.5 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

4.6 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

(Rupees in lakhs, except for share data and unless otherwise stated)

5 Cash and cash equivalents

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Cash on hand	8,775.44	10,109.40	3,775.76
Balances with Banks			
- in current accounts	1,53,882.08	28,053.24	24,431.88
- in deposit accounts having original maturity less than three months*	73,263.12	2,714.16	1,792.31
Others			
-Foreign currency balances	59.94	40.40	17.32
Total	**2,35,980.59**	**40,917.19**	**30,017.28**

* Includes earmarked balances of INR 3,543.54 as at 31st March 2022 (31st March 2021 - INR 1,286.99, 31st March 2020 - Rs.1,756.15) towards margin money, staff deposits & loan against deposit.

6 Bank Balance other than above

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Deposit with original maturity for more than three months but less than twelve months*	4,319.72	2,612.60	984.69
Balance with Banks in escrow accounts	6,769.42	13,713.50	-
Total	**11,089.14**	**16,326.10**	**984.69**

* Includes earmarked balances of INR 4,043.15 as at 31st March 2022 (31st March 2021 - INR 1,961.01, 31st March 2020 - Rs.397.63) towards margin money, staff deposits & loan against deposit.

7 Receivables

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
TRADE RECEIVABLES			
Receivables considered good - Unsecured			
Receivables from Money Transfer business	847.35	921.73	406.35
Wind Mill income receivable	1,748.85	891.46	2,500.50
Other Trade Receivables	34.30	6.74	12.03
Sub-Total	**2,630.50**	**1,819.94**	**2,918.88**
Less: Allowances for Impairment Loss	-	-	-
Total Net receivable	**2,630.50**	**1,819.94**	**2,918.88**

(i) Of the total receivables as above, the following pertains to receivables due from directors or other officers of the Company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member:

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
From Directors, relatives of Directors or Officers of the Company	2.24	1.12	0.64
From firms in which any director is a partner	-	-	0.12
From Companies in which any director is a director or a member	4.04	5.62	11.27
Total	**6.28**	**6.74**	**12.03**

(ii)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.

(iii) Ageing Schedule of Trade Receivables (At at 31st March,2022)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	1,101.84	637.20	891.46	0.01	-	2,630.50
(ii) Undisputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

Ageing Schedule of Trade Receivables (At at 31st March,2021)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	1,294.91	425.39	99.64	0.01	-	1,819.94
(ii) Undisputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

Ageing Schedule of Trade Receivables (At at 31st March,2020)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	737.12	677.46	1,076.44	427.86	-	2,918.88
(ii) Undisputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

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(Rupees in lakhs, except for share data and unless otherwise stated)

8 Loans (At amortised Cost)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
A.			
Retail Loans	16,98,032.48	18,33,995.00	13,76,664.30
High Value Loans	34,191.91	34,871.61	37,293.34
Staff Loan	89.08	71.39	55.26
Total	**17,32,313.47**	**18,68,937.99**	**14,14,012.90**
Less: Impairment loss allowance	(30,792.59)	(23,639.85)	(22,210.84)
Total (A) - Net	**17,01,520.88**	**18,45,298.14**	**13,91,802.06**
B.			
I) Secured by tangible assets			
Retail Loans	16,95,435.33	18,30,056.55	13,64,215.87
High Value Loans	33,840.86	34,830.30	35,638.55
II) Secured by intangible assets			
Total (I) - Gross	**17,29,276.20**	**18,64,886.85**	**13,99,854.42**
Less : Impairment loss allowance	(29,356.63)	(22,553.08)	(20,919.20)
Total (I) - Net	**16,99,919.57**	**18,42,333.77**	**13,78,935.22**
II) Covered by Bank / Government Guarantees	-	-	-
III) Unsecured			
Retail Loans	2,597.15	3,938.45	12,448.43
High Value Loans	351.05	41.30	1,654.79
Staff Loan	89.08	71.39	55.26
Total (III) - Gross	**3,037.28**	**4,051.14**	**14,158.48**
Less : Impairment loss allowance	(1,435.96)	(1,086.76)	(1,291.64)
Total (III) - Net	**1,601.31**	**2,964.38**	**12,866.84**
Total (I+II+III) - Net	**17,01,520.88**	**18,45,298.14**	**13,91,802.06**
C.			
I) Loans in India			
i) Public Sector	-	-	-
ii) Others	17,32,313.47	18,68,937.99	14,14,012.90
II) Loans outside India	-	-	-
Total (C) - Gross	**17,32,313.47**	**18,68,937.99**	**14,14,012.90**
Less: Impairment Loss Allowance	(30,792.59)	(23,639.85)	(22,210.84)
Total (C)- Net	**17,01,520.88**	**18,45,298.14**	**13,91,802.06**

The Company has continued its co-lending arrangements with banks for Gold loans. A total disbursement of INR 4,91,842.74 (31st March, 2021 - INR 65,341.58, 31st March 2020 - Nil) was undertaken during the year under the Co lending mechanism. As at 31st March, 2022, the total managed assets under the Co-lending mechanism amounted to INR 1,36,210.74 (INR 60,696.85 as at 31st March, 2021, 31st March 2020 - Nil).

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. Details of the Company's internal grading system are discussed in Note 43.

Particulars	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	14,64,411.42	-	-	14,64,411.42	14,53,498.37	-	-	14,53,498.37
Standard grade	1,00,780.13	-	-	1,00,780.13	1,83,709.62	-	-	1,83,709.62
Sub-standard grade	-	69,190.90	-	69,190.90	-	1,70,138.15	-	1,70,138.15
Past due but not impaired	-	47,971.74	-	47,971.74	-	25,633.41	-	25,633.41
Non- performing								
Individually impaired	-	-	49,959.29	49,959.29	-	-	35,958.45	35,958.45
Total	**15,65,191.55**	**1,17,162.63**	**49,959.29**	**17,32,313.47**	**16,37,207.99**	**1,95,771.56**	**35,958.45**	**18,68,937.99**

Particulars	2019-20			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				-
Performing				-
High grade	13,35,585.25	-	-	13,35,585.25
Standard grade	31,924.57	-	-	31,924.57
Sub-standard grade	-	17,972.37	-	17,972.37
Past due but not impaired	-	2,270.25	-	2,270.25
Non- performing				-
Individually impaired	-	-	26,260.47	26,260.47
Total	**13,67,509.82**	**20,242.61**	**26,260.47**	**14,14,012.90**

An analysis of changes in the gross carrying amount in relation to receivables under financing activities is, as follows:

Particulars	2021-22				2020-21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	16,37,207.99	1,95,771.56	35,958.45	18,68,937.99	13,67,509.82	20,242.61	26,260.47	14,14,012.90
New assets originated or purchased	40,89,066.60	-	-	40,89,066.60	38,34,347.65	-	-	38,34,347.65
Assets derecognised or repaid (excluding write offs)	(30,54,553.21)	(6,72,673.57)	(4,98,464.33)	-42,25,691.12	(29,26,077.61)	(3,33,204.23)	(1,16,527.82)	(33,75,809.65)
Assets written off during the period	-	-	-	-	-	-	(3,612.90)	(3,612.90)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(6,99,565.86)	6,99,565.86	-	-	(5,09,699.88)	5,09,699.88	-	-
Transfers to Stage 3	(4,06,963.97)	(1,05,501.21)	5,12,465.17	-	(1,28,871.99)	(966.71)	1,29,838.69	-
Gross carrying amount closing balance	**15,65,191.55**	**1,17,162.63**	**49,959.29**	**17,32,313.47**	**16,37,207.99**	**1,95,771.56**	**35,958.45**	**18,68,937.99**

Particulars	2019-20			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	11,17,996.27	59,123.13	31,719.35	12,08,838.75
New assets originated or purchased	32,60,072.11	-	-	32,60,072.11
Assets derecognised or repaid (excluding write offs)	(27,04,741.41)	(2,27,709.02)	(1,17,536.53)	(30,49,986.96)
Assets written off during the period	-	-	(4,911.00)	(4,911.00)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(1,88,871.79)	1,88,871.79	-	-
Transfers to Stage 3	(1,16,945.36)	(43.29)	1,16,988.65	-
Gross carrying amount closing balance	**13,67,509.82**	**20,242.61**	**26,260.47**	**14,14,012.90**

Reconciliation of ECL balance is given below:

Particulars	2021-22				2020-21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	5,921.14	697.92	17,020.78	23,639.85	4,385.50	134.16	17,691.18	22,210.84
New assets originated or purchased	18,778.31	-	-	18,778.31	13,867.08	-	-	13,867.08
Assets derecognised or repaid (excluding write offs)	(12,430.05)	(4,100.09)	(2,27,807.41)	(2,44,337.55)	(10,022.02)	(1,249.86)	(58,516.11)	(69,787.99)
Assets written off during the period	-	-	-	-	-	-	(3,612.90)	(3,612.90)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(3,212.63)	3,212.63		-	(1,843.35)	1,843.35	-	-
Transfers to Stage 3	(1,868.91)	(752.63)	2,621.54	-	(466.07)	(3.45)	469.52	-
Impact on year end ECLs of exposures transferred between stages during the year	-	1,777.99	2,30,933.98	2,32,711.97	-	(26.28)	60,989.10	60,962.82
ECL allowance - closing balance	**7,187.86**	**835.83**	**22,768.90**	**30,792.59**	**5,921.14**	**697.92**	**17,020.78**	**23,639.85**

Particulars	2019-20			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	2,566.53	215.10	17,587.72	20,369.35
New assets originated or purchased	10,457.56	-	-	10,457.56
Assets derecognised or repaid (excluding write offs)	(7,657.60)	(1,333.17)	(72,698.15)	(81,688.92)
Assets written off during the period	-	-	(4,911.00)	(4,911.00)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(605.86)	605.86	-	-
Transfers to Stage 3	(375.13)	(0.29)	375.42	-
Impact on year end ECLs of exposures transferred between stages during the year	-	646.66	77,337.19	77,983.84
ECL allowance - closing balance	**4,385.50**	**134.16**	**17,691.18**	**22,210.84**

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Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company had sold some loans and advances measured at amortised cost, as a source of finance in previous reporting periods. As per terms of the deal, risk and reward had been transferred to the customer. Hence, as per the derecognition criteria of IND AS 109, including transfer of substantially all risks and rewards relating to assets being transferred to the buyer being met, the assets were derecognised. The table below summarises the carrying amount of the derecognised financial assets:

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Carrying amount of derecognised financial assets	-	1,111.52	1,75,389.25
Gain/(loss) from derecognition	-	14,552.26	19,394.52

Transferred financial assets that are not derecognised in their entirety

The Company had used securitisation as a source of finance by way of securitising its gold loans to different entities. These entities were not related to the Company. Also, the Company neither held any equity nor other interest nor control in them.

As per the terms of the agreement, the Company was exposed to first loss ranging to 5%-7% of the amount securitised and therefore continued to be exposed to significant risk and rewards relating to the underlying loans. These receivables were not derecognised and proceeds received were recorded as a financial liability under borrowings.

The table below outlines the carrying amounts and fair values of all financial assets transferred that were not derecognised in their entirety and associated liabilities.

Particulars	31-Mar-22	31-Mar-21	31-Mar-20
Carrying amount of assets re - recognized due to non transfer of assets	-	-	-
Carrying amount of associated liabilities	-	-	-

Interest in unconsolidated structured entity:

These are entities which are not consolidated because the Company does not control them through voting rights, contract, funding agreements, or other means.

The following table describes the types of structured entities that the Company does not consolidate but in which it holds an interest.

Type of Structured Entity	Nature and Purpose	Interest held by the Company
Securitisation Vehicle for loans	To generate - funding for the Company's lending activities - Spread through sale of assets to investors - Fees for servicing loan	- Servicing fee - Credit Enhancement provided by the Company - Excess interest spread

Particulars	31-Mar-22	31-Mar-21	31-Mar-20
Aggregate value of accounts sold to securitisation company	-	9,996.74	37,247.41
Aggregate consideration	-	9,996.74	37,247.41
Quantum of credit enhancement in the form of deposits	-	744.43	2,767.69
Servicing fees	-	5.00	20.00

(Rupees in lakhs, except for share data and unless otherwise stated)

9 Investments

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(i) At Amortized Cost / At Cost			
Debt securities (At Amortized Cost)			
Bonds			
St. Gregorious Medical Mission Bonds	-	300.00	300.00
Unlisted Debentures			
Investment Richa Lifespace Private Limited	612.50	612.50	612.50
Investment Diyug Construction Private Limited	282.85	282.85	282.85
Investment Richa Realtors Private Limited	1,300.00	1,300.00	1,300.00
Equity instruments (At Cost)			
Subsidiary-Unquoted*			
Investment in Muthoot Housing Finance Company Limited	14,791.02	14,791.02	14,791.02
Investment in Muthoot Pappachan Technologies Limited	3.00	3.00	3.00
	16,989.37	**17,289.37**	**17,289.37**
(ii) At Fair Value through Profit or Loss			
Others - Quoted			
Investment in JM Financial India Fund II	156.37	106.90	121.80
Alternate Investment Funds			
Investment in Strugence Debt Fund	997.48	1,000.00	1,000.00
Investment in BPEA India Credit - Trust II	514.24	1,000.00	930.00
	1,668.09	**2,106.90**	**2,051.80**
(iii) At Fair Value through Other Comprehensive Income			
Equity instruments			
Subsidiary-Unquoted			
Investment in Muthoot Microfin Limited	1,42,977.72	1,40,748.12	1,57,677.11
Others-Quoted			
Investment in Equity Shares (DP account with Motilal Oswal)	1,646.32	1,038.94	872.57
Others-Unquoted			
Investment in Muthoot Pappachan Chits Private Limited	15.14	6.52	5.23
Investment in Avenues India Private Limited	477.67	477.48	400.26
Investment in Fair Asset Technologies (P) Limited	719.85	703.59	702.76
Investment In The Thinking Machine Media Private Limited	9.00	9.00	-
Investment In Speckle Internet Solutions Private Limited	198.10	-	-
Others - Quoted			
Investment in PMS - Motilal Oswal	465.24	631.11	379.33
	1,46,509.05	**1,43,614.76**	**1,60,037.26**
Total Gross (A)	**1,65,166.50**	**1,63,011.03**	**1,79,378.43**
i) Investments outside India	-	-	-
ii) Investments in India	1,65,166.50	1,63,011.03	1,79,378.43
Total Gross (B)	**1,65,166.50**	**1,63,011.03**	**1,79,378.43**
Less : Allowance for impairment loss (C)	(1,207.44)	(1,207.44)	(1,207.44)
Total ((A) - (C))	**1,63,959.06**	**1,61,803.59**	**1,78,170.99**

Debt Instruments measured at Amortised Cost

Credit Quality of Assets

Particulars	31-03-2022				31-03-2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	-	-	-	-	300.00	-	-	**300.00**
Standard grade	-	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing								
Individually impaired	-	-	2,195.35	2,195.35	-	-	2,195.35	**2,195.35**
Total	**-**	**-**	**2,195.35**	**2,195.35**	**300.00**	**-**	**2,195.35**	**2,495.35**

Particulars	31-03-2020			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
Performing				
High grade	300.00	-	-	300.00
Standard grade	-	-	-	-
Sub-standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non- performing				
Individually impaired	-	-	2,195.35	2,195.35
Total	**300.00**	**-**	**2,195.35**	**2,495.35**

An analysis of changes in the gross carrying amount in relation to Debt Instruments measured at Amortised Cost is, as follows

Particulars	31-03-2022				31-03-2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	300.00	-	2,195.35	2,495.35	300.00	-	2,195.35	2,495.35
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(300.00)	-	-	(300.00)	-	-	-	-
Assets written off during the period	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**-**	**-**	**2,195.35**	**2,195.35**	**300.00**	**-**	**2,195.35**	**2,495.35**

Particulars	31-03-2020			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	300.00	-	2,195.35	2,495.35
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Assets written off during the period	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Gross carrying amount closing balance	**300.00**	**-**	**2,195.35**	**2,495.35**

Reconciliation of ECL balance is given below:

Particulars	31-03-2022				31-03-2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	-	-	1,207.44	1,207.44	-	-	1,207.44	1,207.44
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Assets written off during the period	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**-**	**-**	**1,207.44**	**1,207.44**	**-**	**-**	**1,207.44**	**1,207.44**

Particulars	31-03-2020			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	-	-	-	-
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Assets written off during the period	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	1,207.44	1,207.44
Impact on year end ECLs of exposures transferred between stages during the year	-	-	-	-
ECL allowance - closing balance	**-**	**-**	**1,207.44**	**1,207.44**

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10 Other financial assets

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Security deposits	6,652.67	6,778.81	6,721.52
Interest accrued on fixed deposits with banks	345.94	37.68	6.50
Advance for Financial Assets	2,209.63	5,209.63	5,209.63
Deposits	169.00	128.28	107.02
Deposit with original maturity for more than twelve months*	1,084.26	5,152.27	1,042.43
Receivables from Auction Proceeds	-	11.03	-
Other financial assets	2,588.38	1,941.86	2,360.36
Total	**13,049.87**	**19,259.56**	**15,447.47**

* Includes earmarked balances of INR 1,091.19 as at 31st March 2022 (31st March 2021 - INR 5,151.57, 31st March 2020 - Rs.999.86) towards margin money, loan against FD & security to Pension Fund Regulatory and Development Authority.

(i) Other Financial Assets above consists of the following receivables due from directors or other officers of the Company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member:

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
From Directors, relatives of Directors or Officers of the Company	-	-	-
From firms in which any director is a partner	2,209.63	5,209.63	5,209.73
From Companies in which any director is a director or a member	1,029.90	266.67	429.35
Total	**3,239.53**	**5,476.30**	**5,639.08**

11 Investment Property

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Inventory – Projects			
Opening Balance	30,236.55	30,236.55	30,096.71
Transferred from / (to) property, plant and equipment	-	-	-
Acquisitions	-	-	139.83
Closing balance	**30,236.55**	**30,236.55**	**30,236.55**
Depreciation and Impairment			
Opening balance	-	-	-
Charge for the year	-	-	-
Closing Balance	-	-	-
Net Block	**30,236.55**	**30,236.55**	**30,236.55**

11.1. Investment Property includes lien marked properties of INR 9,460.56 as at 31st March, 2022 (March 31, 2021 - INR 13,577.41, March 31, 2020 - INR 13,577.41)
11.2. Fair Value of Investment Property as at March 31, 2022 - INR 31,593.16 (March 31, 2021 - INR 31,089.98, March 31, 2020 - INR 30,303.22)
11.3. Investment Property does not contain any immovable property which is not held in the name of the company

(Rupees in lakhs, except for share data and unless otherwise stated)

12 Property, Plant and Equipment

Particulars	Buildings	Computer	Furniture & Fixtures	Land	Plant & Equipment	Vehicles	Windmill	Office Equipment	Equipment - Finance Lease	Total
As at 31st March 2019	**5,850.61**	**3,105.14**	**20,913.47**	**12,555.55**	**11,670.47**	**223.88**	**7,449.78**	**52.77**	**1,338.66**	**63,160.34**
Addition during the year	-	1,067.24	932.50	-	1,131.39	-	-	56.79	-	3,187.92
Disposals	-	-	-	-	-	-	-	-	(1,338.66)	(1,338.66)
As at 31st March 2020	**5,850.61**	**4,172.38**	**21,845.96**	**12,555.55**	**12,801.86**	**223.88**	**7,449.78**	**109.56**	**-**	**65,009.59**
Addition during the year	-	459.84	964.91	-	1,208.85	69.07	-	126.78	-	2,829.46
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31st March 2021	**5,850.61**	**4,632.22**	**22,810.88**	**12,555.55**	**14,010.71**	**292.96**	**7,449.78**	**236.35**	**-**	**67,839.05**
Addition during the year	-	592.96	1,424.05	-	1,087.38	13.06	-	108.98	-	3,226.44
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31st March 2022	**5,850.61**	**5,225.18**	**24,234.93**	**12,555.55**	**15,098.09**	**306.01**	**7,449.78**	**345.33**	**-**	**71,065.49**
Accumulated Depreciation:										
As at 31st March 2019	**197.83**	**1,616.47**	**7,625.61**	**-**	**2,922.52**	**116.32**	**1,023.49**	**2.45**	**0.23**	**13,504.91**
Charged for the year	99.18	873.52	3,056.96	-	1,576.61	58.01	513.15	5.16	-	6,182.60
Disposals	-	-	-	-	-	-	-	-	(0.23)	(0.23)
As at 31st March 2020	**297.01**	**2,489.99**	**10,682.57**	**-**	**4,499.13**	**174.34**	**1,536.63**	**7.61**	**-**	**19,687.28**
Charged for the year	98.91	978.43	3,016.97	-	2,194.74	26.94	511.74	10.31	-	6,838.05
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31st March 2021	**395.92**	**3,468.42**	**13,699.53**	**-**	**6,693.87**	**201.28**	**2,048.38**	**17.92**	**-**	**26,525.32**
Charged for the year	66.19	1,058.88	450.79	-	3,398.75	16.44	511.74	121.96	-	5,624.75
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31st March 2022	**462.12**	**4,527.30**	**14,150.32**	**-**	**10,092.62**	**217.71**	**2,560.12**	**139.88**	**-**	**32,150.07**
Net book value:										
As at 31st March 2020	**5,553.60**	**1,682.39**	**11,163.39**	**12,555.55**	**8,302.73**	**49.54**	**5,913.15**	**101.95**	**-**	**45,322.32**
As at 31st March 2021	**5,454.69**	**1,163.80**	**9,111.34**	**12,555.55**	**7,316.84**	**91.68**	**5,401.41**	**218.42**	**-**	**41,313.73**
As at 31st March 2022	**5,388.50**	**697.89**	**10,084.61**	**12,555.55**	**5,005.47**	**88.30**	**4,889.66**	**205.45**	**-**	**38,915.42**

12.1. Property Plant & Equipment details does not contain any immovable property which is not held in the name of the company

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13 Other Intangible assets

Particulars	Computer Software
As at 31st March 2019	**1,019.32**
Addition during the year	325.09
Disposals	-
As at 31st March 2020	**1,344.41**
Addition during the year	838.68
Disposals	-
As at 31st March 2021	**2,183.08**
Addition during the year	576.17
Disposals	-
As at 31st March 2022	**2,759.25**
Accumulated Depreciation:	
As at 31st March 2019	**569.77**
Charged for the year	336.96
Disposals	**-**
As at 31st March 2020	**906.72**
Charged for the year	442.60
Disposals	-
As at 31st March 2021	**1,349.32**
Charged for the year	472.35
Disposals	-
As at 31st March 2022	**1,821.67**
Net book value:	
As at 31st March 2020	**437.68**
As at 31st March 2021	**833.76**
As at 31st March 2022	**937.59**

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(Rupees in lakhs, except for share data and unless otherwise stated)

14 Right-of-use assets & Lease Liability

14.1. The Company operates its branch network predominantly through premises taken on lease at strategic locations identified by the management. Majority of the lease arrangements are long term in nature and are non-cancellable from the point of view of the lessor, except for a few lease contracts. Other than such leasehold property, the Company has also undertaken lease arrangements for Safety Device Equipments , whose original lease tenures too are not short-term in nature.

Particulars	**As at 31st March 2022**	**As at 31st March 2021**	**As at 31st March 2020**
Depreciation charge for Right-of-use assets			
Leasehold Property	14,939.21	14,937.51	13,466.85
Equipments	34.17	399.42	943.72
Vehicles	-	19.32	69.56
Interest expense on lease liabilities	6,031.00	4,600.09	5,425.38
Income from subleasing right-of-use assets	158.79	172.13	171.56
Total cash outflow for leases	17,821.39	16,609.79	16,572.01
Carrying amount of right-of-use assets			
Leasehold Property	57,935.47	43,489.56	44,553.64
Equipments	4.21	38.38	428.84
Vehicles	-	-	19.32
Lease Liability			
Leasehold Property	64,651.55	47,798.13	45,955.45
Equipments	4.90	43.78	470.08
Vehicles	-	-	22.23

14.2. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	**As at 31st March 2022**	**As at 31st March 2021**	**As at 31st March 2020**
Short-term leases	23.38	91.16	297.19
Leases of low value assets	-	-	6.49
Variable lease payments	-	-	-

14.3. Carrying value of right-of-use assets at the end of the reporting period:

Particulars	**As at 31st March 2022**	**As at 31st March 2021**	**As at 31st March 2020**
Balance as at April 1, 2021 / April 1, 2020 / April 1, 2019	43,527.94	45,001.80	51,439.22
Additions	29,385.12	13,882.39	8,042.71
Depreciation charge for the year	(14,973.39)	(15,356.24)	(14,480.13)
Balance as at March 31, 2022 / March 31, 2021 / March 31, 2020	57,939.67	43,527.94	45,001.80

14.4. Movement in lease liabilities:

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Balance as at April 1, 2021 / April 1, 2020 / April 1, 2019	47,841.90	46,447.77	50,009.29
Additions	28,604.94	13,403.84	7,585.10
Interest on lease liabilities	6,031.00	4,600.09	5,425.38
Payment of lease liabilities	(17,821.39)	(16,609.79)	(16,572.01)
Balance as at March 31, 2022 / March 31, 2021 / March 31, 2020	64,656.45	47,841.90	46,447.77

14.5. Maturity analysis of lease liabilities

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Less than one year	13,816.74	14,919.42	15,798.82
One to five years	46,664.33	32,507.36	31,370.98
More than five years	37,462.86	23,342.34	18,545.06
Total undiscounted lease liabilities	97,943.93	70,769.12	65,714.86

15 Other Non-Financial assets

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Prepaid expenses	597.51	554.78	273.60
Advance to Creditors	451.04	2,945.72	1,461.33
Advance for Property	23,790.54	23,790.54	23,790.54
Pre-Deposit Fee	619.45	503.45	440.72
GST / Service Tax Receivables	529.58	824.92	465.33
Gratuity Fund	2,598.21	824.57	545.61
Other Receivable	2,533.67	2,571.84	2,574.02
Total	**31,120.00**	**32,015.82**	**29,551.15**

(a) Advance for Property as on March 31, 2022 consists of - INR 1,722.40 (31st March 2021- Rs 1,722.40,31st March 2020 - Rs.1,722.40), INR 1,487.26 (31st March 2021- 1,487.26, 31st March 2020 - Rs.1,487.26) and INR 20,580.88 (31st March 2021- Rs. 20,580.88, 31st March 2020 - Rs.20,580.88) advanced by the Company to its Directors and their relatives, M/s. MPG Hotels & Infrastructure Ventures Private Limited (a Company in which the Directors are interested) and M/s. Muthoot Estate Investments (a firm in which the Directors of the Company are partners) respectively for purchase of immovable property by the Company from them.

16 Payables

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Trade payables:			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprise	-	-	-
Other payables:			
Total outstanding dues of micro enterprises and small enterprises	79.03	45.85	36.16
Total outstanding dues of creditors other than micro enterprises and small enterprise*	4,703.28	1,724.99	36,843.99
Total	**4,782.30**	**1,770.85**	**36,880.16**

(i)Disclosure under Micro, Small, and Medium Enterprises Development Act, 2006 :

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Principal amount remaining unpaid during the year	79.03	45.85	36.16
Interest due thereon	-	-	-
Interest remaining accrued and unpaid at the end of the year	-	-	-
Total interest accrued and remained unpaid at year end	-	-	-

(ii) Ageing Schedule of Trade Payables (As on 31/03/2022)

Particulars	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	65.57	5.47	-	-	71.04
(ii) Others	4,517.38	148.04	8.23	0.93	4,674.57
(iii) Disputed Dues- MSME	-	6.99	-	1.00	7.99
(iv) Disputed Dues- Others	11.05	6.48	9.43	1.75	28.71
Total	**4,593.99**	**166.98**	**17.66**	**3.67**	**4,782.30**

Ageing Schedule of Trade Payables (As on 31/03/2021)

Particulars	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	44.85	-	-	-	44.85
(ii) Others	1,598.34	25.54	60.05	0.57	1,684.50
(iii) Disputed Dues- MSME	-	-	1.00	-	1.00
(iv) Disputed Dues- Others	26.18	11.47	2.61	0.23	40.49
Total	**1,669.38**	**37.01**	**63.66**	**0.80**	**1,770.85**

Ageing Schedule of Trade Payables (As on 31/03/2020)

Particulars	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	35.16	-	-	1.00	36.16
(ii) Others	36,704.23	117.22	5.89	0.06	36,827.40
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	10.35	1.52	4.73	-	16.59
Total	**36,749.75**	**118.74**	**10.62**	**1.06**	**36,880.16**

17 Debt Securities (At Amortised Cost)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Secured Non-Convertible Debentures	88.00	148.00	148.00
Secured Non-Convertible Debentures - Listed*	2,36,211.88	3,25,149.16	73,743.78
Secured Non-Convertible Debentures - Covered Bonds - Listed*	1,43,079.15	1,11,289.30	12,221.53
Total	**3,79,379.03**	**4,36,586.45**	**86,113.32**
Debt securities in India	3,79,379.03	4,36,586.45	86,113.32
Debt securities outside India	-	-	-
Total	**3,79,379.03**	**4,36,586.45**	**86,113.32**

**Includes issue expenses amortised as per EIR.*

Maturity Profile of Non-Convertible Debentures

Particulars	Amount
FY 2022-23	1,43,599.45
FY 2023-24	1,37,813.84
FY 2024-25	41,932.48
FY 2025-26	31,981.86
FY 2026-27	12,889.76
FY 2027-28	2,783.06
FY 2029-30	9,728.70
Adjustments on account of effective rate of interest	(1,350.12)
TOTAL	**3,79,379.03**

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020	Security
Debentures issued by way of Private Placement				
Allotment on 01/10/2018	88.00	148.00	148.00	Subservient charge on all current assets of the Company, both present and future
Listed Debentures issued by way of Public Issue				
Allotment on 02/02/2022	40,000.00	-	-	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders
Allotment on 29/10/2021	24,956.79	-	-	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders
Allotment on 07/05/2021	17,586.43	-	-	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders
Allotment on 15/03/2021	16,965.09	16,965.09	-	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 29/01/2021	26,698.38	26,698.38	-	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 29/10/2020	39,713.43	39,713.43	-	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company, to be held on pari passu basis among the present and / or future NCD holders.

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020	Security
Allotment on 17/07/2020	16,000.00	16,000.00	-	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company and mortgage and charge over the immovable property admeasuring 54 cents situated at Survey No 764/6A, Arulvaimozhy Village, Thovala Thaluk, Kanyakumari District, Tamil Nadu, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 07/02/2020	17,374.50	21,439.95	32,161.24	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company.
Allotment on 25/10/2019	27,596.53	30,376.20	41,703.81	Exclusive mortgage and first charge over the immovable property admeasuring 5.19 cents situated at Survey No: 537, Samugarengapuram Village, Radhapuram Taluk, Tirunelveli District, Tamilnadu and a subservient charge on certain loan receivables (both present and future) of the company.
Allotment on 05/11/2015	-	-	218.86	Mortgage of the immovable property of the Company admeasuring 54 cents situated at Survey No. 764/6A, Arulvaimozhy village, Thovala taluk, Kanyakumari district, Tamil Nadu, and a first ranking pari passu charge on all current assets, book debts and receivables (both present and future) of the company.
Listed Debentures privately placed under Targeted Long-Term Repo Operations (TLTRO) / Partial Credit Guarantee Scheme (PCGS)				
Allotment on 20/08/2020	-	27,500.00	-	First Pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures.
Allotment on 14/08/2020	-	25,000.00	-	First Pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures.
Allotment on 31/07/2020	-	20,000.00	-	First Pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures.

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020	Security
Allotment on 28/07/2020	-	47,500.00	-	First Pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures.
Allotment on 23/06/2020	-	45,000.00	-	First Pari-passu charge (to be shared with other NCD Holder / Lender), by way of a registered mortgage, on the Immovable Property to the extent of 2 acres of land, situated in Sy. No1253/2, Patta No 2414, Erukkanthurai Village (Part 1), Radhapuram Taluk (and sub registry), Tirunelveli District, Tamil Nadu and first pari-passu charge on the present and future standard loan receivables along with other lenders and NCD investors with a minimum asset coverage ratio of 1.25 times of the value of the outstanding principal amounts of the Debentures.
Allotment on 28/05/2020	10,000.00	10,000.00	-	First Pari-passu charge on the present and future standard loan receivables along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times the value of the outstanding principal amounts of the Debentures.
Non Convertible Debentures issued in the form of Covered Bond				
Allotment on 15/12/2021	20,000.00	-	-	First Pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures
Allotment on 17-08-2021	3,750.00	-	-	Hypothecation over Cover Pool and C&P Account to be created upfront by the Trust in favour of Security Trustee. Cover of 1.15 times the outstanding NCDs to be maintained at all times Hypothecation over: (i) Contribution (ii) right, title and interest of the Borrower in the property belonging to the Trust, as a residual beneficiary; and (iii) in the event that the transfer of the assets from the Borrower to the Trust is reversed for any reason whatsoever, then all right, title and interest of the Borrower in the said assets (iv) Cash Collateral of 7% of Facility Amount (static) in the form of Fixed Deposits to be created upfront by the Company in favour of Debenture Trustee, to be created by the Borrower upfront and CHG 9 to be filed within 30 days from date of first disbursement by Borrower in favour of Security Trustee

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020	Security
Allotment on 29-06-2021	30,000.00	-	-	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.20 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon
Allotment on 17-03-2021	10,000.00	10,000.00	-	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.20 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon.
Allotment on 16-03-2021	22,500.00	22,500.00	-	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.20 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon.
Allotment on 04-02-2021	10,000.00	10,000.00	-	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon.
Allotment on 16-12-2020	7,500.00	7,500.00	-	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon
Allotment on 10-12-2020	7,500.00	7,500.00	-	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon.
Allotment on 24-11-2020	12,500.00	12,500.00	12,500.00	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon.

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020	Security
Allotment on 08-09-2020	-	9,710.00	-	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon.
Allotment on 22-05-2020	20,000.00	20,000.00	-	First ranking pari passu charge by way of mortgage over, all the right, title and interest of the Company in all that piece and parcel of the vacant land measuring an extent of Cents 28 (Hec.0.11.34) in Survey No. 1490,Tirunelveli District, Panagudi, Pazhavoor Village, Ayan Punja and continuing charge on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon.
Allotment on 25-03-2020	-	12,500.00	-	First ranking pari passu charge by way of mortgage over, all the right, title and interest of the Company in all that piece and parcel of the vacant land measuring an extent of Cents 28 (Hec.0.11.34) in Survey No. 1490,Tirunelveli District, Panagudi, Pazhavoor Village, Ayan Punja and first ranking exclusive and continuing charge on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon.
TOTAL	**3,80,729.15**	**4,38,551.05**	**86,731.91**	
Adjustments on account of effective rate of interest	(1,350.12)	(1,964.60)	(618.59)	
TOTAL	**3,79,379.03**	**4,36,586.45**	**86,113.32**	

18 Borrowings (other than debt securities) - At Amortised Cost

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(a) Term loans			
(i) from banks	4,23,033.35	3,82,709.84	1,88,184.37
(ii) from other parties			
- financial institutions	2,182.70	942.64	2,687.89
(b) Loans repayable on demand			
(i) from banks (OD & CC)	7,28,350.96	7,15,184.37	7,77,441.01
Total	**11,53,567.02**	**10,98,836.85**	**9,68,313.27**
Borrowings in India	11,53,567.02	10,98,836.85	9,68,313.27
Borrowings outside India	-	-	-

a) Security details :

Secured Term loans from banks

The Loans are secured by way of hypothecation of Loan receivables, other current assets & specified fixed assets of the Company equivalent to security cover stipulated by respective banks. The loans aggregating to INR 4,14,367 (31st March 2021 : INR 383,176, 31st March 2020 : Rs.189,011.55) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr.Thomas George Muthoot, Mr. Thomas Muthoot and Preethi John Muthoot) of the Company.

Secured Term loans from other parties

The Loans are secured by way of hypothecation of Loan Receivables of the Company equivalent to security cover stipulated by respective lender. The loans aggregating to INR 2,187.50 are guaranteed by the promoter director, Mr. Thomas John Muthoot

Secured Loans repayable on demand

The Cash credit limit from banks are secured by way of hypothecation of Loan Receivables of the Company equivalent to security cover stipulated by respective banks. The Cash credit aggregating to INR 7,29,238 (31st March 2021 : INR 767,500, 31st March 2020 : Rs.816,000) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr.Thomas George Muthoot and Mr. Thomas Muthoot) of the Company.

b) Terms of repayment

Secured loans from Banks

Name of Party	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020	Terms of Repayment (based on last outstanding)
Term Loan from Banks				
1. State Bank of India Car Loan	6.51	12.07	17.09	Repayable in 16 monthly instalments on diminishing value method
2. State Bank of India Car Loan	4.20	6.12	7.83	Repayable in 24 monthly instalments on diminishing value method
3.Allahabad Bank	0.00	10,067.89	20,000.08	Repayable in 3 quarterly instalments of INR 3,333.00 each from May 2021
4. Axis Bank	-	20,146.08	-	Repayable in 4 quarterly instalments of INR 5,000.00 each from June 2021
5. Axis Bank	17,500.00	-	-	Repayable in 7 quarterly instalments of INR 2,500.00 each from July 2022
6. Bank of Baroda	2,000.00	6,000.00	10,057.57	Repayable in 2 quarterly instalments of INR 1,000.00 each from June 2022
7.Bank of Baroda	18,000.00	30,000.00	-	Repayable in 6 quarterly instalments of INR 3,000.00 each from April 2022
8. Bank of India	12,000.00	24,000.00	-	Repayable in 4 quarterly instalments of INR 3,000.00 each from June 2022
9. Bank of Maharashtra	-	3,781.85	15,133.12	Repayable by April 15, 2021
10. Bank of Maharashtra	10,580.28	-	-	Repayable in 7 quarterly instalments of INR 1,500.00 each from June 2022
11. Canara Bank	25,908.00	43,180.00	-	Repayable in 6 quarterly instalments of INR 4,318.00 each from June 2022
12. Canara Bank	30,000.00	-	-	Repayable in 10 quarterly instalments of INR 3,000.00 each from June 2022
13. Central Bank of India	5,914.92	17,988.27	29,999.76	Repayable in 2 quarterly instalments of INR 3,000.00 each from May 2022
14. Central Bank of India	3,697.76	18,747.67	22,499.93	Repayable in June 2022
15. Central Bank of India	5,599.23	7,499.32	-	Repayable in 6 quarterly instalments of INR 937.5 each from May 2022

Name of Party	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020	Terms of Repayment (based on last outstanding)
16. Central Bank of India	5,612.06	3,750.00	-	Repayable in 6 quarterly instalments of INR 937.50 each from May 2022
17. Central Bank of India	9,999.44	-	-	Repayable in 10 quarterly instalments of INR 1,000.00 each from June 2022
18. Central Bank of India	19,986.36	-	-	Repayable in 10 quarterly instalments of INR 2,000.00 each from June 2022
19. DBS Bank	5,000.00	-	-	Repayable in 21 monthly instalments of INR 238.00 each from July 2022
20. DBS Bank	5,000.00	-	-	Repayable in 21 monthly instalments of INR 238.00 each from July 2022
21. Indian Bank	18,134.56	30,222.95	-	Repayable in 6 quarterly instalments of INR 3,000.00 each from June 2022
22. Indian Bank	24,349.30	-	-	Repayable in 29 monthly instalments of INR 833.00 each from April 2022
23. Indian Bank	10,002.26	-	-	Repayable in 15 quarterly instalments of INR 667.00 each from June 2022
24. Oriental Bank of Commerce	-	8,333.32	10,000.00	Repayable in 5 quarterly instalments of INR 1,666.67 each in April 21, June 21, September
25. Oriental Bank of Commerce	3,309.56	9,999.98	10,000.00	Repayable in 2 quarterly instalments of INR 1,666.67 each in June 2022, September 2022
26. Punjab National Bank	30,000.00	-	-	Repayable in 11 quarterly instalments of INR 2727.00 each from September 2022
27. Punjab & Sind Bank	8,000.00	10,000.01	-	Repayable in 8 quarterly instalments of INR 1,000.00 each from June 2022
28. Punjab & Sind Bank	15,000.00	-	-	Repayable in 10 quarterly instalments of INR 1,500.00 each from May 2022
29. Punjab & Sind Bank	7,500.00	-	-	Repayable in 10 quarterly instalments of INR 750.00 each from September 2022
30. Punjab & Sind Bank	-	-	2,999.00	Repayable in 3 quarterly instalments of INR 1,000.00 each from July 2020
31. State Bank of India	-	19,999.85	-	Repayment in single bullet payment on June 30, 2021
32. State Bank of India	24,499.66	34,999.94	-	Repayable in 8 Quarterly Instalments; INR 3,500.00 by end of May 2022 and INR 3,000.00
33. State Bank of India	32,499.85	-	-	Repayable in 10 quarterly instalments of INR 3250.00 each from August 2022
34. Syndicate Bank	-	1,013.22	5,046.00	Repayable in June 2021
35. UCO Bank	5,617.37	8,117.37	-	Repayable in 9 quarterly instalments of INR 625.00 each from Jun 2022
36. UCO Bank	9,371.72	12,496.74	-	Repayable in 12 quarterly instalments of INR 781.25 each from May 2022
37. UCO Bank	8,740.60	13,745.87	18,749.61	Repayable in 7 quarterly instalments of INR 1,250.00 each from April 2022
38. UCO Bank	9,982.33	14,992.58	20,000.00	Repayable in 8 quarterly instalments of INR 1,250.00 each from May 2022

Name of Party	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020	Terms of Repayment (based on last outstanding)
39. UCO Bank	13,124.73	-	-	Repayable in 14 quarterly instalments of INR 937.50 each from April 2022
40. UCO Bank	13,000.00	-	-	Repayable in 16 quarterly instalments of INR 812.50 each from June 2022
41. United Bank of India	3,308.46	16,666.63	-	Repayable in May 2022
42. Ujjivan Bank	2,600.00	6,500.00	-	Repayable in 2 quarterly instalments of INR 1,300.00 each from June 2022
43. Yes Bank	8,528.84	11,372.84	14,216.84	Repayable in 12 quarterly installments of INR 711.00 each
44. Lakshmi Vilas Bank	-	-	3,750.00	Repayable in 3 equal quarterly instalments till November 30, 2020
45. AU Small Finance Bank	-	-	2,500.00	Repayable in 4 quarterly instalments of INR 625.00 each from May 2020
46. Syndicate Bank	-	-	4,034.72	Repayable in 2 quarterly instalments of Rs.2,000.00 each from June 2020
Adjustments on account of effective rate of interest	(1,344.65)	(930.71)	(827.18)	
Total	**4,23,033.35**	**3,82,709.84**	**1,88,184.37**	
Term Loan from Others				
1. Mahindra & Mahindra Financial Services Limited	-	944.17	2,692.72	Repayable in 6 monthly instalments of INR 162.14 from April 2021
2. Bajaj Finance	2,187.50	-	-	Repayable in 15 monthly instalments of INR 146.00 each from April 2022
Adjustments on account of effective rate of interest	(4.80)	(1.53)	(4.83)	
Total	**2,182.70**	**942.64**	**2,687.89**	

19 Subordinated Liabilities (At Amortised Cost)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Subordinated Debt	1,61,814.67	2,08,973.13	2,30,519.14
Subordinated Debt - Listed*	38,292.73	14,407.40	3,557.87
Tier-I Capital - Perpetual Debt Instruments*	38,419.24	26,131.54	26,090.46
Total	**2,38,526.64**	**2,49,512.07**	**2,60,167.47**
Borrowings in India	2,38,526.64	2,49,512.07	2,60,167.47
Borrowings outside India	-	-	-

**Includes issue expenses amortised as per EIR.*

(a) Subordinated Debt instruments are unsecured, subordinated to the claims of all other creditors with an initial maturity of minimum 5 years. Subordinated Debt aggregating to INR 7,848 (31st March 2021 : INR 10,000, 31st March 2020 : Rs.10,000) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr.Thomas George Muthoot and Mr. Thomas Muthoot) of the Company.

(b) Maturity Profile of Subordinated Debt

Particulars	Amount
FY 2021-22	54,590.89
FY 2022-23	43,498.30
FY 2023-24	49,005.09
FY 2024-25	25,991.84
FY 2025-26	15,876.99
FY 2026-27	24,804.50
FY 2027-28	21,247.71
FY 2028-29	20,176.03
Adjustments on account of effective rate of interest	(493.06)
TOTAL	**2,00,107.40**

(c) Perpetual Debt Instruments are perpetual, unsecured instruments, which have been issued as per RBI guidelines. Unamortised Borrowing Cost on Perpetual Debt Instruments is INR 1,480.76 (31st March 2021: INR 268.46, 31st March 2020: Rs.309.54).

(d) The percentage of total PDI to the Tier I Capital of the Company as at 31st March 2022 is 14.24% (31st March 2021 - 10.77%, 31st March 2020 - 13.08%).

20 Other Financial Liabilities

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Interest Payable	54,416.47	44,552.94	34,710.87
Expenses Payable	2,264.72	1,723.19	1,589.04
Security deposits received	636.48	961.24	839.38
Unpaid matured debt and interest accrued thereon	3,368.83	2,953.63	1,180.40
Cumulative Compulsorily Convertible Preference Shares (CCCPS) (refer note a & b below)	15,213.00	-	-
Others	353.86	400.66	2,621.17
Total	**76,253.36**	**50,591.66**	**40,940.86**

Note a

(i) The Company has during Fiscal 2022, issued 15,00,00,000, 14% CCCPS of INR 10 each at a price of INR 10 each to BPEA Credit – India Fund III – Scheme C & BPEA Credit – India Fund III – Scheme F (Collectively referred as investors) amounting to INR 15,000. The equity shares issued upon Conversion of the CCPS will in all respects rank pari passu with equity shares at the time of conversion.

(ii) CCCPS shall be convertible to equity shares at the option of the investor at any time after the expiry of a period of 43 (forty three) months from the Closing Date (refer paragraph iii for exception) or upon the expiry of a period of 10 (ten) years from the Closing Date and shall be converted at lower of the fair values of the Equity Shares as determined by the:
(a) valuation report dated December 9, 2020 issued by Ernst & Young Merchant Banking Services LLP in relation to the issuance of the CCCPS; or
(b) valuation report to be issued by a registered valuer (in a form acceptable to the holders of the CCCPS) following the issuance of the Conversion Notice by the holders of the CCCPS.

(iii) The holders of the CCCPS may issue the Conversion Notice at any time after the Closing Date, upon the occurrence of any of the following events:
(a) non-payment of dividend by the Company in manner stipulated as per agreement on the relevant dividend payment dates,
(b) credit rating of the Company falling below A- (as certified by any credit rating agency); and/or
(c) any failure by the Company to maintain a Net Interest Margin of 7.0 (Seven percent) % or higher;
(d) any failure by the Company to maintain an overall Capital to Risk Assets Ratio of 16.0 (Sixteen percent) % or higher;
(e) any failure by the Company to maintain the aggregate Tier 2 Capital at 50% (Fifty percent) or lower than the aggregate Tier 1 Capital; or
(f) any failure by the Company to maintain the Gross Non-Performing Assets at 5.5% (Five decimal five percent) or lower and Net Non-Performing Assets at 4.0% (Four percent) or lower, to be tested on a semi-annual basis for Company as on (a) 31 March of each financial year, and (b) 30 September of each financial year

Note b - Change in fair value

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Cumulative change in fair value of the preference shares attributable to changes in credit risk	213.00	-	-
Change during the year in the fair value of the preference shares attributable to changes in credit risk	213.00	-	-

21 Provisions

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits			
- Gratuity	2,711.72	2,537.49	2,163.07
- Provision for compensated absences	248.09	286.33	217.82
Total	**2,959.81**	**2,823.83**	**2,380.89**

22 Other Non-Financial Liabilities

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Statutory dues payable	1,634.89	1,265.63	3,480.88
Total	**1,634.89**	**1,265.63**	**3,480.88**

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MUTHOOT FINCORP LIMITED
Annexure VI - Notes to reformatted standalone financial statements
(Rupees in lakhs, except for share data and unless otherwise stated)

23 Equity share capital

(a) Authorised share capital:

Equity Shares

Particulars	No. of Shares	Amount
At 31st March 2019	20,00,00,000	20,000.00
Add: Increased during the year	-	-
At 31st March 2020	20,00,00,000	20,000.00
Add: Increased during the year	2,50,00,000	2,500.00
At 31st March 2021	22,50,00,000	22,500.00
Add: Increased during the year	-	-
At 31st March 2022	22,50,00,000	22,500.00

Preference Shares

Particulars	No. of Shares	Amount
At 31st March 2019	-	-
Add: Increased during the year	-	-
At 31st March 2020	-	-
Add: Increased during the year	20,00,00,000	20,000.00
At 31st March 2021	20,00,00,000	20,000.00
Add: Increased during the year	-	-
At 31st March 2022	20,00,00,000	20,000.00

(b) Issued capital

Particulars	No. of Shares	Amount
At 31st March 2019	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2020	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2021	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2022	19,38,00,800	19,380.08

(c) Subscribed and Fully Paid Up Capital

Particulars	No. of Shares	Amount
At 31st March 2019	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2020	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2021	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2022	19,37,05,560	19,370.56

(d) Terms/ rights attached to equity shares :

The Company has only one class of equity shares having a face value of INR 10. Each holder of equity share is entitled to one vote per share. All shares rank pari passu with regard to dividend and repayment of capital. In the event of liquidation of Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts.

(e) Shareholder's having more than 5% equity shareholding in the Company

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
	No. of shares and % of holding		
Mr. Thomas John Muthoot	5,14,56,049 - 26.56%	5,08,43,764 - 26.25%	5,08,43,764 - 26.25%
Mr. Thomas George Muthoot	5,14,56,021 - 26.56%	5,08,43,764 - 26.25%	5,08,43,764 - 26.25%
Mr. Thomas Muthoot	5,14,56,053 - 26.56%	5,08,43,769 - 26.25%	5,08,43,769 - 26.25%
Ms. Preethi John Muthoot	1,29,13,704 - 6.67%	1,35,25,989 - 6.98%	1,35,25,989 - 6.98%
Ms. Nina George	1,29,13,704 - 6.67%	1,35,25,961 - 6.98%	1,35,25,961 - 6.98%
Ms. Remy Thomas	1,29,13,704 - 6.67%	1,35,25,988 - 6.98%	1,35,25,988 - 6.98%

(f) Shares held by the promoters at the end of the year

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
	No. of shares and % of holding		
Mr. Thomas John Muthoot	5,14,56,049 - 26.56%	5,08,43,764 - 26.25%	5,08,43,764 - 26.25%
Mr. Thomas George Muthoot	5,14,56,021 - 26.56%	5,08,43,764 - 26.25%	5,08,43,764 - 26.25%
Mr. Thomas Muthoot	5,14,56,053 - 26.56%	5,08,43,769 - 26.25%	5,08,43,769 - 26.25%

24 Other Equity

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Securities Premium	38,129.85	38,129.85	38,129.85
Statutory Reserve (pursuant to Section 45-IC of the RBI Act, 1934)	55,903.70	48,966.68	41,575.93
Retained Earnings	1,30,303.52	1,14,177.75	84,614.75
Other Comprehensive income	1,01,241.70	99,433.97	1,11,746.99
Total	**3,25,578.77**	**3,00,708.24**	**2,76,067.53**

24.1 Nature and purpose of reserve

Securities Premium

Securities premium is used to record the premium on issue of shares. This can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

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 Reserve for the year.

Retained Earnings

This Reserve represents the cumulative profits of the Company. This is a free reserve which can be utilised for any purpose as may be required.

Other Comprehensive Income

Other comprehensive income consists of re-measurement of net defined benefit liability and fair value changes on equity instruments measured through other comprehensive income

(Rupees in lakhs, except for share data and unless otherwise stated)

25 Interest Income (On Financial Assets measured at Amortised Cost)

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Interest on Loans	3,17,407.42	2,97,900.63	2,38,500.75
Interest Income from Investments	105.35	258.66	-
Interest on Deposit with Banks	1,247.97	316.94	381.05
Other Interest Income	-	-	429.74
Total	**3,18,760.74**	**2,98,476.23**	**2,39,311.54**

26 Others

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Income from Money transfer	720.64	636.70	1,398.91
Income From Forex Operations	193.22	118.34	262.87
Income From Power Generation	920.85	974.21	996.20
Income from Investment	1,473.36	334.34	-
Other Income	24.30	23.02	122.83
Total	**3,332.38**	**2,086.62**	**2,780.81**

27 Finance Costs

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Interest on Borrowings	83,647.71	97,779.39	94,097.55
Interest on Debt Securities	44,077.23	28,190.45	9,407.85
Interest on Subordinate Liabilities	21,904.26	29,307.89	23,773.95
Interest on Lease Liabilities	6,031.00	4,600.09	5,425.38
Dividend on CCCPS	1,050.00	-	-
Other Charges	6,837.58	6,820.27	4,654.09
Total	**1,63,547.79**	**1,66,698.09**	**1,37,358.83**

28 Impairment on Financial Instruments

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Provision for impairment on loan assets	7,152.74	1,429.00	1,841.50
Loans written off	-	3,612.90	4,911.00
Of Assets measured at Fair Value through Profit & Loss			
Provision for impairment on Investments	-	-	1,207.44
Total	**7,152.74**	**5,041.91**	**7,959.93**

29 Net (Gain) / Loss on fair value changes

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
(A) Net (gain)/ loss on financial instruments at fair value through profit or loss			
(i) On trading portfolio			
- Investments	18.27	53.91	(160.97)
(ii) On fair valuation of cumulative compulsorily convertible preference shares	213.00	-	-
Total Net gain/(loss) on fair value changes	**231.27**	**53.91**	**(160.97)**
Fair Value changes:			
- Realised	-	-	(105.89)
- Unrealised	231.27	53.91	(55.08)
Total Net gain/(loss) on fair value changes	**231.27**	**53.91**	**(160.97)**

(a) Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

30 Employee benefits expenses

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Salaries and Wages	46,801.49	41,338.68	42,556.41
Contributions to Provident and Other Funds	2,833.83	2,337.37	2,207.34
Incentives	1,738.93	1,493.70	2,184.78
Bonus & Exgratia	1,793.85	1,602.64	1,159.42
Staff Welfare Expenses	522.75	1,748.67	754.19
Total	**53,690.84**	**48,521.07**	**48,862.15**

31 Depreciation expense

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Depreciation of Tangible Assets	5,624.75	6,838.05	6,182.37
Amortization of Intangible Assets	472.35	442.60	336.96
Depreciation of Right of Use Assets	14,973.39	15,356.24	14,480.13
Total	**21,070.48**	**22,636.89**	**20,999.45**

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32 Other Expenses

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Rent, taxes and energy costs	3,907.82	3,880.29	4,940.61
Repairs and maintenance	2,459.25	2,776.96	2,899.27
Advertisement and publicity	8,384.85	7,882.59	3,286.98
Communication costs	10,630.36	3,438.33	2,937.50
Printing and Stationery	982.89	872.40	998.12
Legal & Professional Charges	4,278.83	3,615.81	4,270.29
Insurance	1,162.31	688.21	387.11
Auditor's fees and expenses	37.33	36.32	30.94
Director's fees, allowances and expenses	559.71	152.06	152.60
Security Charges	4,675.40	4,328.99	3,829.59
Travelling and Conveyance	1,892.78	1,653.32	2,422.09
Donations & CSR Expenses	292.32	761.14	314.37
Other Expenditure	1,021.01	803.01	550.45
Total	**40,284.88**	**30,889.42**	**27,019.93**

(a) Auditors Remuneration

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
As auditor			
Statutory Audit fees	30.00	25.00	17.00
Tax Audit fees	2.00	2.00	2.50
For other services			
Certification and other matters	4.73	7.73	10.29
Total	**36.73**	**34.73**	**29.79**

Above figures are exclusive of GST

(a) CSR Expenditure

As required under Section 135 of the Companies Act, 2013, the Company was required to spend INR 692.06 in the reporting year in pursuance of its Corporate Social Responsibility Policy, being two per cent of the average net profits of the company made during the three immediately preceding financial years. The Company has during the year, spent a total of INR 290.33 towards CSR expenditure. The unspent portion has been transferred to the designated bank account for Unspent Corporate Social Responsibility by the Company.

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Particulars	As on 31-03-2022	As on 31-03-2021	As on 31-03-2020
(a) Amount required to be spent by the company during the year	692.06	464.74	402.87
(b)Amount of expenditure incurred	290.33	707.79	310.43
(c) Shortfall at the end of the year	401.73	-	92.44
(d) Total of previous year shortfall	-	242.86	150.42
(e) Reason for shortfall	Major portion of the funds was allocated for the Sports Infrastructure project at Palakkad. Due to COVID situations, the process of getting work permit has gotten delayed and is awaited from the concerned Department. The Smile Please mission- Gulbarga was not implemented since the Medical Council has not given consent due to the omicron spread in the region. One other partnership project in Rajasthan also got delayed due to the COVID third wave and Omicron challenges.	N/A	Programmes and partnerships are being developed by Muthoot Pappachan Foundation, the implementing agency, towards impactful CSR interventions which are also marked for employee engagement on a larger scale. The Company has undertaken a rehabilitation project having a long term gestation period, the completion of which, is expected to fully utilise the accumulated unspent amount.
(f) Nature of CSR activities	CSR activities were undertaken in the fields of Health, Education & Livelihood.	CSR activities were undertaken in the fields of Health, Education &	CSR activities were undertaken in the fields of Health, Education & Livelihood.
(g) Details of related party trasactions	N/A	N/A	N/A
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	N/A	N/A	N/A

(b) The Company has not made any political contributions during the year ended 31st March 2022 (Year ended 31st March 2021 : INR 35.00, 31st March 2020 : INR 0.10).

33 Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of 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 the 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	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Net profit attributable to ordinary equity holders	34,685.13	36,953.74	21,907.51
Weighted average number of ordinary shares for basic earnings per share	19,37,05,560	19,37,05,560	19,37,05,560
Effect of dilution:	60,96,643	-	-
Weighted average number of ordinary shares adjusted for effect of dilution	19,98,02,203	19,37,05,560	19,37,05,560
Earnings per share			
Basic Earnings per share	17.91	19.08	11.31
Diluted Earnings per share	17.36	19.08	11.31

(Rupees in lakhs, except for share data and unless otherwise stated)

34 Income Tax

The components of income tax expense for the years ended 31st March, 2022, 31st March, 2021 and 31st March, 2020 are:

Particulars	**For the Year Ended 31st March 2022**	**For the Year Ended 31st March 2021**	**For the Year Ended 31st March 2020**
Current Income tax expense	13,719.62	13,504.00	9,463.18
Deferred tax relating to origination and reversal of temporary differences	(1,591.11)	(1,000.55)	(942.38)
Total tax expense reported in statement of profit and loss	**12,128.51**	**12,503.45**	**8,520.81**
OCI Section			
Deferred tax related to items recognised in OCI during the period:			
Net gain / (loss) on equity instruments measured through other comprehensive income	493.93	(3,703.03)	(1,902.75)
Remeasurement of the defined benefit liabilities	45.12	(16.70)	(17.49)
Income tax charged to OCI	**539.05**	**(3,719.73)**	**(1,920.25)**

Reconciliation of Income tax expense:

The income tax charge shown in the statement of profit and loss differ from the income tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the income tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31st March 2022, 31st March 2021 and 31st March, 2020 are, as follows:

Particulars	**For the Year Ended 31st March 2022**	**For the Year Ended 31st March 2021**	**For the Year Ended 31st March 2020**
Accounting profit before tax	46,813.64	49,457.19	30,428.32
At India's statutory income tax rate of 25.168%* (2021: 25.168%*, 2020: 25.168%*	**11,782.06**	**12,447.38**	**7,658.20**
Adjustments in respect of current income tax of previous year			
(i) Expenses disallowed under the Income Tax Act	1,937.56	1,062.29	1,810.66
(ii) Income to the extent exempt under the Income Tax Act	-	(5.68)	(5.67)
Current Income Tax expense reported in the statement of profit or loss	**13,719.62**	**13,504.00**	**9,463.18**
Effective Income Tax Rate	**29.31%**	**27.30%**	**31.10%**

*The Company has exercised the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at 31st March 2022	As at 31st March 2022	2021-22	2021-22
Opening Balance		24,720.32		
Fixed asset: Timing difference on account of Depreciation and Amortisation	355.65	-	(355.65)	-
Bonus Disallowed due to non-payment	113.57	-	(113.57)	-
Provision for gratuity	-	402.55	402.55	-
Provision for Leave Encashment	-	9.63	9.63	-
Impairment allowances on financial assets	1,078.12	-	(1,078.12)	-
Fair Valuation of Financial Assets	169.36	-	(663.29)	493.93
Financial liabilities measured at amortised cost	-	359.30	359.30	-
Financial assets measured at amortised cost	53.23	-	(53.23)	-
Financial liabilities measured at fair value	53.61	-	(53.61)	-
Actuarial gain/loss on Employee benefits	-	-	(45.12)	45.12
Total	**1,823.53**	**25,491.79**	**(1,591.11)**	**539.05**

	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at 31st March 2021	As at 31st March 2021	2020-21	2020-21
Opening Balance		29,440.60		
Fixed asset: Timing difference on account of Depreciation and Amortisation	592.07	-	(592.07)	-
Bonus Disallowed due to non-payment	40.44	-	(40.44)	-
Provision for gratuity	25.69	-	(25.69)	-
Provision for Leave Encashment	17.24	-	(17.24)	-
Fair Valuation of Financial Assets	4,681.36	-	(978.32)	(3,703.03)
Financial liabilities measured at amortised cost	-	402.69	402.69	-
Financial assets measured at amortised cost	-	233.83	233.83	-
Actuarial gain/loss on Employee benefits	-	-	16.70	(16.70)
Total	**5,356.80**	**30,077.12**	**(1,000.55)**	**(3,719.73)**

	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at 31st March 2020	As at 31st March 2020	2019-20	2019-20
Opening Balance		48,271.18		
Restatement on account of change in corporate tax rate	-	(15,967.96)	-	-
Fixed asset: Timing difference on account of Depreciation and Amortisation	400.45	-	(400.45)	-
Bonus Disallowed due to non-payment	63.32	-	(63.32)	-
Provision for gratuity	139.04	-	(139.04)	-
Provision for Leave Encashment	(26.48)	-	26.48	-
Impairment allowances on financial assets	366.04	-	(366.04)	-
Fair Valuation of Financial Assets	1,902.75	-	-	(1,902.75)
Acturial gain/loss on Employee benefits	17.49	-	-	(17.49)
Total	**2,862.61**	**32,303.21**	**(942.38)**	**(1,920.25)**

(Rupees in lakhs, except for share data and unless otherwise stated)

35 Retirement Benefit Plan

Defined Contribution Plan

The Company makes contributions to Provident Fund & Employee State Insurance which are defined contribution plans for qualifying employees. The amounts recognized for the aforesaid contributions in the statement of profit and loss are shown below:

Particulars	**As at 31st March 2022**	**As at 31st March 2021**	**As at 31st March 2020**
Contributions to Provident Fund	2,171.19	1,724.88	1,451.37
Contributions to Employee State Insurance	655.56	605.92	746.08
Defined Contribution Plan	**2,826.75**	**2,330.80**	**2,197.45**

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.

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.

Particulars	**As at 31st March 2022**	**As at 31st March 2021**	**As at 31st March 2020**
Present value of funded obligations	2,711.72	2,537.49	2,163.07
Fair value of planned assets	2,598.21	824.57	545.61
Defined Benefit obligation/(asset)	**5,309.93**	**3,362.06**	**2,708.68**

Post employment defined benefit plan

Net benefit expense recognised in statement of profit and loss	**As at 31st March 2022**	**As at 31st March 2021**	**As at 31st March 2020**
Current service cost	458.43	422.51	394.60
Net Interest on net defined benefit liability/ (asset)	113.91	113.22	88.32
Net benefit expense	**572.34**	**535.73**	**482.92**

Balance Sheet

Details of changes in present value of defined benefit obligations as follows:

Particulars	**As at 31st March 2022**	**As at 31st March 2021**	**As at 31st March 2020**
Defined benefit obligation at the beginning of the year	2,537.49	2,163.07	1,834.80
Current service cost	458.43	422.51	394.60
Interest cost on benefit obligations	168.74	151.41	146.78
Actuarial (Gain) / Loss on Total Liabilities	(128.95)	41.90	30.71
Benefits paid	(323.99)	(241.40)	(243.82)
Benefit obligation at the end of the year	**2,711.72**	**2,537.49**	**2,163.07**

Details of changes fair value of plan assets are as follows: -

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Fair value of plan assets at the beginning of the year	824.57	545.61	730.77
Actual Return on Plan Assets	105.15	13.73	19.66
Employer contributions	1,992.49	506.63	39.00
Benefits paid	(323.99)	(241.40)	(243.82)
Fair value of plan assets as at the end of the year	**2,598.21**	**824.57**	**545.61**

Remeasurement gain/ (loss) in other comprehensive income (OCI)	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Actuarial gain/(loss) on obligation	-		
Experience adjustments	10.90	105.07	96.56
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	50.31	(24.46)	(38.80)
Actuarial changes arising from changes in financial assumptions	118.06	(146.97)	(127.27)
Actuarial gain /(loss) (through OCI)	**179.27**	**(66.36)**	**(69.51)**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Salary Growth Rate	3.00%	3.00%	0.00%
Discount Rate	7.12%	6.65%	7.00%
Withdrawal Rate	5.00%	5.00%	5.00%
Mortality	100% of IALM 2012-14	100% of IALM 2006-2008	100% of IALM 2006-2008
Interest rate on net DBO	6.65%	7.00%	7.00%
Expected average remaining working life	27.12	27.13	27.73

Investments quoted in active markets:

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Equity instruments	-	-	-
Debt instruments	-	-	-
Real estate	-	-	-
Derivatives	-	-	-
Investment Funds with Insurance Company	100.00%	100.00%	100.00%
Of which, Unit Linked	-	-	-
Of which, Traditional/ Non-Unit Linked	100.00%	100.00%	100.00%
Asset-backed securities	-	-	-
Structured debt	-	-	-
Cash and cash equivalents	-	-	-
Total	100.00%	100.00%	100.00%

A quantitative sensitivity analysis for significant assumptions as at 31st March 2022 and 31st March 2021 are as shown below:

Assumptions	**Sensitivity Level**	**As at 31st March 2022**	**As at 31st March 2021**	**As at 31st March 2020**
Discount Rate	Increase by 1%	2,487.66	2,320.58	1,980.45
Discount Rate	Decrease by 1%	2,974.11	2,792.45	2,377.52
Further Salary Increase	Increase by 1%	2,982.66	2,799.51	2,384.90
Further Salary Increase	Decrease by 1%	2,477.28	2,311.49	1,971.67
Employee turnover	Increase by 1%	2,804.44	2,615.55	2,236.91
Employee turnover	Decrease by 1%	2,604.28	2,446.73	2,077.24
Mortality Rate	Increase in expected lifetime by 1 year	2,702.74	2,529.10	2,155.98
Mortality Rate	Increase in expected lifetime by 3 years	2,687.26	2,514.62	2,143.78

The weighted average duration of the defined benefit obligation as at 31st March 2022 is 10 years (2021: 10 years, 2020: 10 years).
Gratuity liability is funded through a Gratuity Fund managed by Life Insurance Corporation of India Ltd.
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
The principal assumptions used in determining leave encashment obligations for the 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 and other relevant factors.

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(Rupees in lakhs, except for share data and unless otherwise stated)

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.

Particulars	As at 31st March 2022			As at 31st March 2021			As at 31st March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	2,35,980.59	-	2,35,980.59	40,917.19	-	40,917.19	30,017.28	-	30,017.28
Bank Balance other than above	11,089.14	-	11,089.14	16,326.10	-	16,326.10	984.69	-	984.69
Trade receivables	2,630.50	-	2,630.50	1,819.94	-	1,819.94	2,918.88	-	2,918.88
Loans	16,70,364.49	31,156.39	17,01,520.88	18,16,249.60	29,048.54	18,45,298.14	13,54,807.32	36,994.74	13,91,802.06
Investments	2,111.56	1,61,847.50	1,63,959.06	2,957.96	1,58,845.63	1,61,803.59	2,239.80	1,75,931.19	1,78,170.99
Other financial assets	4,239.03	8,810.84	13,049.87	10,989.12	8,270.44	19,259.56	3,940.10	11,507.36	15,447.46
Non-financial Assets									
Current tax assets (net)	2,997.82	-	2,997.82	676.03	-	676.03	-	-	-
Investment Property	-	30,236.55	30,236.55	-	30,236.55	30,236.55	-	30,236.55	30,236.55
Property, plant and equipment	-	38,915.42	38,915.42	-	41,313.73	41,313.73	-	45,322.31	45,322.31
Other intangible assets	-	937.59	937.59	-	833.76	833.76	-	437.68	437.68
Right-of-use assets	9,782.07	48,157.61	57,939.67	11,247.26	32,280.69	43,527.94	9,043.41	35,958.39	45,001.80
Other non financial assets	4,110.84	27,009.15	31,120.00	30,687.80	1,328.01	32,015.82	4,760.51	24,790.65	29,551.15
Total assets	**19,43,306.03**	**3,47,071.05**	**22,90,377.08**	**19,31,871.01**	**3,02,157.34**	**22,34,028.35**	**14,08,711.99**	**3,61,178.87**	**17,69,890.86**
Liabilities									
Financial Liabilities									
Trade payables	4,782.30	-	4,782.30	1,770.85	-	1,770.85	36,880.16	-	36,880.16
Debt Securities	1,43,022.17	2,36,356.86	3,79,379.03	1,93,480.81	2,43,105.64	4,36,586.45	22,165.53	63,947.79	86,113.32
Borrowings (other than debt security)	9,30,915.28	2,22,651.74	11,53,567.02	9,22,031.44	1,76,805.40	10,98,836.85	6,72,834.44	2,95,478.83	9,68,313.27
Lease Liability	7,978.41	56,678.05	64,656.45	8,798.35	39,043.55	47,841.90	12,842.16	33,605.60	46,447.77
Subordinated Liabilities	43,497.06	1,95,029.58	2,38,526.64	56,901.59	1,92,610.48	2,49,512.07	33,160.22	2,27,007.25	2,60,167.47
Other Financial liabilities	37,484.95	38,768.41	76,253.36	22,823.39	27,768.27	50,591.66	21,965.86	18,975.00	40,940.86
Non-financial Liabilities									
Provisions	213.81	2,746.00	2,959.81	194.00	2,629.82	2,823.83	162.88	2,218.01	2,380.89
Current tax liabilities	-	-	-	-	-	-	287.56	-	287.56
Deferred tax liabilities (net)	-	23,668.26	23,668.26	-	24,720.32	24,720.32	-	29,440.60	29,440.60
Other non-financial liabilities	1,634.89	-	1,634.89	1,265.63	-	1,265.63	3,480.88	-	3,480.88
Total Liabilities	**11,69,528.87**	**7,75,898.88**	**19,45,427.75**	**12,07,266.06**	**7,06,683.49**	**19,13,949.55**	**8,03,779.69**	**6,70,673.08**	**14,74,452.77**
Net	**7,73,777.16**	**(4,28,827.83)**	**3,44,949.33**	**7,24,604.95**	**(4,04,526.15)**	**3,20,078.80**	**6,04,932.29**	**(3,09,494.21)**	**2,95,438.08**

(Rupees in lakhs, except for share data and unless otherwise stated)

37 Change in liabilities arising from financing activities

Particulars	As at 1st April 2021	Cash Flows	Ind AS 116 - Lease Liabilities	Others	As at 31st March 2022
Debt Securities	4,36,586.45	(57,821.90)	-	614.47	3,79,379.03
Borrowings other than debt securities	10,98,836.85	56,034.28	-	(1,304.11)	11,53,567.02
Lease Liabilities	47,841.90	(17,821.39)	34,635.94	-	64,656.45
Subordinated Liabilities	2,49,512.07	(9,201.75)	-	(1,783.69)	2,38,526.64
Total liabilities from financing activities	**18,32,777.27**	**(28,810.76)**	**34,635.94**	**(2,473.32)**	**18,36,129.13**

Particulars	As at 1st April 2020	Cash Flows	Ind AS 116 - Lease Liabilities	Others	As at 31st March 2021
Debt Securities	86,113.32	3,51,819.14	-	(1,346.01)	4,36,586.45
Borrowings other than debt securities	9,68,313.27	1,29,857.03	-	666.55	10,98,836.85
Lease Liabilities	46,447.77	(16,609.79)	18,003.93	-	47,841.90
Subordinated Liabilities	2,60,167.47	(10,780.60)	-	125.19	2,49,512.07
Total liabilities from financing activities	**13,61,041.83**	**4,54,285.79**	**18,003.93**	**(554.27)**	**18,32,777.27**

Particulars	As at 1st April 2019	Cash Flows	Ind AS 116 - Lease Liabilities	Others	As at 31st March 2020
Debt Securities	24,119.00	62,612.47	-	(618.15)	86,113.32
Borrowings other than debt securities	8,26,360.14	1,42,795.98	-	(842.85)	9,68,313.27
Lease Liabilities	-	(16,572.01)	63,019.77	-	46,447.77
Subordinated Liabilities	2,73,028.69	(12,905.79)	-	44.58	2,60,167.47
Total liabilities from financing activities	**11,23,507.83**	**1,75,930.65**	**63,019.77**	**(1,416.42)**	**13,61,041.83**

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(Rupees in lakhs, except for share data and unless otherwise stated)

38. Contingent Liabilities (to the extent not provided for)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Contingent Liabilities			
(i) Income Tax Demands	3,419.85	6,334.02	6,327.34
(ii) Service Tax Demands	5,106.18	5,106.18	3,600.90
(iii) Value Added Tax Demands	1,327.12	1,432.70	1,432.70
(iv) Bank Guarantees	36.90	36.69	92.09
(v) Cash Margin on Securitisation	-	-	2,258.62
(vi) Claims not acknowledged as debt in view of counter claims raised	917.78	-	-

(vi) Some of the branches of the Company had received notices under the Kerala Money Lenders Act, 1958, for registration, which was challenged by the Company before the Hon'ble Supreme Court. The Apex Court has allowed the appeals filed by NBFCs including the Company, vide its judgement dated May 10, 2022 ruling that state level money lending enactments shall have no application to NBFCs registered under the RBI and regulated by the RBI. In view of the said ruling of the Supreme Court, the contingency with respect to the Kerala Money Lenders Act ceases to exist.

(vii) The Company has filed a Writ Petition before the Honourable High Court of Madras on 30th July, 2019 challenging the Order passed by the Income Tax Settlement Commission, Chennai Bench abating the proceedings before it relating to the Settlement Application filed by the Company dated December 17, 2017 ("Settlement Application"); and praying for stay on proceedings initiated by the Joint Commissioner of Income Tax (OSD), Central Circle, Thiruvananthapuram post abatement of proceedings by the Settlement Commission. The tax and interest due on the issues forming part of the Settlement Application totaled to INR 7,406. The Settlement Application related to notices received under Section 147 of the Income Tax Act, as per which the income chargeable to tax for the Financial Years 2011-12 to 2016-17 of MFL had escaped assessment, and Section 153A of the Income Tax Act, as per which MFL was required to prepare true and correct return of which MFL was assessable for the Assessment Years 2011-2012 to 2016-2017. The proceedings before the High Court of Madras is currently pending.

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(Rupees in lakhs, except for share data and unless otherwise stated)

39 Related Party Disclosures

Names of Related parties with whom transaction has taken place

(A) Subsidiaries

1 Muthoot Microfin Limited
2 Muthoot Housing Finance Company Limited
3 Muthoot Pappachan Technologies Limited

(B) Key Management Personnel	**Designation**
1 Thomas John Muthoot	Managing Director
2 Thomas George Muthoot	Director
3 Thomas Muthoot	Wholetime Director Cum Chief Financial Officer
4 Preethi John Muthoot	Director
5 Kurian Peter Arattukulam	Director
6 Vikraman Ampalakkat	Director
7 Thuruthiyil Devassia Mathai	Company Secretary

(C) Enterprises owned or significantly influenced by key management personnel or their relatives

1 MPG Hotels and Infrastructure Ventures Private Limited
2 Muthoot Automotive (India) Private Limited
3 Muthoot Automobile Solutions Private Limited
4 Muthoot Capital Services Limited
5 Muthoot Motors Private Limited
6 Muthoot Risk Insurance and Broking Services Private Limited
7 Muthoot Pappachan Chits (India) Private Limited
8 Muthoot Exim Private Limited
9 Muthoot Kuries Private Limited
10 MPG Security Group Private Limited
11 Muthoot Estate Investments
12 Muthoot Motors (Cochin)
13 Muthoot Pappachan Foundation
14 M-Liga Sports Excellence Private Limited
15 Thinking Machine Media Private Limited
16 Muthoot Hotels Private Limited
17 Muthoot Infrastructure Private Limited
18 Muthoot Pappachan Medicare Private Limited
19 Muthoot Pappachan Centre Of Excellence In Sports

(D) Relatives of Key Management Personnel

1 Janamma Thomas
2 Nina George
3 Remmy Thomas
4 Thomas M John
5 Suzannah Muthoot
6 Hannah Muthoot
7 Tina Suzanne George
8 Ritu Elizabeth George
9 Shweta Ann George

(E) Other Related Parties

1 Speckle Internet Solutions Private Limited

Related Party transactions during the year:

Particulars	Key Management Personnel & Directors			Relatives of Key Management Personnel			Entities over which Key Management Personnel and their relatives are able to exercise significant influence			Subsidiaries		
	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2020
Revenue												
Auction of Gold Ornaments	-	-	-	-	-	-	6,104.86	1,270.97	1,918.82	-	-	-
Commission Received	-	-	-	-	-	-	1,189.86	1,003.61	1,229.81	350.45	210.57	885.32
Processing Fee received	-	-	15.00	-	-	-	-	0.73	0.75	-	-	-
Rent received	-	-	-	-	-	-	283.51	276.24	304.87	141.79	145.59	135.08
Revenue from Travel Services	1.59	-	-	-	-	-	10.10	5.56	6.54	16.88	7.59	73.42
Sale of Used Assets	-	-	-	-	-	-	0.03	-	-	-	-	3.15
Delayed Interest received	-	-	-	-	-	-	-	3.58	-	-	-	-
Interest accrued on loans & advances	2,388.00	2,388.00	2,386.26	-	-	-	29.66	30.15	16.10	-	109.50	219.00
Expense												
Commission Paid	500.00	132.00	132.00	-	-	-	17.09	72.14	3.43	34.03	235.70	576.98
Interest paid	483.65	431.35	350.54	78.74	62.97	42.04	186.64	309.78	334.64	-	-	-
Hotel Service payments	-	-	-	-	-	-	28.31	32.93	54.41	-	-	-
Professional & Consultancy Charges	-	-	-	-	-	-	2,104.14	2,092.00	1,773.55	1,562.94	1,423.39	1,459.80
Purchase of Gold / Silver Coins	-	-	-	-	-	-	90.77	16.86	13.23	-	-	-
Reimbursement of Expenses	-	-	-	-	-	-	(20.32)	(81.77)	(12.58)	(15.76)	(12.14)	(14.44)
Rent paid	104.75	101.47	101.36	-	-	-	17.51	15.17	13.50	-	-	-
Purchase of Used Assets	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration Paid	5,039.60	2,196.94	2,200.04	41.00	23.49	18.90	-	-	-	-	-	-
Sitting Fee paid	13.50	7.50	8.00	-	-	-	-	-	-	-	-	-
Marketing Expense	-	-	-	-	-	-	-	1.08	-	-	-	-
Collection Charges	-	-	-	-	-	-	-	12.98	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	1.89	19.46	-	-	-	-
Asset												
Advance for CSR Activities	-	-	-	-	-	-	298.37	677.39	285.11	-	-	-
Investment made in Equity	-	-	-	-	-	-	200.00	9.00	-	-	-	2,500.02
Loans Advanced	-	-	19,900.00	-	-	-	-	290.00	300.00	-	-	-
Loan repayments received	-	-	(19,900.00)	-	-	-	(290.00)	(239.64)	(125.26)	-	(1,365.00)	-
Refund received against advance for property	-	-	-	-	-	-	(3,000.00)	-	(19,600.00)	-	-	-
Purchase of Vehicle	-	-	-	-	-	-	10.74	-	-	-	-	-
Liability												
Advance received towards Owners share	-	-	-	-	-	-	432.15	241.00	210.13	-	-	-
ICD accepted	-	-	-	-	-	-	-	-	7,500.00	-	-	-
ICD repaid	-	-	-	-	-	-	-	-	(7,500.00)	-	-	-
Investment in Debt Instruments	-	260.30	-	0.50	175.50	307.00	1.00	-	-	-	-	-
Redemption of Investment in Debt Securities	-	-	-	(1.14)	(156.00)	-	-	-	-	-	-	-
Security Deposit Accepted	-	-	-	-	-	-	140.00	55.48	0.55	1.37	2.39	2.80
Security Deposit Repaid	-	-	-	-	-	-	(167.13)	(40.26)	(3.73)	(1.42)	(8.67)	(1.48)
Dividend Paid	10,036.91	-	11,624.01	1,549.71	-	1,893.71	35.72	-	41.67	-	-	-

Balance outstanding as at the year end:

Particulars	Key Management Personnel			Relatives of Key Management Personnel			Entities over which Key Management Personnel and their relatives are able to exercise significant influence			Subsidiaries		
	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2020	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2020
Asset												
Advance for CSR Activities	-	-	-	-	-	-	8.05	-	30.40	-	-	-
Advance for Property/Shares	1,588.53	1,588.53	1,588.53	133.87	133.87	133.87	24,277.77	27,277.77	27,277.77	-	-	-
Advance receivable towards Owners shar	-	-	-	-	-	-	903.13	221.01	210.13	-	-	-
Commission Receivable	-	-	-	-	-	-	68.99	22.37	229.23	40.10	16.16	63.44
Expense Reimbursements Receivable	-	-	-	-	-	-	1.48	0.86	2.84	0.88	0.01	1.28
Interest on Loan Receivable	61.55	61.55	61.55	-	-	-	-	3.71	1.15	-	-	49.01
Loans Advanced	19,900.00	19,900.00	19,900.00	-	-	-	-	290.00	239.64	-	-	1,365.00
Other Receivable	-	-	-	-	-	-	-	-	-	-	-	4.88
Rent Receivable	-	-	-	-	-	-	12.40	8.33	34.51	2.92	2.89	12.47
Travel Service Receivables	0.79	1.12	-	-	-	-	4.06	2.09	8.32	1.51	3.54	3.57
Investment in Equity Outstanding	-	-	-	-	-	-	217.00	17.00	-	26,515.45	26,515.45	-
Liability												
Collection balance payable	-	-	78.27	-	-	-	0.22	6.93	6.36	-	-	-
Commission Payable	-	-	-	-	-	-	0.27	2.33	-	0.46	29.75	259.49
Interest Payable	2.58	0.96	-	54.22	21.66	8.76	6.40	0.56	0.25	-	-	-
Rent Payable	0.23	-	-	-	-	-	0.92	0.90	-	-	-	-
Remuneration Payable	-	-	5.63	-	-	-	-	-	-	-	-	-
Investment in Debt Instruments	267.30	267.30	-	332.33	332.97	313.47	107.53	51.40	-	-	-	-
PDI issued	3,845.00	3,845.00	20.00	355.00	355.00	-	1,025.00	3,015.00	-	-	-	-
Professional & Consultancy Charges pay	-	-	-	-	-	-	0.12	53.69	4.23	-	8.24	-
Security Deposit received	-	-	-	-	-	-	30.50	57.63	56.85	46.97	47.02	53.30
Other Payable	-	-	-	-	-	-	3.99	3.18	2.27	-	-	-

Note

a) Related parties 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 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2020
Short–term employee benefits	5,053.10	2,204.44	2,208.04
Post-employment benefits	-	-	-
Total compensation paid to key	**5,053.10**	**2,204.44**	**2,208.04**

(Rupees in lakhs, except for share data and unless otherwise stated)

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 healthy credit ratings and capital ratios in order to support its business and to maximize shareholder value.

Being an NBFC-SI, the RBI requires the Company to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of a minimum Tier I Capital of 12% and a combined Tier I & Tier II Capital of 15% of our aggregate risk weighted assets. The capital management process of the Company ensures to maintain a healthy CRAR at all the times.

Regulatory capital	**As at 31st March 2022**	**As at 31st March 2021**	**As at 31st March 2020**
Tier I Capital	2,69,746	2,42,659	2,01,875
Tier II Capital	85,992	95,463	1,00,938
Total capital	**3,55,738**	**3,38,122**	**3,02,813**
Risk weighted assets	**18,31,579**	**20,06,635**	**15,47,762**
CRAR			
Tier I Capital (%)	14.73%	12.09%	13.04%
Tier II Capital (%)	4.69%	4.76%	6.52%

Tier I Capital comprises of share capital, share premium, reserves, retained earnings including current year profits, cumulative compulsorily convertible preference shares and perpetual debt instruments subject to permissible limits. Certain adjustments are made to Ind AS–based results and reserves, in order to ensure compliance with the directions of the Reserve Bank of India. Tier II Capital consists primarily of Subordinated Debt Instruments, subject to permissible limits as per the directions of the Reserve Bank of India and PDI in excess of 15% of Tier I Capital of the Company as at the previous year.

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(Rupees in lakhs, except for share data and unless otherwise stated)

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 assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at March 31, 2022:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in JM Financial India Fund II	156.37	-	-	156.37
Investment in Strugence Debt Fund	997.48	-	-	997.48
Investment in BPEA India Credit - Trust II	514.24	-	-	514.24
Financial Liabilities				
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	-	-	15,213.00	15,213.00

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Investment in Muthoot Microfin Limited	-	1,42,977.72	-	1,42,977.72
Investment in Muthoot Pappachan Chits Private Limited	-	15.14	-	15.14
Investment in Avenues India Private Limited	-	477.67	-	477.67
Investment in Fair Asset Technologies (P) Limited	-	719.85	-	719.85
Investment in Equity Shares (DP account with Motilal Oswal)	1,646.32	-	-	1,646.32
Investment in PMS - Motilal Oswal	465.24	-	-	465.24
Investment In The Thinking Machine Media Private Limited	-	9.00	-	9.00
Investment In Speckle Internet Solutions Private Limited	-	198.10	-	198.10

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at March 31, 2021:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in JM Financial India Fund II	106.90	-	-	106.90
Investment in Strugence Debt Fund	-	-	1,000.00	1,000.00
Investment in BPEA India Credit - Trust II	-	-	1,000.00	1,000.00

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Investment in Muthoot Microfin Limited	-	1,40,748.12	-	1,40,748.12
Investment in Muthoot Pappachan Chits Private Limited	-	6.52	-	6.52
Investment in Avenues India Private Limited	-	477.48	-	477.48
Investment in Fair Asset Technologies (P) Limited	-	703.59	-	703.59
Investment in Equity Shares (DP account with Motilal Oswal)	1,038.94	-	-	1,038.94
Investment in PMS - Motilal Oswal	631.11	-	-	631.11
Investment In The Thinking Machine Media Private Limited	-	9.00	-	9.00

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at March 31, 2020:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Investment in JM Financial India Fund II	121.80	-	-	121.80
Investment in Strugence Debt Fund	-	-	1,000.00	1,000.00
Investment in BPEA India Credit - Trust II	-	-	930.00	930.00

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Investment in Muthoot Microfin Limited	-	1,57,677.11	-	1,57,677.11
Investment in Muthoot Pappachan Chits Private Limited	-	5.23	-	5.23
Investment in Avenues India Private Limited	-	400.26	-	400.26
Investment in Fair Asset Technologies (P) Limited	-	702.76	-	702.76
Investment in Equity Shares (DP account with Motilal Oswal)	872.57	-	-	872.57
Investment in PMS - Motilal Oswal	379.33	-	-	379.33

Fair value technique

Investment at fair value through profit and loss

For investment at fair value through profit and loss, valuation are done using quoted prices from active markets or on published Net Asset Values of the investment at the measurement date or at the nearest available date.

Equity instruments

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. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report and valued as at the measurement date or at the nearest available date has been classified as Level 2.

Financial Liabilities with significant unobservable inputs (Level 3)

This level of hierarchy includes financial liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data, this level of hierarchy includes cumulative compulsory convertible preference shares.

The fair value of the CCCPS is measured using the Monte Carlo Simulation technique. The Monte Carlo Simulation Method is one where a risk-neutral framework is used to simulate a range of simulated values, representing all the potential paths a variable could move over the period of the simulation. The inputs to this model are taken from observable market where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Significant unobservable inputs	As at March 31, 2022		As at March 31, 2021		As at March 31, 2021	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount Rate of CCCPS Coversion Feature	(511.25)	531.08	-	-	-	-
Discount for Lack of Marketability	(234.05)	234.05	-	-	-	-

Movements in Level 3 financial instruments measured at fair value

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Financial liability measured at FVTPL			
Cumulative Compulsorily Convertible Preference Shares (CCCPS)			
Opening Balance	-	-	-
Issued during the year	15,000.00	-	-
Converted during the year	-	-	-
Change in fair value	213.00	-	-
Closing balance	**15,213.00**	**-**	**-**

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 Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Particulars	Level	Carrying Value			Fair Value		
		As at 31st March 2022	As at 31st March 2021	As at 31st March 2020	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Financial assets							
Cash and cash equivalents	1	2,35,980.59	40,917.19	30,017.28	2,35,980.59	40,917.19	30,017.28
Bank Balance other than above	1	11,089.14	16,326.10	984.69	11,089.14	16,326.10	984.69
Trade receivables	3	2,630.50	1,819.94	2,918.88	2,630.50	1,819.94	2,918.88
Loans	3	17,01,520.88	18,45,298.14	13,91,802.06	17,01,520.88	18,45,298.14	13,91,802.06
Investments	3	15,781.93	16,081.93	16,081.93	15,781.93	16,081.93	16,081.93
Other Financial assets	3	13,049.87	19,259.56	8,725.95	13,049.87	19,259.56	8,725.95
Financial assets		**19,80,052.90**	**19,39,702.87**	**14,50,530.78**	**19,80,052.90**	**19,39,702.87**	**14,50,530.78**
Financial Liabilities							
Trade Payable	3	4,782.30	1,770.85	36,880.16	4,782.30	1,770.85	36,880.16
Debt securities	3	3,79,379.03	4,36,586.45	86,113.32	3,79,379.03	4,36,586.45	86,113.32
Borrowings (other than debt securities)	3	11,53,567.02	10,98,836.85	9,68,313.27	11,53,567.02	10,98,836.85	9,68,313.27
Lease Liability	3	64,656.45	47,841.90	46,447.77	64,656.45	47,841.90	46,447.77
Subordinated liabilities	3	2,38,526.64	2,49,512.07	2,60,167.47	2,38,526.64	2,49,512.07	2,60,167.47
Other financial liabilities	3	61,040.36	50,591.66	40,940.85	61,040.36	50,591.66	40,940.85
Financial Liabilities		**19,01,951.80**	**18,85,139.78**	**14,38,862.83**	**19,01,951.80**	**18,85,139.78**	**14,38,862.83**

Valuation techniques

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

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 ie, 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.

Financial liability at amortised cost

The fair values of financial liability held-to-maturity are estimated using a 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.

42 Segment Reporting

In accordance with Para 4 of IND AS 108, Operating Segments, segment information has been presented in the consolidated financial statements of Muthoot FinCorp Limited and therefore, no separate disclosure has been given in standalone financial statement.

43. 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 derive 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 RBI rules has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets quarterly to review the Risk Management practices and working of the Risk Management Department. The committee is chaired by an Independent Director. The 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 Company has implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Group. The risk management process is continuously reviewed, improved and adapted in the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis. The Company has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.
The major type of risk Company faces in business are 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 higher NPAs.

The Company addresses credit risk through following major processes:

- 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 appraisal and monitoring
- Design appropriate credit risk mitigation techniques

A) Impairment Assessment

The Company is primarily engaged in the business of providing gold and SME loans. The tenure of the loans ranges from 3 months to 60 months.

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 care
The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.
It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least three consecutive months. 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)	Stages
High grade	Not yet due	Stage I
Standard grade	1-30 DPD	Stage I
Sub-standard grade	30-60 DPD	Stage II
Past due but not impaired	60-89 DPD	Stage II
Individually impaired	90 DPD or More	Stage III

Exposure at Default (EAD)

The outstanding balance as at the reporting date is considered as EAD by the company.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12mECL. 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 where available to determine PD. Considering the different products, schemes, ticket size, loan to value and geographies, the Company has bifurcated its loan portfolio into various pools. PD is calculated using Incremental NPA approach considering fresh slippage using historical information.

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 Company expects to receive. LGD Rates for Gold Loans have been computed internally based on the discounted recoveries in NPA accounts that are closed/ written off/ repossessed and upgraded during the year. For other loans, LGD rates have been arrived at guided by the Foundational Internal Ratings Based approach (FIRB) norms.

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.

Significant Increase in credit risk

The internal rating model evaluates the loans on an ongoing basis. The rating model also assesses if there has been a significant increase in credit risk since the previously assigned risk grade. One key factor that indicates significant increase in credit risk is when contractual payments are more than 30 days past due.

II) Liquidity risk

Asset Liability Management (ALM)

Liquidity risk refers to the risk that the Company may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management, is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. Our resource mobilisation team sources funds from multiple sources, including from banks, financial institutions, capital & retail markets to maintain a healthy mix of sources. The resource mobilisation team is responsible for diversifying fund raising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed.

The table below shows the maturity pattern of the assets and liabilities:

Maturity pattern of assets and liabilities as on 31st March 2022:

Particulars	Up to 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	Total
Cash and cash equivalents	2,28,837.43	2,405.67	1,080.48	-	3,657.00	-	-	-	2,35,980.59
Bank Balance other than (a) above	6,769.42	-	-	3,051.13	1,268.58	-	-	-	11,089.14
Receivables	2,630.50	-	-	-	-	-	-	-	2,630.50
Loans	3,04,798.95	79,406.84	97,001.38	5,72,922.41	6,16,234.92	2,805.44	199.48	28,151.47	17,01,520.88
Investments	2,111.56	-	-	-	-	1,511.72	-	1,60,335.78	1,63,959.06
Other Financial assets	2,537.22	302.79	130.89	399.82	868.31	4,339.28	481.18	3,990.39	13,049.87
Total	**5,47,685.08**	**82,115.29**	**98,212.75**	**5,76,373.36**	**6,22,028.82**	**8,656.43**	**680.66**	**1,92,477.64**	**21,28,230.04**
Payables	4,782.30	-	-	-	-	-	-	-	4,782.30
Debt Securities	19,906.66	12,441.67	14,930.00	21,332.73	74,411.11	1,79,134.38	44,745.81	12,476.68	3,79,379.03
Borrowings (other than Debt Securities)	48,093.11	28,674.09	36,758.57	1,36,876.14	6,80,513.38	2,12,248.92	10,402.81	-	11,53,567.02
Subordinated Liabilities	2,673.70	2,746.57	2,088.25	8,396.96	27,591.58	74,996.73	40,621.54	79,411.31	2,38,526.64
Other Financial liabilities	6,149.11	2,010.39	1,820.61	5,765.66	21,739.18	31,179.65	5,991.94	1,596.82	76,253.36
Total	**81,604.90**	**45,872.71**	**55,597.42**	**1,72,371.50**	**8,04,255.24**	**4,97,559.68**	**1,01,762.09**	**93,484.81**	**18,52,508.35**

Maturity pattern of assets and liabilities as on 31st March 2021:

Particulars	Up to 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	Total
Cash and cash equivalents	39,593.31	37.68	1,286.20	-	-	-	-	-	40,917.19
Bank Balance other than (a) above	13,713.50	-	-	258.58	2,354.02	-	-	-	16,326.10
Receivables	1,819.94	-	-	-	-	-	-	-	1,819.94
Loans	5,40,998.80	2,04,642.57	2,41,958.80	6,82,489.84	1,46,159.59	8,460.61	1,648.78	18,939.15	18,45,298.14
Investments	2,657.96	-	-	-	300.00	1,106.90	1,000.00	1,56,738.73	1,61,803.59
Other Financial assets	2,046.66	68.50	96.86	768.63	8,008.48	6,869.13	294.78	1,106.53	19,259.56
Total	**6,00,830.17**	**2,04,748.75**	**2,43,341.86**	**6,83,517.05**	**1,56,822.09**	**16,436.64**	**2,943.56**	**1,76,784.41**	**20,85,424.53**
Payables	1,770.85	-	-	-	-	-	-	-	1,770.85
Debt Securities	-	-	12,397.44	-	1,81,083.38	2,04,064.95	39,040.69	-	4,36,586.45
Borrowings (other than Debt Securities)	9,826.30	11,871.09	2,09,788.28	1,46,537.11	5,44,008.66	1,70,229.80	6,575.60	-	10,98,836.85
Subordinated Liabilities	3,242.44	4,515.61	5,101.30	15,839.18	28,203.06	92,426.39	41,860.83	58,323.27	2,49,512.07
Other Financial liabilities	5,713.87	1,294.82	2,344.19	5,178.17	8,292.34	18,428.00	5,804.81	3,535.46	50,591.66
Total	**20,553.45**	**17,681.52**	**2,29,631.21**	**1,67,554.46**	**7,61,587.43**	**4,85,149.14**	**93,281.94**	**61,858.72**	**18,37,297.88**

Maturity pattern of assets and liabilities as on 31st March 2020:

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	Total
Cash and cash equivalents	28,224.96	623.21	1,169.11	-	-	-	-	-	30,017.28
Bank Balance other than (a) above	-	-	-	169.85	814.84	-	-	-	984.69
Receivables	2,918.88	-	-	-	-	-	-	-	2,918.88
Loans	39,444.38	-	1,45,674.97	4,47,900.74	7,21,787.23	26,438.94	200.00	10,355.80	13,91,802.06
Investments	2,239.80	-	-	-	-	421.80	1,930.00	1,73,579.38	1,78,170.99
Other Financial assets	1,932.68	114.64	186.21	646.49	1,060.09	10,196.73	486.64	823.99	15,447.46
Total	**74,760.70**	**737.84**	**1,47,030.29**	**4,48,717.08**	**7,23,662.16**	**37,057.48**	**2,616.64**	**1,84,759.18**	**16,19,341.36**
Payables	36,880.16	-	-	-	-	-	-	-	36,880.16
Debt Securities	-	-	-	-	22,165.53	46,565.06	17,382.73	-	86,113.32
Borrowings (other than Debt Securities)	138.85	21,444.40	15,137.43	1,75,330.51	4,60,783.26	2,51,233.85	44,244.98	-	9,68,313.27
Subordinated Liabilities	992.82	3,454.59	4,786.61	6,583.47	17,342.73	1,01,396.08	73,829.14	51,782.03	2,60,167.47
Other Financial liabilities	6,226.59	1,696.61	2,456.21	3,570.55	8,015.90	10,073.97	5,052.64	3,848.39	40,940.86
Total	**44,238.41**	**26,595.60**	**22,380.25**	**1,85,484.53**	**5,08,307.42**	**4,09,268.96**	**1,40,509.50**	**55,630.42**	**13,92,415.07**

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 and other market changes. The Company is exposed to two types of market risk as follows:

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

The 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 is as follows:

Particulars	March 31, 2022	March 31, 2021	31st March 2020
On Borrowings			
1% increase	(17,782.04)	(15,497.65)	(12,190.51)
1% decrease	17,782.04	15,497.65	12,190.51

Price risk

Equity price risk is the risk that the fair value of equities decreases as the result of changes in level of equity indices and individual stocks. The trading and 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 31st March 2022	10/(10)	166.81 / (166.81)	16,130.37 / (16,130.37)
As at 31st March 2021	10/(10)	210.69 / (210.69)	15,840.72 / (15,840.72)
As at 31st March 2020	10/(10)	12.18 / (12.18)	17,483.03 / (17,483.03)

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 or later than expected.

Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

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(Rupees in lakhs, except for share data and unless otherwise stated)

44 Impact of Covid-19

The after effects of the COVID-19 pandemic and resultant restrictions have continued to have its impact on economic activity during the year ended March 31, 2022. However, this has not resulted in a significant impact on the operations / financial position of the Company, though there has been an expected level of stress in collections and higher gold auctions during the year. Pursuant to the relevant Reserve Bank of India circulars allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company had granted moratorium to its borrowers based on its Board approved policy. For such accounts, where the moratorium was granted, the asset / stage-wise classification remained stand still during the moratorium period. Pursuant to the judgement of the Honourable Supreme Court dated March 23, 2021, vacating the interim order not to declare accounts as NPA and the RBI circular thereon, the Company has carried out the asset classification of borrowers as at March 31, 2021 as per the ECL model and the extant RBI instructions / IRAC norms. Further, in accordance with the relevant circulars on Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances, the Company has restructured a total of 1,600 MSME accounts, amounting to INR 2,703.11 during the year ended March 31, 2021. With reduced probability of restrictions even in times of Covid spikes by the end of Fiscal 2022, thereby allowing continuity of general economic momentum, the future performances and collections are expected to improve.

The Company had recorded a management overlay allowance of INR 1,980.46 in its Expected Credit Loss provision for the year ended March 31, 2020. In the opinion of the management, the impairment loss allowances as stated in Note 8 is considered adequate to cover any future uncertainties on account of the above.

45 Disclosure pursuant to RBI Notification - RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 Dated 13 March 2020 - A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'

As at March 31, 2022

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
(a) Performing Assets						
Standard	Stage 1	15,65,191.55	7,187.86	15,58,003.69	6,262.73	925.13
	Stage 2	1,17,162.63	835.83	1,16,326.81	468.65	367.17
Subtotal - Performing Assets		**16,82,354.18**	**8,023.69**	**16,74,330.49**	**6,731.38**	**1,292.31**
(b) Non-PerformingAssets (NPA)						
(i) Substandard	Stage 3	21,789.26	3,339.05	18,450.21	2,172.38	1,166.67
(ii) Doubtful up to:						
1 year	Stage 3	8,119.30	4,902.87	3,216.42	1,623.86	3,279.01
1 to 3 year	Stage 3	4,045.13	2,592.46	1,452.67	1,213.54	1,378.92
More than 3 years	Stage 3	9,916.16	5,845.08	4,071.08	4,958.08	887.00
Subtotal (ii)		**22,080.59**	**13,340.41**	**8,740.18**	**7,795.48**	**5,544.93**
(iii) Loss	Stage 3	6,089.45	6,089.45	-	6,089.45	-
Subtotal - NPA		**49,959.29**	**22,768.90**	**27,190.39**	**16,057.30**	**6,711.60**

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
Total	**Stage 1**	15,65,191.55	7,187.86	15,58,003.69	6,262.73	925.13
	Stage 2	1,17,162.63	835.83	1,16,326.81	468.65	367.17
	Stage 3	49,959.29	22,768.90	27,190.39	16,057.30	6,711.60
	Total	**17,32,313.47**	**30,792.59**	**17,01,520.88**	**22,788.68**	**8,003.90**

**Computed on the value as per the IRACP norms.*

As at March 31, 2021

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
(1)	**(2)**	**(3)**	**(4)**	**(5) = (3) - (4)**	**(6)**	**(7) = (4) - (6)**
(a) Performing Assets						
Standard	Stage 1	16,37,207.99	5,921.03	16,31,286.96	6,678.91	(757.87)
	Stage 2	1,95,771.56	697.92	1,95,073.63	783.13	(85.20)
Subtotal - Performing Assets		**18,32,979.54**	**6,618.96**	**18,26,360.59**	**7,462.03**	**(843.08)**
(b) Non-PerformingAssets (NPA)						
(i) Substandard	Stage 3	16,190.94	2,144.68	14,046.26	1,619.09	525.59
(ii) Doubtful up to:						
1 year	Stage 3	3,737.03	3,442.10	294.93	747.41	2,694.69
1 to 3 year	Stage 3	9,275.94	5,680.94	3,595.00	2,782.78	2,898.16
More than 3 years	Stage 3	2,992.29	1,990.92	1,001.36	1,499.25	491.67
Subtotal (ii)		**16,005.26**	**11,113.96**	**4,891.30**	**5,029.44**	**6,084.52**
(iii) Loss	Stage 3	3,762.25	3,762.25	-	3,649.37	112.88
Subtotal - NPA		**35,958.45**	**17,020.89**	**18,937.56**	**10,297.90**	**6,722.99**
Total	**Stage 1**	16,37,207.99	5,921.03	16,31,286.96	6,678.91	(757.87)
	Stage 2	1,95,771.56	697.92	1,95,073.63	783.13	(85.20)
	Stage 3	35,958.45	17,020.89	18,937.56	10,297.90	6,722.99
	Total	**18,68,937.99**	**23,639.85**	**18,45,298.14**	**17,759.94**	**5,879.91**

**Computed on the value as per the IRACP norms.*

As at March 31, 2020:

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
(a) Performing Assets						
Standard	Stage 1	13,67,521.71	4,385.50	13,63,136.21	5,271.40	-885.90
	Stage 2	20,230.72	134.16	20,096.56	80.92	53.24
Subtotal - Performing Assets		**13,87,752.43**	**4,519.66**	**13,83,232.77**	**5,352.32**	**-832.66**
(b) Non-PerformingAssets (NPA)						
(i) Substandard	Stage 3	7,915.27	3,901.84	4,013.42	916.89	2,984.95
(ii) Doubtful up to:						
1 year	Stage 3	6,512.49	4,117.26	2,395.23	1,302.50	2,814.77
1 to 3 year	Stage 3	6,075.82	3,951.33	2,124.49	1,822.75	2,128.58
More than 3 years	Stage 3	3,259.56	3,223.42	36.15	1,629.78	1,593.63
Subtotal (ii)		**15,847.88**	**11,292.01**	**4,555.87**	**4,755.03**	**6,536.98**
(iii) Loss	Stage 3	2,497.33	2,497.33	-	2,497.33	-
Subtotal - NPA		**26,260.47**	**17,691.18**	**8,569.29**	**8,169.25**	**9,521.93**
Total	**Stage 1**	13,67,521.71	4,385.50	13,63,136.21	5,271.40	-885.90
	Stage 2	20,230.72	134.16	20,096.56	80.92	53.24
	Stage 3	26,260.47	17,691.18	8,569.29	8,169.25	9,521.93
	Total	**14,14,012.90**	**22,210.84**	**13,91,802.06**	**13,521.57**	**8,689.28**

**Computed on the value as per the IRACP norms.*

Disclosures as per RBI notification no. DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April 2020 - COVID19 Regulatory Package - Asset Classification and Provisioning:

The details of loans, where moratorium benefit was extended are as under:

Particulars	**2021-22**	**2020-21**	**2019-20**
(i) Amount due in respect of overdue contracts where moratorium benefit was extended	-	17,701.00	2,50,141.00
(ii) Amount due on contracts where asset classification benefits was extended	378.88	515.00	48,362.88
(iii) Provision as per IRACP norms against (ii) cumulatively above up to June 2020	37.89	4,884.06	2,418.14
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions	134.62	(4,884.06)	-

46 Additional Disclosures as Required by the Reserve Bank of India

(i) Frauds

During the year there have been certain instances of fraud on the Company by officers and employees where gold loan related misappropriations / cash embezzlements / burglaries have occurred for amounts aggregating an amount of INR 614.08 (March 31, 2021 - INR 687.65, March 31, 2020 - INR 263.50) of which the Company has recovered INR 61.94 (March 31, 2021 - INR 314.37, March 31, 2020 - INR 12.36). The Company has taken insurance cover for such losses and has filed insurance claims in this regard. Further, the Company is in the process of recovering these amounts from the employees and taking legal actions, where applicable. The value of frauds and burglaries (net of recovery), has been fully provided for.
In addition to the above, there was a Burglary attempt during the year ended March 31, 2022 on the Asansol Murgasol branch of the Company. The net weight of the gold decamped with was 11.64 kg and the total number of packets was 707. The Principal value of loan disbursed on security of the above packets was INR 355. Cash of INR 9.21 was also stolen. The Company had filed an insurance claim with its insurers under the bankers' blanket indemnity policy and the claim was approved in the month of March, 2022.

(ii) The Company extends loans to its customers against security of gold not exceeding 75% of the value of gold. Value of gold for this purpose is taken from the rates published by the Association of Gold Loan Companies (AGLOC). AGLOC publishes the value of gold based on the immediately preceding 30 days average price of 22 Carrot Gold published by Bombay Bullion Association. The Company holds 54.03 tonnes of Gold as at March 31, 2022 (March 31, 2021 - 59.40 tonnes, March 31, 2020 - 50.59 tonnes). The loan amount provided against security of gold works out to 65.79% of the value of gold as on 31st March 2022 (As at 31st March 2021 - 68.83%, As at 31st March 2020 - 60.61%).

(iii) The Company's Percentage of Gold Loan to Total Assets is 73.17% as at 31st March 2022 (As at 31st March 2021 - 80.83%, As at 31st March 2020 - 73.90%).

(iv) In accordance with the relevant circulars issued by the Reserve Bank of India with respect to Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances, the Company has restructured certain eligible MSME accounts.

Year	No. of accounts restructured	Amount
2021-22	1014	1,730.79
2020-21	1600	2,703.11

(v) The Company has neither transferred nor acquired any loans not in default / stressed loans to / from other entities during the years ended March 31, 2022, March 31, 2021 and March 31, 2020.

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(Rupees in lakhs, except for share data and unless otherwise stated)

Note 46 contd.

(v) **Disclosures required as per Reserve Bank of India Circular No RBI/2019-20/88/DOR.NBFC (PD) CC. No. 102/03.10.001/2019-20 dated November 04, 2019**

(i) **Funding concentration based on significant counterparty (both deposits and borrowings):**

Particulars	No. of significant counterparties	Amount	% of Total Deposits	% of Total Liabilities*
As at March 31, 2022	16	10,84,415.84	N.A.	55.74%
As at March 31, 2021	14	11,93,864.18		62.38%

** Total Liabilities excludes Equity and Other Equity*

(ii) **Top 20 large deposits:**
The Company does not accept Deposits

(iii) **Top 10 borrowings:**

Particulars	Amount	% of Total Borrowings
As at March 31, 2022	9,29,928.46	52.49%
As at March 31, 2021	10,63,717.18	59.59%

(iv) **Funding concentration based on significant instrument / product:**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Amount	% of Total Liabilities*	Amount	% of Total Liabilities*
Working Capital Demand Loan	7,28,350.96	37.44%	7,15,184.37	37.37%
Working Capital (Term) Loan	4,25,216.06	21.86%	3,83,652.47	20.05%
Secured NCD	3,79,379.03	19.50%	4,36,586.45	22.81%
Subordinated Debt	2,00,107.40	10.29%	2,23,380.53	11.67%
Perpetual Debt Instrument	38,419.24	1.97%	26,131.54	1.37%
Total	**17,71,472.68**	**91.06%**	**17,84,935.37**	**93.26%**

** Total Liabilities excludes Equity and Other Equity*

(v) **Stock Ratios:**

(i) Commercial papers as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2022	As at March 31, 2021
Total Public Funds	-	-
Total Liabilities	-	-
Total Assets	-	-

(ii) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2022	As at March 31, 2021
Total Public Funds	8.07%	10.84%
Total Liabilities	7.35%	10.11%
Total Assets	6.24%	8.45%

a) Public Funds include Debt Securities, Borrowings (other than debt securities) and Subordinated Liabilities

b) Total Liabilities excludes Equity and Other Equity

(iii) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2022	As at March 31, 2021
Total Public Funds	57.95%	56.80%
Total Liabilities	52.77%	52.97%
Total Assets	44.82%	45.38%

a) Other Short Term Liabilities include all liabilities maturing within 12 months (excluding Commercial Paper & Non-Convertible Debentures)

(iv) Institutional set-up for liquidity risk management

The Asset - Liability Committee (ALCO) constituted by the Board is responsible for ensuring proper liquidity risk management and adherence to the limits set by the regulator and the Board as well as for deciding the business strategies of the company in line with the company's budget and decided risk management objectives. The ALCO consists of the Managing Director as Chairman of the Committee and includes the Executive Director & CFO, Chief Risk Officer, Senior Vice President – Finance, Vice-President - Resource Planning and Head-Internal Audit & Quality Assurance.

The ALM Support Groups are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. The company also prepares forecasts / simulations showing the effects of various possible changes in market conditions on the Companys position and recommends action needed to adhere to limits prescribed by the regulator as well as Company's internal limits with regard to liquidity risks. The ALCO meets once every month or as and when required and reviews the position of liquidity and other market risks. Breaches or critical issues are put up to the risk management committee of the Board.

(vi) **Liquidity Coverage Ratio Disclosure**

Particulars	As at March 31, 2022		As at December 31, 2021	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets				
Total High Quality Liquid Assets (HQLA)	1,13,887.26	1,13,887.26	1,87,969.51	1,87,969.51
Cash Outflows				
Deposits (for deposit taking companies)	-	-	-	-
Unsecured wholesale funding	2,660.14	3,059.16	8,264.01	9,503.61
Secured wholesale funding	33,896.65	38,981.15	44,701.33	51,406.53
Additional requirements, of which:				
Outflows related to derivative exposures and other collateral requirements	-	-	-	-
Outflows related to loss of funding on debt products	-	-	-	-
Credit and liquidity facilities	91,227.68	1,04,911.84	1,02,833.33	1,18,258.33
Other contractual funding obligations	12,522.51	14,400.89	14,900.03	17,135.04
Other contingent funding obligations	-	-	-	-
TOTAL CASH OUTFLOWS	**1,40,307.00**	**1,61,353.04**	**1,70,698.71**	**1,96,303.51**

Particulars	As at March 31, 2022		As at December 31, 2021	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
Cash Inflows				
Secured lending	84,884.33	63,663.25	83,591.67	62,693.75
Inflows from fully performing exposures	3,04,409.60	2,28,307.20	3,62,031.75	2,71,523.81
Other cash inflows	50,908.37	38,181.27	32,698.34	24,523.76
TOTAL CASH INFLOWS	**4,40,202.30**	**3,30,151.72**	**4,78,321.76**	**3,58,741.32**
TOTAL HQLA		**1,13,887.26**		**1,87,969.51**
TOTAL NET CASH OUTFLOWS (Weighted value of Total Cash Outflows - Minimum of (Weighted value of Total Cash Inflows, 75% of Weighted value of Total Cash Outflows)		**40,338.26**		**49,075.88**
LIQUIDITY COVERAGE RATIO (%)		**282.33%**		**383.02%**

Particulars	As at September 30, 2021		As at June 30, 2021	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets				
Total High Quality Liquid Assets (HQLA)	1,79,087.52	1,79,087.52	40,761.15	40,761.15
Cash Outflows				
Deposits (for deposit taking companies)	-	-	-	-
Unsecured wholesale funding	5,416.19	6,228.62	7,766.94	8,931.98
Secured wholesale funding	23,840.56	27,416.64	17,034.33	19,589.48
Additional requirements, of which:				
Outflows related to derivative exposures and other collateral requirements	-	-	-	-
Outflows related to loss of funding on debt products	-	-	-	-
Credit and liquidity facilities	58,344.92	67,096.66	13,333.33	15,333.33
Other contractual funding obligations	9,727.21	11,186.29	16,270.65	18,711.25
Other contingent funding obligations	-	-	-	-
TOTAL CASH OUTFLOWS	**97,328.87**	**1,11,928.20**	**54,405.26**	**62,566.05**
Cash Inflows				
Secured lending	73,013.67	54,760.25	56,443.00	42,332.25
Inflows from fully performing exposures	4,19,457.94	3,14,593.46	5,24,643.42	3,93,482.57
Other cash inflows	19,284.31	14,463.23	4,307.35	3,230.51
TOTAL CASH INFLOWS	**5,11,755.91**	**3,83,816.94**	**5,85,393.77**	**4,39,045.33**
TOTAL HQLA		**1,79,087.52**		**40,761.15**
TOTAL NET CASH OUTFLOWS (Weighted value of Total Cash Outflows - Minimum of (Weighted value of Total Cash Inflows, 75% of Weighted value of Total Cash Outflows)		**27,982.05**		**15,641.51**
LIQUIDITY COVERAGE RATIO (%)		**640.01%**		**260.60%**

a) High Quality Liquid Assets consists of cash on hand and balances with banks in current accounts
b) Weighted Value is calculated at 115% of unweighted outflows and 75% of unweighted inflows

47 Disclosures under the Listing Agreement for Debt Securities

(i) Debenture Trustees:

Trustees for Public Issue
SBICAP Trustee Company Limited
Mistry Bhavan, 4th Floor, 122
Dinshaw Vachha Road,
Churchgate, Mumbai - 400020
Tel : 022-4302 5555
Fax : 022-22040465
Email : corporate@sbicaptrustee.com

Trustees for Perpetual Debt Instrument
Vistra ITCL (India) Limited (formerly IL&FS Trust Company Limited)
The IL&FS Financial Centre,
Plot C- 22, G Block,
Bandra Kurla Complex,
Bandra(E), Mumbai 400051
Tel +91 22 2659 3535
Fax +91 22 26533297
Email: mumbai@vistra.com

Trustees for Listed Private Placement & Public Issue
Catalyst Trusteeship Limited
GDA House, Plot No 85, Bhusari Colony (Right),
Paud Road, Pune – 411 038, Maharashtra
Office: +91 20 2528 0081
Fax: +91 20 2528 0275
Email: dt@ctltrustee.com

Trustees for Public Issue & Private Placement
Vardhman Trusteeship Private Limited
The Capital, 412 A. 4th Floor,
A-Wing, Bandra Kurla Complex
Bandra (East), Mumbai 400 051, Maharashtra
Tel: +91 22 4264 8335
E-mail: corporate@vardhmantrustee.com

(ii)Security:

1. Privately Placed Secured Debentures are secured by subservient charge on all current assets of the Company, both present and future.

2. Covered Bond issued by the Company in the nature of secured, redeemable, listed non-convertible debentures on a private placement basis is secured by way of first ranking pari passu charge by way of mortgage over, certain immovable property of the Company and is covered by receivables against a pool of gold loans originated by the Company amounting to a minimum cover of 1.10 / 1.15 / 1.20 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon. (as more specifically disclosed in Note 17).

3. Debentures issued by way of public issue are secured by exclusive mortgage and first charge over certain immovable property of the Company and subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company, to be held on pari passu basis among the present and / or future NCD holder (as more specifically disclosed in Note 17).

4. Listed Debentures privately placed under Targeted Long-Term Repo Operations (TLTRO) is secured by first pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures. (as more specifically disclosed in Note 17).

(iii) Utilisation of Funds raised by way of Public Issue of Debt Securities:

The Company has utilised the Net Proceeds raised by way of allotment of Public Issue of Debt Securities and other Listed Debt Securities, in accordance with the Objects of such issue of debt securities. As at the years ended March 31, 2022, March 31, 2021 and March 31, 2020, no portion of such allotted proceeds remain unutilized.

(iv)Others:

Particulars	At 31st March 2022	At 31st March 2021	At 31st March 2020
Loans & advances in the nature of loans to subsidiaries	Nil	Nil	1,365.00
Loans & advances in the nature of loans to associates	Nil	Nil	Nil
Loans & advances in the nature of loans where there is-			
(i) no repayment schedule or repayment beyond seven years	Nil	Nil	Nil
(ii) no interest or interest below section 186 of the Companies Act	Nil	Nil	Nil
Loans & advances in the nature of loans to other firms/companies in which directors are interested	-	293.71	239.64

48 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund established under Section 125 of the Companies Act, 2013 as at the years ended March 31, 2022, March 31, 2021 and March 31, 2020.

49 The Board of Directors of the Company at its meeting held on March 23, 2022 has accepted the resignation of Mr. Mathai T.D., Company Secretary and Compliance Officer of the Company with effect from March 31, 2022. The Company has identified a suitable person for being appointed as the Company Secretary, who is expected to assume office with effect from June 02, 2022.

50 **Sustainability Initiatives to support the Environment**

The Company has 19 Wind Turbine Generators installed in Tamil Nadu having a combined power generation capacity of 23.225 Megawatt. During the year ended March 31, 2022, the said windmills generated 311.17 lakhs units of electrical energy (343.94 lakh units during the year ended March 31, 2021, 352 lakh units during the year ended March 31, 2020).

51 Previous year’s figures have been regrouped/rearranged, wherever necessary to conform to current year’s classifications / disclosure.

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MUTHOOT FINCORP LIMITED

Annexure VI - Notes to reformatted standalone financial statements

(Rupees in lakhs, except for share data and unless otherwise stated)

52. Details disclosed under the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Sr. no.	Particulars	As at 31st March 2022		As at 31st March 2021		As at 31st March 2020	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
1	**LIABILITY SIDE**						
	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid						
	a. Debentures						
	Secured	4,04,762.18	246.27	4,46,422.11	208.55	88,029.25	264.25
	Unsecured	-	-	-	-	-	-
	b. Deferred credits	-	-	-	-	-	-
	c. Term loans	4,25,282.88	-	3,83,788.36	-	1,90,872.26	-
	d. Inter-corporate loans and borrowings	-	-	-	-	-	-
	e. Commercial paper	-	-	-	-	-	-
	f. Public Deposits	-	-	-	-	-	-
	g. Other loans:						
	Working capital loans from banks	7,28,506.76	-	7,15,293.05	-	7,78,217.96	-
	Finance Lease Obligation	-	-	-	-	-	-
	Pass Through Certificate	-	-	-	-	-	-
	Loan against Deposits	-	-	-	-	-	-
	Loan from directors	-	-	-	-	-	-
	Perpetual Debt Instruments	38,419.24	-	26,131.54	-	26,090.46	-
	Subordinated Debts	2,28,903.25	3,122.56	2,57,853.26	2,745.08	2,67,275.40	916.15

Sr. no.	Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
2	**ASSET SIDE**			
	Break-up of Loans and advances including bills receivables (Other than those included in (4) below)			
	a. Secured	16,99,919.57	18,42,333.77	13,78,935.22
	b. Un-Secured	1,601.31	2,964.38	12,866.84
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	-	-	-
	(b) Operating Lease	-	-	-
	(ii) Stock on hire including hire charges under sundry debtors			
	(a) Assets on hire	-	-	-
	(b) Repossessed Assets	-	-	-
	(iii) Other loans counting towards AFC activities			
	(a) Loans where assets have been repossessed	-	-	-
	(b) Loans other than (a) above	-	-	-

Sr. no.	Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
4	**Break-up of Investments**			
	Current Investments			
	1. Quoted:			
	i. Shares			
	(a) Equity	1,646.32	1,038.94	872.57
	(b) Preference	-	-	-
	ii. Debentures and Bonds	-	-	-
	iii. Units of Mutual Funds	-	-	-
	iv. Government Securities	-	-	-
	v. Others	465.24	631.11	379.33
	2. Un-Quoted:			
	i. Shares			
	(a) Equity	-	-	-
	(b) Preference	-	-	-
	ii. Debentures and Bonds	-	1,287.91	987.91
	iii. Units of Mutual Funds	-	-	-
	iv. Government Securities	-	-	-
	v. Others	-	-	-
	Long Term Investments			
	1. Quoted:			
	i. Shares			
	(a) Equity	-	-	-
	(b) Preference	-	-	-
	ii. Debentures and Bonds	-	-	-
	iii. Units of Mutual Funds	-	-	-
	iv. Government Securities	-	-	-
	v. Others	-	-	-
	2. Un-Quoted:			
	i. Shares			
	(a) Equity	1,57,993.98	1,55,557.66	1,72,476.36
	(b) Preference	1,197.53	1,181.07	1,103.02
	ii. Debentures and Bonds	987.91	1,000.00	1,300.00
	iii. Units of Mutual Funds	-	-	-
	iv. Government Securities	-	-	-
	v. Others	1,668.09	1,106.90	1,051.80

5 **Borrower group wise classification of assets financed as in (2) & (3) above**

Category	As at 31th March 2022 Amount net of provisions			As at 31th March 2021 Amount net of provisions			As at 31th March 2020 Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total	Secured	Unsecured	Total
1.Related Parties									
a. Subsidiaries	-	-	-	-	-	-	-	1,414.01	1,414.01
b. Companies in the same group	-	-	-	-	-	-	-	200.84	200.84
c. Other related parties	19,961.55	-	19,961.55	19,961.55	293.71	20,255.25	19,961.55	39.94	20,001.49
2.Other than related Parties	16,79,958.02	1,601.31	16,81,559.34	18,22,372.22	2,670.67	18,25,042.89	13,58,973.67	11,212.05	13,70,185.72
Total	**16,99,919.57**	**1,601.31**	**17,01,520.88**	**18,42,333.77**	**2,964.38**	**18,45,298.14**	**13,78,935.22**	**12,866.84**	**13,91,802.06**

6 **Investor group-wise classification of all investments (Current and Long term) in shares and securities (both quoted and unquoted);**

Category	Market value/Breakup or Fair value or NAV	Book Value (Net of Provisions)	Market value/Breakup or Fair value or NAV	Book Value (Net of Provisions)	Market value/Breakup or Fair value or NAV	Book Value (Net of Provisions)
	As at 31st March 2022		As at 31st March 2021		As at 31st March 2020	
1.Related Parties						
a. Subsidiaries	1,57,771.74	1,57,771.74	1,55,542.14	1,55,542.14	1,72,471.13	1,72,471.13
b. Companies in the same group	24.14	24.14	15.52	15.52	5.23	5.23
c. Other related parties	198.10	198.10	-	-	-	-
2.Other than related Parties	7,172.52	5,965.08	7,453.37	6,245.93	6,902.06	5,694.62
Total	**1,65,166.50**	**1,63,959.06**	**1,63,011.03**	**1,61,803.59**	**1,79,378.43**	**1,78,170.99**

7 **Other Information**

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(i) Gross Non-Performing Assets			
(a) Related Parties	-	-	-
(b) Other than related parties	49,959.29	35,958.45	26,260.47
(ii) Net Non-Performing Assets			
(a) Related Parties	-	-	-
(b) Other than related parties	27,190.39	18,937.66	8,569.29
(iii) Assets Acquired in satisfaction of debt	-	-	-

Additional Disclosure requirements as per Master Direction DNBR. PD. 008/03.10.119/2016-17, September 01, 2016

1 **Capital Adequacy Ratio**

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
CRAR (%)	19.42%	16.85%	19.56%
CRAR – Tier I Capital (%)	14.73%	12.09%	13.04%
CRAR – Tier II Capital (%)	4.69%	4.76%	6.52%
Amount of subordinated debt raised as Tier-II capital (eligible amount, restricted to 50% of Tier-I capital)	75,948.24	88,843.99	1,00,937.72
Amount raised by issue of Perpetual Debt Instruments	39,900.00	26,400.00	26,400.00

The percentage of Tier I PDI to the Tier I Capital of the Company as at 31st March 2022 is 13.49% (31st March 2021 - 10.77%, 13.08% as at March 31, 2020). PDI in excess of 15% of the previous year Tier I Capital has been considered under Tier II Capital.

2 **Investments**

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Value of Investments			
(i) Gross Value of Investments			
(a) In India	1,65,166.50	1,63,011.03	1,79,378.43
(b) Outside India	-	-	-
(ii) Provisions for Depreciation			
(a) In India	(1,207.44)	(1,207.44)	(1,207.44)
(b) Outside India	-	-	-
(iii) Net Value of Investments			
(a) In India	1,63,959.06	1,61,803.59	1,78,170.99
(b) Outside India	-	-	-

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Movement of provisions held towards depreciation of investments			
(i) Opening Balance	(1,207.44)	(1,207.44)	-
(ii) Add: Provisions made during the year	-	-	(1,207.44)
(iii) Less: Write off/write back of excess provisions during the year	-	-	-
(iv) Closing balance	(1,207.44)	(1,207.44)	(1,207.44)

3 **Derivatives**

The Company did not have any Derivative transaction during the year.

4 **Securitisation**

Details of Securitisation undertaken by the Company

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(i) Number of accounts	-	35,166	1,21,631.00
(ii) Aggregate value (net of provisions) of accounts sold	-	9,996.74	37,247.41
(iii) Aggregate consideration	-	9,996.74	37,247.41
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
(v) Aggregate gain / loss over net book value	-	-	-

Details of Direct Assignment of Cash Flow transactions undertaken by the Company

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(i) Number of accounts	-	5,13,386	15,69,967
(ii) Aggregate value (net of provisions) of accounts sold	-	2,13,992.78	5,43,646.71
(iii) Aggregate consideration	-	2,13,992.78	5,43,646.71
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
(v) Aggregate gain / loss over net book value	-	14,552.26	19,394.52

5 **Asset Liability Management Maturity pattern of certain items of Assets & Liabilities**

As at March 31, 2022

Description	Up to 1 month	>1 to 2 month	>2 to 3 months	>3 to 6 months	6months to 1 yr	>1 to 3 yrs	>3 to 5 yrs	>5 yrs	Total
Advances	3,04,798.95	79,406.84	97,001.38	5,72,922.41	6,16,234.92	2,805.44	199.48	28,151.47	17,01,520.88
Investments	2,111.56	-	-	-	-	1,511.72	-	1,60,335.78	1,63,959.06
Borrowings	70,673.48	43,862.32	53,776.81	1,66,605.83	7,82,516.06	4,66,380.03	95,770.15	91,887.99	17,71,472.68
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

As at March 31, 2021

Description	Up to 1 month	>1 to 2 month	>2 to 3 months	>3 to 6 months	6months to 1 yr	>1 to 3 yrs	>3 to 5 yrs	>5 yrs	Total
Advances	5,40,998.80	2,04,642.57	2,41,958.80	6,82,489.84	1,46,159.59	8,460.61	1,648.78	18,939.15	18,45,298.14
Investments	2,657.96	-	-	-	300.00	1,106.90	1,000.00	1,56,738.73	1,61,803.59
Borrowings	13,068.73	16,386.70	2,27,287.02	1,62,376.29	7,53,295.10	4,66,721.14	87,477.12	58,323.27	17,84,935.37
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

As at March 31, 2020

Description	Up to 1 month	>1 to 2 month	>2 to 3 months	>3 to 6 months	6months to 1 yr	>1 to 3 yrs	>3 to 5 yrs	>5 yrs	Total
Advances	39,444.38	-	1,45,674.97	4,47,900.74	7,21,787.23	26,438.94	200.00	10,355.80	13,91,802.06
Investments	2,239.80	-	-	-	-	421.80	1,930.00	1,73,579.38	1,78,170.99
Borrowings	1,131.67	24,898.99	19,924.04	1,81,913.98	5,00,291.52	3,99,194.99	1,35,456.85	51,782.03	13,14,594.06
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

6 Exposures

Exposure to Real Estate Sector

Category	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
a. Direct Exposure			
i. Residential Mortgages			
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	6,790.06	6,837.25	9,827.37
ii. Commercial Real Estates			
Lending secured by mortgages on commercial real estate (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.	-	-	-
iii. Investments in Mortgage Backed Securities (MBS) and other securitized exposures			
a. Residential	-	-	
b. Commercial Real Estate	-	-	
b. Indirect exposure			
(i) Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	16,986.37	16,986.37	14,068.53
(ii) Others	56,236.71	59,236.71	59,236.71
Total Exposure to Real Estate Sector	**80,013.14**	**83,060.33**	**83,132.62**

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Exposure to Capital Market

Category	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(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;	1,646.32	1,038.94	872.57
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security ;	-	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-	-
Total Exposure to Capital Market	**1,646.32**	**1,038.94**	**872.57**

7 Miscellaneous

Registration obtained from other financial sector regulators
The company has not obtained registrations from any other financial sector regulators during the year.

Disclosure of Penalties imposed by RBI and other regulators
No penalty was imposed on the Company during the year.

Policy on dealing with Related Party Transactions
The Related Party transactions are entered into complying with the relevant provisions of the Companies Act, 2013.

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Ratings assigned by credit rating agencies and migration of ratings during the year

The Company's Long Term Credit Rating by CRISIL was upgraded to CRISIL A+/Stable from CRISIL A/Stable in FY2020-21 as compared to FY2019-20 and has remain unchanged at CRISIL A+/Stable in FY2021-22. The Long Term Credit Rating by Brickwork stood at BWR A+(outlook stable) for the years FY2021-22, FY2020-21 and FY2019-20. The latest debt-wise Rating of the Company are as below:

Type	Rating (2021-22)	Date of Rating	Rating (2020-21)	Date of Rating	Rating (2019-20)	Date of Rating
Short Term Rating	CRISIL A1+	28/02/2022	CRISIL A1+	March 16, 2021	CRISIL A1	March 02,2020
	BWR A1+	15/03/2022	BWR A1+	March 09, 2021	BWR A1+	March 02,2020
Long Term Rating	CRISIL A+/Stable	02/03/2022	CRISIL A+/Stable	March 18, 2021	CRISIL A/Stable	Nov 18,2019
Long Term Rating	BWR A+ (outlook stable)	15/03/2022	BWR A+ (outlook stable)	January 07,2021	BWR A+ (outlook stable)	Jan 07,2020
Perpetual Debt Instruments	CRISIL A-/Stable	15/03/2022	CRISIL A-/Stable	March 16, 2021	CRISIL BBB+/ Stable	Nov 18,2019
	BWR A/Stable	15/03/2022	BWR A/Stable	January 07,2021	BWR A/Stable	Jan 7,2020
Subordinate Debt	CRISIL A+/Stable	15/03/2022	Withdrawn on redemption	March 17, 2021	CRISIL A/Stable	Nov 18,2019
	BWR A+/Stable	15/03/2022		-	-	-
Non-Convertible Debentures (NCD)	CRISIL A+/Stable	15/03/2022	CRISIL A+/Stable	March 16, 2021	CRISIL A/Stable	Dec 26,2019
	BWR A+/Stable	15/03/2022	BWR A+/Stable	January 07,2021	BWR A+/Stable	Dec 12,2019
Covered Bond	CRISIL AA+ (CE)/ Stable	08/06/2020	CRISIL AA+ (CE)/ Stable	March 19 ,2021	CRISIL AA+ (CE)/ Stable	March 17,2020

Remuneration of Directors – Non-Executive Director

The Company has paid INR 500.00 to Mr. Thomas George Muthoot, Non-Executive Director of the Company during the year (INR 132 in FY2020-21, INR 132 in FY2019-20). Remuneration (other than Sitting Fee) has not been paid to any of the other Non-Executive Directors.

Draw down from Reserves

There are no drawdown reserves from statutory reserves during the year ended March 31, 2022, March 31, 2021 and March 31, 2020.

8 Provisions and Contingencies

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Break-up of Provision and contingencies in statement of profit and loss			
Provision towards NPA	5,748.11	(670.40)	103.46
Provisions for depreciation on Investment	-	-	1,207.44
Provision made towards current tax	13,719.62	13,504.00	9,463.18
Provision for Gratuity & Leave Encashment	733.03	670.61	798.17
Provision for Standard Assets	1,404.62	2,099.40	1,738.04

9 Additional Disclosures

Concentration of Advances

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Total Advances of twenty largest borrowers	34,046.06	34,421.55	35,923.04
Percentage of Advances of twenty largest borrowers to Total Advances of the NBFC	1.97%	1.84%	2.70%

Concentration of Exposures

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Total Exposure of twenty largest borrowers / customers	34,123.19	34,487.80	36,405.14
Percentage of Exposure of twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	1.97%	1.85%	2.57%

Concentration of NPA's

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Total Exposure to top four NPA accounts	9,413.05	9,365.31	9,350.68

Sector-wise NPA's

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
1. Agriculture & allied activities	21,758.28	9,526.78	8,319.90
2. MSME	13,146.36	10,163.16	3,782.00
3. Corporate borrowers	13,747.04	14,428.83	12,334.49
4. Services	-	-	-
5. Unsecured personal loans	1,307.60	1,839.67	1,824.08
6. Auto loans	-	-	-
7. Other personal loans	-	-	-

Movement of NPA's

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(i) Net NPAs to Net Advances (%)	1.59%	1.01%	0.62%
(ii) Movement of NPAs (Gross)			
Opening balance	35,958.45	26,260.47	31,719.35
Additions during the year	5,12,465.17	1,29,838.69	1,16,988.65
Reductions during the year	4,98,464.33	1,20,140.72	1,22,447.53
Closing balance	49,959.29	35,958.45	26,260.47
(iii) Movement of Net NPAs			
Opening balance	18,937.66	8,569.29	14,131.63
Additions during the year	2,78,909.65	68,380.08	39,276.04
Reductions during the year	2,70,656.92	58,011.71	44,838.38
Closing balance	27,190.39	18,937.66	8,569.29
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)			
Opening balance	17,020.78	17,691.18	17,587.72
Additions during the year	2,33,555.52	61,458.62	77,712.61
Write-off / write-back of excess provisions	2,27,807.41	62,129.01	77,609.15
Closing balance	22,768.90	17,020.78	17,691.18

Off-Balance Sheet SPV's sponsored (March 31, 2022, March 31, 2021; March 31, 2020)

Name of the SPV Sponsored	
Domestic	Overseas
Nil	Nil

Disclosure of Customer Complaints

Particulars	2021-22	2020-21	2019-20
Number of complaints pending at the beginning of the year	57	14	13
Number of complaints received during the year	9250	5145	2193
Number of complaints redressed during the year	9268	5102	2192
Number of complaints pending at the end of the year	39	57	14

MATERIAL DEVELOPMENTS

Other than as disclosed elsewhere in this Prospectus and hereinafter below, there have been no material developments since June 30, 2022 and there have arisen no circumstances that materially or adversely affect the operations, or financial condition or profitability of our Company or the value of its assets or its ability to pay its liabilities within the next 12 months:

1. The Company has issued unsecured, unlisted, rated, perpetual debt instruments aggregating to ₹ 25,00 lakhs on July 12, 2022.

2. The Company has issued unsecured, unlisted, rated, subordinate debt instruments aggregating to ₹ 2500 lakhs on July 13, 2022.

3. The Company has issued unsecured, unlisted, rated, subordinate debt instruments aggregating to ₹ 2500 lakhs on July 18, 2022.

FINANCIAL INDEBTEDNESS

The outstanding borrowings of our Company as on June 30, 2022, are as follows:

(₹ in lakhs)

Sr. No.	Nature of Borrowings	Amount Outstanding	%
1	Secured borrowings	15,56,724.73	87
2	Unsecured borrowings	235,448.10	13
Total Borrowings		**17,92,172.83**	100

DETAILS OF BORROWINGS OF THE COMPANY, AS ON THE LATEST QUARTER ENDED, I.E. JUNE 30, 2022:

(a) **Details of Secured Borrowings**

Our Company's secured borrowings, amounts to ₹ 15,56,724.73 lakhs as on June 30, 2022 on an unconsolidated basis. The details of the borrowings are set out below:

1. Term Loans from Banks:

(₹ in lakhs)

Sr. No.	Lender's Name	Amount Sanctioned	Amount outstanding as on June 30, 2022	Repayment schedule and pre-payment penalty, if any	Security
1	State Bank of India	12.00	3.69	Tenure of 84 months	Secured against vehicle-HONDA BR-VV CV IVTEC (BASE)
2	State Bank of India	32.00	5.05	Tenure of 84 months	Secured against vehicle-Ford New Endeavour-3.2.1.4*4 Titanium AT-Diesel Car
3	Yes Bank	30,000.00	7817.84	Repayment in 28 quarters from the date of disbursement including 2 quarters of moratorium.	Equitable mortgage of collateral property as acceptable to YES Bank with minimum 1.25 cover.
	TOTAL	**30,044.00**	**7826.58**		

2. Working Capital Term Loans from Banks:

(₹ in lakhs)

Sr. No.	Lender's Name	Amount Sanctioned	Amount outstanding as on June 30, 2022	Repayment schedule and pre-payment penalty, if any	Security
1.	Bank of Baroda	10,000.00	1,000.00	Tenor of 30 months, repayable in 10 equal quarterly installments.	Pari-passu charge on book debts, loan receivables/current assets of the company, both present and future to the extent of 1.18 times, of the loan amount, with other banks/Financial institutions.
2.	Bank Of India	30,000.00	9000.00	Tenor of 36 months with initial moratorium of 6 months, repayable in 10 equal quarterly installments.	First Pari-passu charge on receivable (present and future) of the company to the extent of 1.10 times
3.	Central Bank of India	30,000.00	2,913.00	Tenor of 36 months with initial moratorium of 6 months, repayable in 10 equal quarterly installments.	First charge on pari passu basis on entire current assets of the company with minimum security coverage margin of 25% the loan amount.

Sr. No.	Lender's Name	Amount Sanctioned	Amount outstanding as on June 30, 2022	Repayment schedule and pre-payment penalty, if any	Security
4.	Punjab National Bank (Erstwhile Oriental Bank of Commerce)	10,000.00	1,642.00	Tenor of 30 months Repayable in 6 equal quarterly instalments after the moratorium of 12 months	First charge on a pari-passu basis on hypothecation of gold loan receivables with Minimum coverage of 1.18 times
5.	Punjab and Sind Bank	10,000.00	7,000.00	10 equal quarterly repayment after moratorium of 2 quarters	First charge on pari-passu basis on standard receivables by way of hypothecation with minimum security cover of 1.11 times the loan amount.
6.	State Bank of India	35,000.00	21,000.00	Tenor of 36 months with initial moratorium of 6 months, repayable in 10 equal quarterly instalments.	First charge on pari-passu basis on entire current assets of the company including gold loan receivables with all banks (gold loan receivables of 1.15 times of the limit)
7.	UCO Bank	20,000.00	6,890.00	Tenor of 4 years with initial moratorium of 3 months, repayable in 16 equal quarterly instalments.	Pari-passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.10 times.
8.	UCO Bank	10,000.00	4,992.00	Tenor of 4 years with initial moratorium of 3 months, repayable in 16 equal quarterly instalments.	Pari-passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.10 times.
9.	UCO Bank*	20,000.00	8,732.00	Tenor of 4 years with initial moratorium of 3 months, repayable in 16 equal quarterly instalments.	Pari-passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.10 times.
10.	UCO Bank	12,500.00	8,590.00	Tenor of 4 years with initial moratorium of 3 months, repayable in 16 equal quarterly instalments.	Pari-passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.10 times.
11.	Bank of Baroda**	30,000.00	12,500.00	Tenor of 36 months with initial moratorium of 6 months, repayable in 10 equal quarterly instalments.	Pari passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.18 times.
12.	Indian bank	30,000.00	15,000.00	Tenor of 3years with initial moratorium of 6 months, repayable in 10 equal quarterly instalments.	Pari passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.18 times.
13.	Canara Bank	47,500.00	21,590.00	Tenor of 3 years with initial moratorium of 3 months, repayable in 11 Structured quarterly instalments.	Pari passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.25 times.
14.	Central Bank of India	15,000.00	9,332.00	Tenor of 2.5 years with initial moratorium of 6 months, repayable in 8	First charge on pari passu basis on gold loan receivables of the company with minimum security coverage margin of 25% the loan amount.

Sr. No.	Lender's Name	Amount Sanctioned	Amount outstanding as on June 30, 2022	Repayment schedule and pre-payment penalty, if any	Security
				equal quarterly installments.	
15.	Ujjivan Small Finance Bank	6,500.00	1,300.00	5 equal quarterly instalment with 3 months moratorium	First charge on pari-passu.and continuing charge on the loan receivable with minimum security cover of 1.10 times of the value of the outstanding amounts of the facility
16.	Bank of Maharashtra	15,000.00	9,000.00	Repayable in 10 equal quarterly instalments	First Pari-passu Hypothecation charge on standard loan receivables with minimum security coverage of 1.25 times of the exposure at all times
17.	Canara Bank	30,000.00	27,000.00	Tenor of 3years with initial moratorium of 6 months, repayable in 10 equal quarterly instalments.	Pari passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.25 times.
18.	Central Bank of India	30,000.00	26,981.00	Tenor of 3 years with initial moratorium of 6 months, repayable in 10 equal quarterly installments.	First charge on pari passu basis on gold loan receivables of the company with minimum security coverage margin of 25% the loan amount.
19.	Indian bank***	25,000.00	20,002.00	Tenor of 3years with initial moratorium of 6 months, repayable in 30 equal monthly instalments.	Pari passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 15% margin.
20.	Punjab and Sind Bank	15,000.00	13,500.00	Tenor of 3 years with initial moratorium of 6 months, repayable in 10 equal quarterly installments.	First charge on pari-passu basis on standard receivables by way of hypothecation with minimum security cover 10% margin
21.	UCO Bank****	15,000.00	11,688.00	Tenor of 4 years with initial moratorium of 3 months, repayable in 16 equal quarterly instalments.	Pari-passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.10 times.
22.	Bajaj Finance Ltd	3,500.00	1,750	Tenor of 2 years, repayable in 24 equal monthly instalments	Pari-passu charge on gold loan receivables of the company with minimum asset cover maintained at 1.20 times
23.	State Bank of India	32,500.00	32,500	Tenor of 36 months with initial moratorium of 6 months, repayable in 10 equal quarterly instalments.	First charge on pari-passu basis on entire current assets of the company including gold loan receivables with all banks (gold loan receivables of 1.15 times of the limit)
24.	Axis bank	27500.00	27500.00	Tenor of 24 months with initial moratorium of 6 months, repayable in 7 equal quarterly instalments.	Pari passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.25 times.
25.	Indian bank	20,000.00	20000.00	Tenor of 48 months with initial	Pari passu charge on gold & other loan receivables of the

Sr. No.	Lender's Name	Amount Sanctioned	Amount outstanding as on June 30, 2022	Repayment schedule and pre-payment penalty, if any	Security
				moratorium of 3 months, repayable in 15 equal quarterly instalments.	company with minimum asset cover maintained at 1.18 times
26.	Punjab National Bank	50,000.00	49993	Tenor of 36 months Repayable in 3 equal quarterly instalments after the moratorium of 11 months	First paripassu hypothecation charge on standard receivables and on entire chargeable current assets with Minimum coverage of 1.18 times
27.	Punjab and Sind Bank	16,000.00	16000	Tenor of 3 years with initial moratorium of 6 months, repayable in 10 equal quarterly installments.	First charge on pari-passu basis on standard receivables by way of hypothecation with minimum security cover 10% margin
28.	UCO Bank	20,000.00	18750	Tenor of 4 years with initial moratorium of 3 months, repayable in 16 equal quarterly instalments.	Pari-passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.10 times.
29.	DBS Bank India Limited	20000.00	10000.00	Tenor of 2 years with initial moratorium of 3 months, repayable in 21 equal monthly instalments	First paripassu hypothecation charge on standard loan receivables with Minimum coverage of 1.25 times
30.	Ujjivan Small Finance Bank	5000.00	5000	Tenor of 2 years - 7equal quarterly instalment with 3 months moratorium	First charge on pari-passu.and continuing charge on the loan receivable with minimum security cover of 1.10 times of the value of the outstanding amounts of the facility
31.	Canara Bank	20,000.00	20,000.00	Tenor of 3years with initial moratorium of 3 months, repayable in 11 equal quarterly instalments.	Pari passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.25 times.
32.	Central Bank of India	30,000.00	10000	Tenor of 2.5 years with initial moratorium of 3 months, repayable in 10 equal quarterly installments.	First charge on pari passu basis on gold loan receivables of the company with minimum security coverage margin of 20% the loan amount.
	TOTAL	**6,91,000.00**	**4,51,145.00**		

**Our Company has repaid ₹650.00 lakhs on July 1, 2022 towards the loan availed from UCO Bank.*

***Our Company has repaid ₹500.00 lakhs on July 1, 2022 and ₹300 lakhs on July 13, 2022 towards the loan availed from Bank of Baroda.*

****Our Company has repaid ₹833.33 lakhs on July 13, 2022 towards the the loan availed from Indian Bank.*

*****Our Company has repaid ₹437.50 lakhs on July 1, 2022 towards the loan availed from UCO Bank.*

3. Cash Credit / Working Capital Loans/ Working Capital Demand Loans/ Short Term Loans from Banks

(₹ in lakhs)

Sr. No.	Lender's name	Amount Sanctioned	Amount outstanding as on June 30, 2022	Repayment Schedule and pre-payment penalty, if any	Security
1	Indian bank	55,000.00	52,295.00	On Demand	First pari-passu charge on Hypothecation on Gold loan Receivables and entire other current assets of the company with other lenders i.e. 20% margin
2	Union Bank of India Erstwhile Andhra Bank	3,000.00	2,144.00	On Demand	First charge on a pari-passu basis on the present and future gold loan receivables and entire current assets of the Company, with a margin of 15%, by way of hypothecation
3	Axis Bank	22,500.00	0.00	On Demand	First charge on a pari-passu basis of gold loan receivables of the Company, with a margin of 20% for gold loan receivables, by way of hypothecation.
4	Bank of Baroda	45,000.00	43,400.00	On Demand	Pari passu charge on book debts, loan receivables/ current assets of the company (both present and future) to the extent of 1.18 times of loan amount with other bank/ financial institution; pari-passu charge with lenders on secured public / privately places NCDs (present and prospective
5	Bank of India	20,000.00	19,450.00	On Demand	First charge on pari-passu basis on book debts and other current assets of the company, with a margin of 15%, i.e. security cover of 1.18 times.
6	Bank of Maharashtra	11,250.00	1,0000.00	On Demand	First Pari-passu Hypothecation charge on receivables and entire chargeable current assets of the company (both present and future) with other member banks by way of hypothecation with minimum security coverage of 1.15 times of the loan amount.
7	Canara Bank	2,500.00	1,882.00	On Demand	First pari-passu charge on the entire current assets of the Company (including

Sr. No.	Lender's name	Amount Sanctioned	Amount outstanding as on June 30, 2022	Repayment Schedule and pre-payment penalty, if any	Security
					assets receivables) along with other working capital lenders and the debenture holders with a margin of 20%, by way of hypothecation.
8	Central Bank of India	30,000.00	28,789.00	On Demand	First Pari-passu charge on Gold loan Receivables of the company along with the other working capital /short term lenders with margin of 20% on Gold loans Receivables
9	City Union Bank Ltd	2,500.00	2,225.00	On Demand	First charge on a pari-passu basis on the current assets including gold loan receivables of the Company, with a margin of 25%, by way of hypothecation.
10	Federal Bank	15,000.00	14,500.00	On Demand	Hypothecation and pari-passu first charge on the current assets, major portion of which is gold loan receivables with other lenders, with a margin of 15%,
11	IDBI Bank Ltd	35,000.00	34,128.00	On Demand	First charge on a pari-passu basis on the present and future current assets of the Company, with a margin of 15%, by way of hypothecation.
13	Indian Overseas Bank	30,000.00	28,778.00	On Demand	First charge on a pari-passu basis on the present and future gold loan receivables and current assets of the Company along with secured debenture holders and other working capital lenders, with a margin of 20%, by way of hypothecation.
14	Indus Ind Bank	40,000.00	38,500.00	On Demand	First charge on pari-passu basis on current assets, book debts, loans and advances and receivables including gold loan receivables with a margin of 15% gold loan receivables (security cover 1.18*)
15	Karnataka Bank	5,000.00	4,610.00	On Demand	First charge on a pari-passu basis current assets and gold loan receivables and

Sr. No.	Lender's name	Amount Sanctioned	Amount outstanding as on June 30, 2022	Repayment Schedule and pre-payment penalty, if any	Security
					other current assets of the Company, with a margin of 15% on current assets, by way of hypothecation.
16	Karur Vysya Bank	12,500.00	12,000.00	On Demand	First Pari-passu charge on Current assets, book debts, loans and advances and receivables including gold loan receivables with a margin of 15% (i.e. 1.18times)
17	DBS Bank (Erstwhile Lakshmi Vilas Bank)	6,000.00	-	On Demand	Pari-passu charge against assignment / hypothecation of the company's receivables arising out of gold loans extended with other lenders with a minimum coverage of 1.10 times of gold loan receivables by way of hypothecation.
18	Punjab National Bank	1,40,000.00	1,38,214.00	On Demand	First charge on a pari-passu basis on the entire current assets, book debt receivables both present and future including gold loan receivables of the Company, with a margin of 20%, by way of hypothecation.
19	South Indian Bank	22,500.00	21,504.00	On Demand	Pari passu charge on gold loan receivables along with other working capital lenders and debenture holders, with a margin of 15% on gold loan receivables, by way of hypothecation.
20	State Bank of India	1,40,000.00	1,37,480	On Demand	Primary Security: First charge on a pari-passu basis on the present and future current assets including receivables along with other lenders, with a margin of 20%, by way of hypothecation of receivables Collateral and first charge over four properties owned by the Promoters situated in (a) Vizinjam village, Thiruvananthapuram; (b) Kovalam Thiruvananthapuram; (c) Vattiyoorkavu village, Thiruvananthapuram; and

Sr. No.	Lender's name	Amount Sanctioned	Amount outstanding as on June 30, 2022	Repayment Schedule and pre-payment penalty, if any	Security
					(d) Sasthamangalam village
21	Union Bank of India	1,42,000.00	1,42,000.00	On Demand	First charge on a pari-passu basis on the present and future gold loan receivables and entire current assets of the Company, with a margin of 15%, by way of hypothecation
22	Tamilnad Mercantile Bank	5,000.00	5,000.00	On demand	Drawing shall be allowed only against gold loan receivables, with minimum security coverage of 1.18 times of the loan amount
23	Dhanlaxmi Bank	3,000.00	3,000.00	On Demand	First pari-passu charge by way of hypothecation of all chargeable current assets, loans and receivables including gold loan receivables of the company present and future with other member banks and debenture holders with 20% margin.
24	DCB Bank	6,500.00	6,500.00	On Demand	First pari-passu charge on receivables/book debts (pertaining to Gold Loan book) other than those specifically charged to other lenders covering 110% of exposure at all times.
25	HDFC Bank	20,000.00	20,000.00	On Demand	First charge on a pari-passu basis on the present and future gold loan receivables and entire current assets of the Company, with a margin of 15%, by way of hypothecation
	TOTAL	**8,14,250.00**	**7,66,399.00**		

(b) **Private Placement of non-convertible debentures, as on June 30, 2022**

1. The Company has issued, on private placement basis, secured redeemable non-convertible debentures under various series of which ₹ 88 lakhs was cumulatively outstanding as on June 30, 2022, the details of which are set forth below:

Sr. No.	Description	Date of Allotment	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	Amount outstanding as June 30, 2022 (₹ in lakhs)	Redemption/ Maturity Date	Security
1.	Secured, Redeemable,	October 1, 2018	60 Months	9%	NIL	88	October 1, 2023	Subservient charge on all current assets of the

Sr. No.	Description	Date of Allotment	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	Amount outstanding as June 30, 2022 (₹ in lakhs)	Redemption/ Maturity Date	Security
	Non-Convertible Debentures MFL 21							company both present and future with a minimum asset cover ratio of 1.0 times to be maintained during the entire tenure of the NCD.

2. The Company has issued covered bonds in the nature of secured, redeemable, listed, non-convertible debentures on a private placement basis, of which ₹94,375 lakhs was cumulatively outstanding as on June 30, 2022, the details of which are set out below:

Sr. No.	Series of NCD	Date of Allotment	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	Amount outstanding as June 30, 2022 (₹ in lakhs)	Redemption/ Maturity Date
1.	Rated, Listed, Senior, Secured, Redeemable, Principal Protected Market-Linked, Non-Convertible Debentures	February 4, 2021	26 Months	8.50%	CRISIL PP-MLD AA+r (CE)/Stable	10,000.00	April 4, 2023
2.	Rated, Listed, Senior, Secured, Redeemable, Principal Protected Market-Linked, Non-Convertible Debentures	March 16, 2021	36 Months	8.75%	CRISIL PP-MLD AA+r (CE)/Stable	22,500.00	March 16, 2024
3.	Rated, Listed Senior, Secured Redeemable, Principal Protected Market-Linked, Non-Convertible Debentures	March 17, 2021	24 Months	8.75%	CRISIL PP-MLD AA+r (CE)/Stable	10,000.00	March 17, 2023
4.	Rated, Listed, Senior, Secured, Redeemable, Principal Protected Market-Linked, Non-Convertible Debentures	June 29, 2021	30 Months & 5 Days	8.75%	CRISIL PP-MLD AA+r (CE)/Stable	30,000.00	January 3, 2024
5.	Unrated, Unlisted, Senior, Secured, Redeemable, Non-	August 17, 2021	12 Months & 5 Days	7.00%	NIL	1,875.00	August 22, 2022

	Convertible Debentures						
6.	Rated, Listed, Senior, Secured, Redeemable, Principal Protected Market-Linked, Non-Convertible Debentures	December 15, 2021	1 year & 9 Months	7.75%	CRISIL PPMLD A+r/Stable	20,000.00	September 15, 2023

Security for allotment on February 4, 2021: Secured by way of first ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.15 (One Decimal Point One Five) times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon*

Security for allotment on March 16, 2021: Secured by way of first ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.15 (One Decimal Point One Five) times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon*

Security for allotment on March 17, 2021: Secured by way of first ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.20 (One Decimal Point Two Zero) times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon*

Security for allotment on June 29, 2021: Secured by way of first ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.20 (One Decimal Point Two Zero) times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon.*

Security for allotment on August 17, 2021: Secured by way of First and exclusive charge by way of hypothecation over Cover Pool to be created upfront by the Trust, in favour of debenture trustee. Hypothecation over: (i) right, title and interest of the borrower in the property belonging to the Trust, as a residual beneficiary; and (ii) in the event that the transfer of the assets from the borrower to the Trust is reversed for any reason whatsoever, then all right, title and interest of the borrower in the said assets by the borrower, in favour of debenture trustee. Hypothecation over: (i) right, title and interest of the borrower in the property belonging to the Trust, as a residual beneficiary; and (ii) in the event that the transfer of the assets from the borrower to the Trust is reversed for any reason whatsoever, then all right, title and interest of the borrower in the said assets by the borrower, in favour of debenture trustee. First and exclusive charge by way of hypothecation over Collection & Payout (C&P) Account to be created upfront by the Trust in favour of debenture Trustee.*

Security for allotment on December 15, 2021: Secured by way of a first ranking floating charge over present and future loan receivables due to the Company from Obligors in connection with the Eligible Loans, as defined in the respective deed of hypothecation dated December 15, 2021, in faviour of the debenture trustee (acting for and on behalf of the debenture holders), to be shared on a pari-passu basis with certain lenders of the Company as security such that the security cover of 1.10x (One Decimal Point One Zero Times) of the outstanding principal plus accrued interest/obligations if any of the debentures shall be maintained at all times until the redemption of the debentures.*

3. The Company has issued NCDs in the nature of secured, redeemable, listed non-convertible debentures on a private placement basis, of which ₹ 10,000.00 lakhs was cumulatively outstanding as on June 30, 2022, the details of which are set out below*:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2022	Amount outstanding as June 30, 2022 (₹ in lakhs)	Redemption / Maturity Date
1	Rated Listed Senior Secured Redeemable Non-Convertible Debentures	May 28, 2020	INE549K07642	36 Months	9.75%	CRISIL A+/Stable	1	10,000.00	May 28, 2023

Security(1) First Pari-passu charge on the present and future standard loan receivables along with other lenders and NCD investors with a minimum asset coverage ratio of 1.1 X time of the value of the outstanding principal amounts of the Debentures and it shall be maintained at all times until the redemption of the Debentures. The security shall be created in ROC within 30 days from the deemed date of allotment.*

(b) **Secured Non-Convertible Debentures – Public Issue as on June 30, 2022**

1. The Company has issued 50,00,000 secured, redeemable bonds in the nature of non-convertible debentures and allotted 41,703.81 lakhs by way of public issue pursuant to the prospectus dated September 13, 2019, the details of which are set out below*:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2022	Amount outstanding as on June 30, 2022 (₹in lakhs)	Redemption / Maturity Date
1	Secured, Redeemable, Listed, Rated Non-Convertible Debentures	October 25, 2019	INE549K07436	400 Days	9.00%	BRICKWORK RATING BWR A+	Nil	Nil	November 27, 2020
2			INE549K07444	24 Months	9.25%		Nil	Nil	October 25, 2021
3			INE549K07451	36 Months	9.50%		1,820,00	7,061.50	October 25, 2022
4			INE549K07469	24 Months	9.50%		Nil	Nil	October 25, 2021
5			INE549K07477	36 Months	10.00%		856	2,476.33	October 25, 2022
6			INE549K07485	400 Days	9.25%		Nil	Nil	November 27, 2020
7			INE549K07493	24 Months	9.50%		Nil	Nil	October 25, 2021
8			INE549K07501	36 Months	10.00%		6,490.00	18,058.70	October 25, 2022

**Security: (i) subservient charge on certain loan receivables (both present and future) of the company in favour of Debenture Trustee; and (ii) exclusive mortgage and first charge over the immovable property admeasuring5.19 cents situated at Survey No: 537, Samugarengapuram Village, Radhapuram Taluk, Tirunelveli District, Tamilnadu.*

2. The Company has issued 48,00,000 secured, redeemable bonds in the nature of non-convertible debentures and allotted debentures of ₹ 32,161.24 lakhs by way of public issue pursuant to the prospectus dated January 6, 2020, the details of which are set out below*:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2022	Amount outstanding as on June 30, 2022 (₹ in lakhs)	Redemption / Maturity Date
1	Secured, Redeemable, Listed, Rated Non-Convertible Debentures	February 7, 2020	INE549K07519	400 Days	9.00%	“A+/ Stable” by CRISIL Ratings Limited and “BWR A +” Outlook: Stable)’ by Brickwork Ratings India Private Limited	Nil	Nil	March 13, 2021
2			INE549K07527	24 Months	9.25%		Nil	Nil	February 7, 2022
3			INE549K07535	38 Months	9.40%		871	3,123.69	April 9, 2023
4			INE549K07543	60 Months	9.50%		669.00	2,631.89	February 7, 2025
5			INE549K07550	24 Months	9.65%		Nil	Nil	February 7, 2022
6			INE549K07568	38 Months	9.90%		474	1,044.06	April 8, 2023
7			INE549K07576	60 Months	10.00%		337	891.00	February 7, 2025
8			INE549K07584	400 Days	-		Nil	Nil	March 13, 2021
9			INE549K07592	24 Months	-		Nil	Nil	February 7, 2022
10			INE549K07600	38 Months	-		1,460	4,123.67	April 8, 2023
11			INE549K07618	60 Months	-		1906	5,560.19	February 7, 2025

** Security: subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company in favour of Debenture Trustee*

3. The Company has issued 16,00,000 secured, redeemable bonds in the nature of non-convertible debentures and allotted debentures of ₹16,000 lakhs by way of public issue pursuant to the prospectus dated June 25, 2020, the details of which are set out below*:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2022	Amount outstanding as on June 30, 2022 (₹ in lakhs)	Redemption/ Maturity Date
1	Secured, Redeemable, Listed, Rated Non-Convertible Debentures	July 17, 2020	INE549K07667	24 Months	9.00%	“A+/ Stable” by CRISIL Ratings Limited	1,072	2,300.53	July 17, 2022**
2			INE549K07675	38 Months	9.15%		401	1,062.49	September 16, 2023
3			INE549K07683	60 Months	9.25%		470	1,396.23	July 17, 2025
4			INE549K07691	24 Months	9.40%		553	730.34	July 17, 2022**
5			INE549K07709	38 Months	9.65%		252	693.16	September 16, 2023
6			INE549K07717	60 Months	9.75%		225	581.39	July 17, 2025
7			INE549K07725	24 Months	-		549	4,637.53	July 17, 2022**
8			INE549K07733	38 Months	-		769	1,791.72	September 16, 2023
9			INE549K07741	60 Months	-		970	2,806.61	July 17, 2025

**Security: i) subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company in favour of Debenture Trustee and (ii) mortgage and charge over the immovable property admeasuring 54 cents situated at Survey No 764/6A, Arulvaimozhy Village, Thovala Thaluk, Kanyakumari District, Tamil Nadu, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable*

***The secured, redeemable, listed, rated non-convertible debentures with 24 months tenor have been redeemed as on the maturity date i.e July 17, 2022, however, the corporate filing with respect to the satisfaction of charge will be done upon redemption of the entire series of debentures. Further to the redemption on July 17, 2022, Company has repaid an amount of ₹7,668.40 lakhs towards the redemption of the non-convertible debentures.*

4. The Company has issued 40,00,000 secured, redeemable bonds in the nature of non-convertible debentures and allotted debentures of ₹39,713.43 lakhs by way of public issue pursuant to the prospectus dated September 24, 2020, the details of which are set out below*:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2022	Amount outstanding as on June 30, 2022 (₹ in lakhs)	Redemption / Maturity Date
1	Secured, Redeemable, Listed, Rated Non-Convertible Debentures	October 29, 2020	INE549K07808	27 Months	8.85 %	"A+/ Stable "by CRISIL Ratings Limited	2,018	5,111.62	January 28, 2023
2			INE549K07816	38 Months	9%		1,548	5,444.67	December 28, 2023
3			INE549K07824	60 Months	9.15%		1,169	4,785.35	October 29, 2025
4			INE549K07832	27 Months	9.25%		1,507	2,425.52	January 28, 2023
5			INE549K07840	38 Months	9.45%		897	2,030.09	December 28, 2023
6			INE549K07857	60 Months	9.60%		880	1,900.62	October 29, 2025
7			INE549K07865	27 Months	-		4,316	7,047.38	January 28, 2023
8			INE549K07873	38 Months	-		1,579	6,024.96	December 28, 2023
9			INE549K07881	60 Months	-		1,785	4,943.22	October 29, 2025

** Security: subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable.*

5. The Company has issued 40,00,000 Secured & Unsecured, redeemable bonds in the nature of non-convertible debentures and allotted secured debentures of ₹26,698.38 lakhs by way of public issue pursuant to the prospectus dated December 28, 2020, the details of which are set out below*:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2022	Amount outstanding as on June 30, 2022 (₹ in lakhs)	Redemption / Maturity Date
1	Secured, Redeemable, Listed, Rated Non-Convertible Debentures	January 29, 2021	INE549K07923	27 Months	8.25 %	"A+/ Stable" by CRISIL Ratings Limited	2,096	5,233.71	April 29, 2023
2			INE549K07931	38 Months	8.50%		1,083	3,740.77	March 29, 2024
3			INE549K07949	60 Months	8.75%		821	2,912.40	January 29, 2026
4			INE549K07956	27 Months	-		4,986	8,932.22	April 29, 2023
5			INE549K07964	38 Months	-		1,373	3,594.91	March 29, 2024
6			INE549K07972	60 Months	-		816	2,284.37	January 29, 2026

**Security: subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable.*

6. The Company has issued 30,00,000 Secured & Unsecured, redeemable bonds in the nature of non-convertible debentures and allotted secured debentures of ₹ 16,965.09 lakhs by way of public issue pursuant to the prospectus dated February 15, 2021, the details of which are set out below*:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2022	Amount outstanding as on June 30, 2022 (₹ in lakhs)	Redemption / Maturity Date
1	Secured, Redeemable, Listed, Rated Non-Convertible Debentures	March 15, 2021	INE549K07998	27 Months	8.25 %	"A+/ Stable "by CRISIL Ratings Limited	1,559	3,269.33	June 13, 2023
2			INE549K07AA4	38 Months	8.50%		837	2,560.76	May 13, 2024
3			INE549K07AB2	60 Months	8.75%		772	2,242.58	March 13, 2026
4			INE549K07AC0	27 Months	-		3,497	5,194.64	June 13, 2023
5			INE549K07AD8	38 Months	-		854	2,523.37	May 13, 2024
6			INE549K07AE6	60 Months	-		521	1,174.41	March 13, 2026

**Security: subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable.*

7. The Company has issued 40,00,000 Secured & Unsecured, redeemable bonds in the nature of non-convertible debentures and allotted secured debentures of ₹ 17,586.43 lakhs by way of public issue pursuant to the prospectus dated March 31, 2021, the details of which are set out below*:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2022	Amount outstanding as on June 30, 2022 (₹ in lakhs)	Redemption / Maturity Date
1	Secured Redeemable, Listed, Rated Non-Convertible Debentures	May 7, 2021	INE549K07AH9	27 Months	8.25 %	"A+/ Stable "by CRISIL Ratings Limited	1,542	3,916.43	August 5, 2023
2			INE549K07AI7	38 Months	8.50%		815	2,483.42	July 6, 2024
3			INE549K07AJ5	60 Months	8.75%		680	2,121.65	May 7, 2026
4			INE549K07AM9	27 Months	-		3,242	5,911.60	August 5, 2023
5			INE549K07AN7	38 Months	-		714	1,847.53	July 6, 2024
6			INE549K07AO5	60 Months	-		534	1,305.80	May 7, 2026

**Security: subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable*

8. The Company has issued 40,00,000 Secured & Unsecured, redeemable bonds in the nature of non-convertible debentures and allotted secured debentures of ₹ 24,956.79 lakhs by way of public issue pursuant to the prospectus dated September 27, 2021, the details of which are set out below*:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2022	Amount outstanding as on June 30, 2022 (₹ in lakhs)	Redemption / Maturity Date
1	Secured Redeemable, Listed, Rated Non-Convertible Debentures	October 29, 2021	INE549K07AS6	27 Months	8.25 %	"A+/ Stable "by CRISIL Ratings Limited	1,774	5,248.03	January 28, 2024
2			INE549K07AT4	38 Months	8.50%		1,183	3,938.62	December 28, 2024
3			INE549K07AU2	60 Months	8.75%		862	3,471.19	October 29, 2026
4			INE549K07AV0	27 Months	-		3,366	7,345.69	January 28, 2024
5			INE549K07AW8	38 Months	-		1,009	3,035.85	December 28, 2024
6			INE549K07AX6	60 Months	-		573	1,917.41	October 29, 2026

**Security: subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable.*

9. The Company has issued 40,00,000 Secured, redeemable bonds in the nature of non-convertible debentures and allotted debentures of ₹ 40,000.00 lakhs by way of public issue pursuant to the prospectus dated December 30, 2021, the details of which are set out below*:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2022	Amount outstanding as on June 30, 2022 (₹ in lakhs)	Redemption / Maturity Date
1	Secured Redeemable, Listed, Rated Non-Convertible Debentures	February 02, 2022	INE549K07AZ1	27 Months	8.00%	"A+/ Stable" by CRISIL Ratings Limited	2042	6634.53	May 02, 2024
2			INE549K07BA2	38 Months	8.25%		1119	3915.40	April 03, 2025
3			INE549K07ABB0	60 Months	8.50%		739	2803.18	February 02, 2027
4			INE549K07BC8	72 Months	8.75%		490	1957.46	February 02, 2028
5			INE549K07BD6	96 Months	9.00%		1178	5638.69	February 02, 2030
6			INE549K07BE4	27 Months	8.31%		3463	9825.32	May 02, 2024
7			INE549K07BF1	38 Months	8.57%		1087	3039.28	April 03, 2025
8			INE549K07BG9	60 Months	8.83%		439	1270.53	February 02, 2027
9			INE549K07BH7	72 Months	9.11%		227	825.60	February 02, 2028

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2022	Amount outstanding as on June 30, 2022 (₹ in lakhs)	Redemption / Maturity Date
10			INE549K07BI5	96 Months	9.37%		1183	4,090.01	February 02, 2030

**Security: subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be apsplicable*

(c) **Details of Unsecured Borrowings:**

Our Company's unsecured borrowings of ₹ 235,448.10 lakhs as on June 30, 2022, including Commercial Papers. The details of the individual borrowings are set out below:

1. Subordinated Debts:

Sr. No.	Series of NCD	Tenor/ Period of Maturity	Coupon Rate	Amount raised (₹ in lakhs)	Deemed Date of Allotment	Redemption Date/ Schedule	Redemption Amount Outstanding as on June 30, 2022 (₹ in lakhs)	Credit Rating
1.	Series 11	84 months	10.41% per annum compounded annually payable under the maturity scheme for 84 months and 10% under monthly scheme for 63 months.	2,989.00	November 9, 2015 to December 15, 2015	84 months from date of allotment	1,476.50	NIL
2.	Series 12	80 months	11% per annum compounded annually payable under the maturity scheme for 84 months and 10.25% under monthly scheme for 63 months.	15,340.10	December 16, 2015 to March 15, 2016	80 months from date of allotment	6,663.68	NIL
3.	Series 13	80 months	10.94% per annum compounded annually payable under the maturity scheme for 84 months and 10.25% under monthly scheme for 63 months.	29,398	March 16, 2016 to September 15, 2016	80 months from date of allotment	12,387.73	NIL
4.	Series 14	84 months	10.94% per annum compounded annually payable under the maturity scheme for 84 months, 10.25% per annum compounded annually payable under the maturity scheme for 63 months and 9.75% under monthly scheme for 63 months.	15,216	September 30, 2016 to February 14, 2017	84 months from date of allotment	6,023.86	NIL
5.	Series 15	96 months	9.06% per annum compounded annually payable under the maturity scheme for 96 months and 9% under monthly scheme for 63 months.	7,185.02	February 18, 2017 to June 13, 2017	96 months from date of allotment	5,146.17	NIL

Sr. No.	Series of NCD	Tenor/ Period of Maturity	Coupon Rate	Amount raised (₹ in lakhs)	Deemed Date of Allotment	Redemption Date/ Schedule	Redemption Amount Outstanding as on June 30, 2022 (₹ in lakhs)	Credit Rating
6.	Series 16	96 months	9.06% per annum compounded annually payable under the maturity scheme for 96 months and 9% under monthly scheme for 63 months.	19,893.00	September 9, 2017 to February 2, 2018	96 months from date of allotment	19,892.15	NIL
7.	Series 17	96 months	9.06% per annum compounded annually payable under the maturity scheme for 96 months and 9% under monthly scheme for 63 months.	27,183.42	February 3, 2018 to August 6, 2018	96 months from date of allotment	27,183.42	NIL
8.	Series 18	96 months	9.06% per annum compounded annually payable under the maturity scheme for 96 months and 9% under monthly scheme for 63 months.	19,563.48	September 7, 2018 to December 10, 2018	96 months from date of allotment	19,563.48	NIL
9.	Series 19	96 months	9.06% per annum compounded annually payable under the maturity scheme for 96 months and 9% under monthly scheme for 63 months.	5,875.83	December 21, 2018	96 months from date of allotment	5,875.83	NIL
10.	Series 20	96 months	9.06% per annum compounded annually payable under the maturity scheme for 96 months and 9% under monthly scheme for 63 months.	12,040	March 28, 2019 to July 06,2019	96 months from date of allotment	12,022.19	NIL
11.	Series 21	96 months	9.06% per annum compounded annually payable under the maturity scheme for 96 months and 9% under monthly scheme for 63 months	10,822.88	July 12, 2019 to September 19, 2019	96 months from date of allotment	10,822.88	NIL
12.	Series 22	96 months	9.06% per annum compounded annually payable under the maturity scheme for 96 months, 9.50% per annum compounded annually payable under the maturity scheme for 63 months, 9.50% per annum under annual scheme for 63 months and 9% under monthly scheme for 63 months	3,347.53	October 28, 2019 to January 4, 2020	96 months from date of allotment	3,347.53	NIL
13.	Series 23	101 Months	8.60% per annum compounded annually payable under the maturity scheme (Doubling scheme) for 101 months, 9% per annum compounded annually payable under the maturity	4,775.27	May 20, 2020 to June 24, 2020	101 months from date of allotment	4,775.27	NIL

Sr. No.	Series of NCD	Tenor/ Period of Maturity	Coupon Rate	Amount raised (₹ in lakhs)	Deemed Date of Allotment	Redemption Date/ Schedule	Redemption Amount Outstanding as on June 30, 2022 (₹ in lakhs)	Credit Rating
			scheme for 63 months, 9% per annum under annual scheme for 63 months and 8.50% under monthly scheme for 63 months					
14.	Series 24	101 months	8.60% per annum compounded annually payable under the maturity scheme (Doubling scheme) for 101 months, 9% per annum compounded annually payable under the maturity scheme for 63 months, 9% per annum under annual scheme for 63 months and 8.50% under monthly scheme for 63 months	3,250.27	August 3, 2020 to September 4, 2020	101 months from date of allotment	3,250.27	NIL
15.	Bank of Maharashtra*	84 months	11.00% per annum paid monthly	10,000.00	March 9, 2016 (Date of disbursement)	84 months from date of disbursement	6,165.23	NIL
	Total						**1,44,596.19**	

**Our Company has repaid ₹556.00 lakhs on July 1, 2022 towards the subordinated debt.*

Public Issue of non-convertible debentures as on June 30, 2022

A. The Company has issued 40,00,000 Secured & Unsecured, redeemable bonds in the nature of non-convertible debentures and allotted Unsecured debentures of ₹8,566.71 lakhs by way of public issue pursuant to the prospectus dated December 28, 2020, the details of which are set out below:

(₹ in lakhs)

Sr. No.	Series of NCD	Date of Allotment	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	Amount outstanding as on June 30, 2022 (₹ in lakhs)	Redemption / Maturity Date
1	Unsecured, Redeemable, Listed, Rated Non-Convertible Debentures	January 29, 2021	72 Months	9.00%	"A+/ Stable "by CRISIL Ratings Limited	3,201.66	January 29, 2027
2			72 Months	9.40%		1,178.43	January 29, 2027
3			72 Months	-		4,186.62	January 29, 2027

B. The Company has issued 30,00,000 Secured & Unsecured, redeemable bonds in the nature of non-convertible debentures and allotted Unsecured debentures of ₹ 5,915.88 lakhs by way of public issue pursuant to the prospectus dated February 15, 2021, the details of which are set out below:

Sr. No.	Description	Date of Allotment	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	Amount outstanding as on June 30, 2022 (₹ in lakhs)	Redemption / Maturity Date
1	Unsecured, Redeemable, Listed,	March 15, 2021	72 Months	9.00%	"A+/ Stable "by CRISIL	2,688.97	March 15, 2027
2			72 Months	9.40%		765.19	March 15, 2027
3			72 Months	-		2,461.72	March 15, 2027

	Rated Non-Convertible Debentures				Ratings Limited		

C. The Company has issued 40,00,000 Secured & Unsecured, redeemable bonds in the nature of non-convertible debentures and allotted Unsecured debentures of ₹ 8,925.11 lakhs by way of public issue pursuant to the prospectus dated March 31, 2021, the details of which are set out below:

Sr. No.	Description	Date of Allotment	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	Amount outstanding as on June 30, 2022 (₹ in lakhs)	Redemption / Maturity Date
1	Unsecured, Redeemable, Listed, Rated Non-Convertible Debentures	May 7, 2021	72 Months	9.00%	"A+/ Stable by CRISIL Ratings Limited	2,017.96	May 7, 2027
2			72 Months	9.40%		3,023.11	August 7, 2028
3			72 Months	-		3,885.04	August 7, 2028

D. The Company has issued 40,00,000 Secured & Unsecured, redeemable bonds in the nature of non-convertible debentures and allotted Unsecured debentures of ₹ 15,043.21 lakhs by way of public issue pursuant to the prospectus dated September 27, 2021, the details of which are set out below:

(₹ in lakhs)

Sr. No.	Description	Date of Allotment	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	Amount outstanding as on June 30, 2022 (₹ in lakhs)	Redemption / Maturity Date
1	Unsecured, Redeemable, Listed, Rated Non-Convertible Debentures	October 29 2021	72 Months	9.50%	"A+/ Stable by CRISIL Ratings Limited	3,227.47	October 29, 2027
2			87 Months	9.75%		5,748.32	January 29, 2029
3			87 Months	-		6,067.42	January 29, 2029

2. **Perpetual Debt Instrument as on June 30, 2022:**

The Company has issued unsecured, rated, non-convertible, listed perpetual debt instruments on a private placement basis of which ₹ 39,900 lakhs is currently outstanding as on June 30, 2022. The details of which are set out below:

(₹ in lakhs)

Sr. No.	Description	Date of Allotment	Tenor/ Period of Maturity	Coupon (per annum)	Amount outstanding as on June 30, 2022	Redemption/ Maturity Date	Credit Rating
1	Unsecured, rated, non-convertible, listed perpetual debt instruments	November 30, 2008	Perpetual	12%	5,000.00	Perpetual	BRICKWORKS BWR A+ Stable and CRISIL A-/ Stable
2		September 30, 2010	Perpetual		1,400.00	Perpetual	
3		December 21, 2009	Perpetual		5,400.00	Perpetual	
4		August 10, 2009	Perpetual		2,600.00	Perpetual	
5		October 17, 2017	Perpetual		4,800.00	Perpetual	
6		November 2, 2017	Perpetual		2,400.00	Perpetual	
7		February 26, 2018	Perpetual		4,800.00	Perpetual	
8		June 28, 2021	Perpetual		5,000.00	Perpetual	
9	Unsecured, rated, non-convertible, unlisted perpetual debt instruments	August 18, 2021	Perpetual		6,000.00	Perpetual	
10		December 20, 2021	Perpetual		2,500.00	Perpetual	

3. **Subordinated Debt Instrument as on June 30, 2022:**

The Company has issued unsecured, rated, non-convertible, listed perpetual debt instruments on a private placement basis of which ₹ 10,000.00 lakhs is currently outstanding as on June 30, 2022. The details of which are set out below:

(₹ in lakhs)

Sr. No.	Description	Date of Allotment	Tenor/ Period of Maturity	Coupon (per annum)	Amount outstanding as on June 30, 2022	Redemption/ Maturity Date	Credit Rating
1	Unsecured, rated, non-convertible, unlisted subordinated debt instruments	March 4, 2022	5 year 9 months 27 days	10.26%	5,000.00	December 31, 2027	BRICKWORKS BWR "A+/ Stable. CRISIL "A+/ Stable.
2		March 17, 2022,	5 year 9 months 13 days		5,000.00	December 30, 2027	

Details of Commercial Paper:

(₹ in lakhs)

ISIN	Date of Allotment	Coupon (per annum)	Amount outstanding as on June 30, 2022	Tenor/ Period of Maturity	Redemption/ Maturity Date	Credit Rating
INE549K14BD2BI1	June 21, 2022	6%	2500.00	62 days	August 22, 2022	CRISIL A1+, BWR A1+

Details of Corporate Guarantees

As on June 30, 2022 our Company has not issued any corporate guarantees on behalf of any subsidiary, JV entity, group company, etc.

Details of inter corporate loans

NIL

Details of any loans from Directors and relatives of Directors

The Company has not taken any loan from Director and Relatives of Directors.

Restrictive Covenants under our Financing Arrangements

Many of the financing agreements include various restrictive conditions and covenants restricting certain corporate actions, and the Company is required to take the prior approval of the lender before carrying out such activities. For instance, the Company, *inter alia*, is required to obtain the prior written consent in the following instances:

a) to declare and/or pay dividend to any of its Shareholders whether equity or preference, during any financial year unless the Company has paid to the lender the dues payable by the Company in that year;
b) to undertake or permit any merger, amalgamation or compromise with its Shareholders, creditors or effect any scheme of amalgamation or reconstruction or disposal of whole of the undertaking
c) to create or permit any charges or lien on any encumbered assets;
d) to alter its capital structure, or otherwise acquire any share capital thereby the existing promoters' stake is diluted below the controlling stake of 51%;
e) to effect a change of ownership or control, or management of the Company;
f) to enter into long term contractual obligations which in the reasonable assessment of the Banks is detrimental to lenders' interest;
g) to borrow or obtain credit facilities from any bank or financial institution;
h) to undertake any guarantee obligations on behalf of any other company; and
i) sell, assign, mortgage or otherwise dispose of any of the fixed assets charged to the banks.

Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on June 30, 2022:

NIL

As on the date of this Prospectus, there has been no default in payment of principal or interest on any existing term loan, debt security issued by the Issuer and other financial indebtedness including corporate guarantee issued by the Issuer, in the past 5 years, except:

1. The company has delayed the payment of interest on its rated non-convertible debentures (NCD) by three working days. The delay was one off event due to an inadvertent operational error. The interest payment of ₹4.8 lakhs was due on August 2, 2018, but payment to investors was made on August 7, 2018.

2. The Company received a mail from the Listing Compliance Team of BSE imposing fine for non-compliance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The fine was imposed pursuant to the SEBI Circular no. SEBI/HO/DDHS/CIR/P/2020/231 dated November 13, 2020. In response, the company has uploaded the requisite documents and paid the fine till the date of upload without prejudice to their representation dated August 30, 2021 to BSE that the company is in compliance with relevant provision 54(2) of SEBI (LODR) Regulation, 2015.

As on the date of this Prospectus, there has been no default and non-payment of statutory dues, except:

There are no undisputed statutory dues pending for the company. For information on disputed dues, please see "*Outstanding Litigations and Defaults – Other Proceedings*" and "*Outstanding Litigations and Defaults – Tax litigations involving our Company*" sections on page 328.

Details of any outstanding borrowings taken/ debt securities issued where taken/ issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option:

Nil

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

The Company is subjected to various legal proceedings from time to time, mostly arising in the ordinary course of its business. The legal proceedings are initiated by us and also by customers, past employees and other parties. These legal proceedings are primarily in the nature of (a) consumer complaints, (b) criminal complaints, and (c) civil suits. We believe that the number of proceedings in which we are involved is not unusual for a company of our size in the context of doing business in India.

As on the date of the Prospectus, except as disclosed below, there are no failures or defaults to meet statutory dues, institutional dues and dues towards instrument holders including holders of debentures, fixed deposits, and arrears on cumulative preference shares, etc., by the Company.

For the purpose of disclosures in this Prospectus, our Company has considered the following litigation as 'material' litigation:

- *all pending proceedings whether civil, arbitral, tax related litigations, or otherwise, of value exceeding more than 1% of our profit after tax as on March 31, 2022, i.e. more than ₹ 346.85 lakhs;*

- *any other outstanding legal proceeding which is likely to have a material adverse effect on the financial position, profitability and cash flows of our Company which may affect the issue or the investor's decision to invest/continue to invest in the debt securities.*

Save as disclosed below, there are no:

1. *litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter of the Company during the last three years immediately preceding the year of the issue of the Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;*

2. *litigation involving the Company, Promoter, Directors, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the financial position of the Company, which may affect the issue or the investor's decision to invest/continue to invest in the debt securities;*

3. *pending proceedings initiated against the Company for economic offences and default; and*

4. *inquiries, inspections or investigations initiated or conducted under the Securities laws or Companies Act or any previous companies' law, or reservations, qualifications or adverse remarks of the auditors of the Company in the last three years immediately preceding the year of issue of this Prospectus against the Company.*

I. Litigations by and against the Company

A. Litigations against the Company

Criminal Proceedings

1. The defacto complainant, Ms. Sholly Rajan had filed a petition against our Company in the Judicial First Class Magistrate Court, Kochi for the interim custody of the gold seized by the police, which is pending.

Civil Proceedings

1. Our Company has initiated recovery actions under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 against Samson & Sons Builders and Developers Private Limited for the loan availed by the latter amounting to ₹ 735 lakh. Against the said actions, Ms. Mary Koshy & others, the persons who are claiming to be the previous owners of one of the secured assets, have filed a Securistization Application against our Company before the Debt Recovery Tribunal, Ernakulam, which was dismissed. Subsequently they appealed before Debt Reconvert Appellate Tribunal ("**DRAT**"), Chennai. The appeal was not entertained by the DRAT for want for pre-deposit of the prescribed portion of the liability.

Thereupon Ms. Mary Koshy & others, approached the High Court of Kerala assailing the order of dismissal of DRAT and the High Court allowed the writ petition and directed DRAT to take the appeal on file and dispose the same within 8 months. DRAT has heard and dismissed the appeal. The same has now been challenged before the High Court of Kerala in WP No. 22192 of 2019 and the matter is pending.

2. Our Company had advanced a loan of ₹ 2,500 lakhs to Prabhushanti Real Estate Private Limited ('**Borrower**") against the securities shared with Tamil Nadu Mercantile Bank ("**TMB**") on pari passu basis. Since the said borrower has defaulted in payments, our Company along with TMB has initiated recovery proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 by issuing a demand notice. However, before the possession could be taken, AU Small Finance Bank Ltd initiated insolvency proceedings against the Borrower which stood as guarantor and mortgaged some of its properties to a facility granted by the said bank to one educational trust in the same group. A Resolution Professional is appointed in the matter and the insolvency resolution proceedings are on. The Company and TMB have joined the IBC proceedings along with other lenders. As the Corporate Insolvency Resolution Process ("**CIRP**") period ended and the Institutional Financial Creditors voted for liquidation of the Borrower i.e., Prabhushanti Real Estate Private. However, the resolution for liquidation was not adopted as the home buyers who have a majority voting in the Committee of Creditors cast a negative vote. In the meanwhile, the suspended Directors have approached NCLT Delhi for extension of the CIRP period in view of the announcement of a package by the Central Government for revival of the stalled projects in real estate sector. Also, one of the relatives of the suspended directors submitted a draft resolution Plan after expiry of the last date fixed for submission of the Resolution Plans and who incidentally did not satisfy all the criteria stipulated by the Committee of Creditors ("**COC**") for the Resolution applicant. The COC did not accept the Resolution Plan, The Resolution applicant has also approached NCLT Delhi for directions to the COC to review their decision. The matter is currently pending for disposal.

   NCLT Delhi dismissed the application filed by the Suspended Directors seeking extension of CIRP period. The Resolution Professional filed an application for exclusion of the litigation period from the permissible period of 330 days as per the Insolvency and Bankruptcy Code, 2016, in view of the orders of the Supreme Court in the Essar Steel matter. The application is dismissed by NCLT with an observation the COC may examine extension of the CIRP period. The flat buyers have filed an application in NCLT Delhi seeking to revise their claim amount by including the accrued interest on the amounts paid by them. Currently, the application is pending with NCLT Delhi.

3. Our Company had initiated action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act 2002 against Mr. Haridas Narayana Pillai for the loan availed by him amounting to ₹100 lakhs. The property mortgage for the loan was sold after complying with the due process under the Act and the proceeds of the sale was appropriated to the loan amount. He has filed a Securitization Application in DRT, Ernakulam challenging the sale. The matter is partly heard by DRT and Mr. Haridas Narayana Pillai has filed an interim application seeking details of newspaper publication for which we have filed the counter.

4. Our Company had taken physical possession of the property of Dr. P Mahalingam, mortgaged in favour of MFL as security to the loan sanctioned to Santosh Hospital Private Limited, under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 for an amount of ₹3,900 lakhs and accrued interest. Santosh Hospitals has approached the Hon'ble High Court, Chennai under Writ Petition thereby challenging the actions taken by the Company under SARFAESI Act, including the physical possession of the hospital taken through the court commissioner. The said writ petition got dismissed. Thereafter, Santosh Hospitals Pvt Ltd filed securitization application before DRT, Chennai challenging the action of taking possession of the secured asset by MFL which also stands dismissed. Thereafter, Santosh Hospitals Pvt Ltd has filed Insolvency proceedings under Insolvency Bankruptcy Code before NCLT, Chennai and Interim Resolution Professional was appointed in the matter. The Interim Resolution Professional demanded MFL to handover the possession of the assets taken by MFL under SARFAESI and the same is objected by MFL contending that the said assets do not belong to the corporate debtor. NCLT Chennai has since ordered liquidation of the said corporate debtor and is yet to dispose of the MA 363/2019 filed by the erstwhile interim resolution professional. The Liquidation orders dated December 4, 2019 was challenged in an appeal before NCLAT Delhi. Further, NCLAT Delhi dismissed the two appeals filed by Dr. Mahalingam on February 14, 2022. The said Dr. Mahalingam has challenged the orders dated February 14, 2022 in SLP in Supreme Court. Supreme court ordered status quo and has posted the matter on July 20, 2022.

5. In the account of TN Balachandran, MFL has taken symbolic possession of the secured assets situated at Ettiness Road, Ootty. Challenging the said actions of MFL party has preferred securitisation application before DRT, Coimbatore. The DRT, Coimbatore though passed conditional stay, the stay did not get effected due to non -compliance with the stipulations of the stay, by the party. Meanwhile steps were taken by MFL to route the rent from tenants occupying the secured asset, including the branch of MFL, and accordingly the rents from Axis Bank, Sun Paper, Muthoot Fincorp Ltd, aggregating approximately ₹ 1.35 lakhs per month is getting remitted to the loan account. The securitisation application filed by the party is pending before DRT, Coimbatore.

6. The loan account of Ganeshan Pillai turned NPA and actions under SARFAESI Act was initiated by issuing demand notice. Later, the symbolic possession of the secured asset, which is the residential house of the Borrower, was taken and application under Section 14 of SARFAESI Act was filed before Chief Judicial Magistrate Court, Kollam seeking assistance for taking physical possession of the secured asset. The Hon'ble Court appointed an Advocate Commissioner to take physical possession of the secured asset who in turn issued notice to the Borrower intimating the recourse that may be taken in case the Borrower either fails to clear the outstanding dues or surrender the secured asset to MFL. Assailing the said notice of the Advocate Commissioner, the Borrower preferred securitisation application before DRT, Ernakulam. MFL entered appearance and filed detailed counter refuting the allegations raised by the Borrower. The case now stands dismissed. However, the borrower has filed a Review application in DRT Ernakulam. The Company has filed a memo in CJM court Kollam seeking fresh directions to the Advocate Commissioner to take physical possession. Ganeshan Pillai had filed a writ petition against the order of the Debt Recovery Tribunal, however, the High Court has dismissed the same. On the advocate commissioner issuing a fresh notice, the borrower once again filed a writ petition in Kerala High Court, which granted stay. The review Application stands dismissed on June 1, 2022. We have filed an application in HC for expeditious hearing and disposal of the writ petition. The same is yet to be listed.

7. The loan amount of Rs 1,500 lakhs advanced by our Company to M/s Integrated Home Solutions Pvt Ltd, turned NPA. Our Company took symbolic possession of three acres of property and 17 flats in Bengaluru, under the provisions of SARFAESI Act, 2002. One M/s Patel Ventures, claiming to be the purchaser in the case of 15 out of the 17 flats mortgaged filed a Civil Suit No OS 4639/2021 in City Civil Court seeking declaratory reliefs. Our Company filed its Counter, and the case is now listed on August 6, 2022. The mortgagor challenged the Sale Notice issued by our Company in respect of 3 acres of property, in the W.P. 22237/2021 before the Karnataka High Court ("**High Court**"). The High Court vide its order dated October 14, 2021, granted conditional stay. The applicant could not deposit 390% of the liability as ordered by the Hight Court and hence the stay got vacated. The party challenged the same in by way of a writ appeal. The writ appeal got dismissed on February 15, 2022. Our Company issued another sale notice and the same was challenged in S.A. 277/2022 filed in DRT, Bengaluru. The DRT, Bengaluru initially ordered a conditional stay on April 13, 2022. However, the applicant could not fulfil the orders of DRT, Bengaluru to deposit 25% of the liability to be eligible for the stay and finally dismissed the S.A. 277/2022 on May 30, 2022. Our Company issued a further sale notice on June 10, 2022.

8. The loan of Rs 700 lakhs advanced by our Company to M/s Ganga Foundations Private Limited ("**Borrower**") turned NPA. Our Company took possession of 4 flats, 1 residential property, both in the name of individual guarantors and another property in the name of the Borrower under the provisions of SARFAESI Act, 2002. State Bank of India, another lender to the Borrower initiated insolvency proceedings against them. Our Company joined the insolvency proceedings and the matter is under progress. There has been responses to the expression of interest (EOI) issued by the resolution professional and the matter will be examined by the committee of creditors in its ensuing meeting in June 2022.

9. The loan of Rs. 1,400 lakhs extended to M/s Techsharp Engineers Pvt Ltd by our Company is classified as NPA. The security held in the above account is on pari pass basis with Axis Bank and Federal Bank Ltd. All the three lenders including our Company took possession of the security under the provisions of SARFAESI Act, 2002. In the meanwhile Federal Bank has filed an insolvency petition against the borrower in NCLT, Chennai. The matter stands adjourmed to July 28, 2022.

Economic Offences

Details of pending preoceedings initiated against the issuer for economic offences:

NIL

B. Litigations by the Company

Criminal Proceedings

1. Our Company has moved before the Hon'ble High Court to quash the proceedings of the protest complaint filed by Ms. Nusaiba Haneef for production of gold ornaments before the Magistrate Court under section 94 of the Code of Criminal Procedure, 1973. The gold was previously seized by the police, which was subsequently released to our Company. The amount involved in the transaction sums up to ₹ 6.77 lakh.

2. Our Company has moved before the High Court to quash the proceedings of the protest complaint filed by Ms. Subaida for production of gold ornaments before the Magistrate Court under section 94 of the Code of Criminal Procedure, 1973. The gold was previously seized by the police, which was subsequently released to our Company. The amount involved in the transaction sums up to ₹ 4.18 lakh.

3. Our Company has filed a petition before the Judicial First-Class Magistrate Court against Shine Mon, a customer, for cheating. The customer had availed a loan of ₹0.27 lakh against the security of certain ornaments, the ownership of which was claimed by third party and a cheating case was also filed by such third party against the customer.

4. Mr. Jiju V. Stephen, the accused has pledged gold with our Company which was seized by police in a cheating case. The court had acquitted the accused and had ordered to release the said 39.5 gm gold to him against which our Company had moved before the Hon'ble High Court.

5. Our Company had filed an appeal in the Session Court, Mavelikkara against the order of the magistrate Court in dismissing application filed by our Company for returning gold valuing ₹ 27.7 lakh on conclusion of trial.

6. Our Company has filed a writ petition 4332/2021 before the Hon’ble High Court of Kerala at Ernakulam, against the notice issued by 1st Respondent being Station house officer seeking seizure of gold ornaments worth ₹ 14.41 lakhs pledged with our Company by the 3rd respondent (Shihabudeen P.V.). The 2nd respondent (Dr. Jussalla) had filed a complaint claiming the ownership of gold ornaments which were handed over to 3rd respondent for invocation of magical remedy. However, it is the case of our Company that the pledges made by 3rd respondent were prior to the date of alleged handing over of ornaments by 2nd respondent to 3rd respondent and even in the case of one pledge after the alleged handing over of the ornaments also does not contain any ornaments matching the description provided by the de facto complainant. The matter is currently pending.

Criminal Proceedings under Section 420 of the Indian Penal Code, 1860

Our Company has filed numerous complaints, FIRs and cases of fraud and cheating against customers on account of loan defaults, theft, fraud in relation to pledging of spurious gold/cash embezzlement, and against employees on account of cheating, forgery, cheating, criminal breach of trust, misrepresentation, and wrongful gain under *inter alia* Sections 342, 365, 387 397, 392, 380, 420 of the Indian Penal Code, 1860 (“**IPC**”). As of the date of this Prospectus, there are 104 such complaints pending before various courts. The proceedings related to instances of theft and fraud in relation to pledging of spurious gold/cash embezzlement aggregate to ₹ 1088.87 lakh and 25.91 kg of gold.

Civil Proceedings

1. Our Company has on October 22, 2020 filed a writ petition bearing no. W.P. (C) No. 22768/ 2020 before the Hon’ble High Court of Kerala against Union of India & others. The Writ Petition has been filed in relation to the directions issued by RBI (RBI/2020-21/20 DOR No. BN.BC/7/21/04.048/2020-21) dated August 06, 2020 (“**Circular**”) which directs scheduled commercial banks and payment banks not to open or maintain current accounts for customers who have availed credit facilities in the form of cash credit (“**CC**”)/ overdraft (“**OD**”) from the banking system and that all transactions are required to be routed through the CC/OD account. Our Company has *inter alia* prayed that RBI should issue clarification on implementation and enforcement of the Circular in light of the representations made by our Company to RBI and SBI and to SBI to seek clarifications on the points urged in representations made to SBI. Further, it has also been prayed that the implementation of Circular, in so far as our Company is concerned, should be kept pending the disposal of the Writ Petition. The Hon’ble High Court of Kerala has disposed of the said Writ Petition on April 9, 2021 wherein SBI was directed to consider the matter and to arrive at a workable solution in 6 months, failing

which, SBI was directed to approach RBI. In the meantime, since other banks (where the Company has current accounts for its branches) have issued communications to close such accounts in view of the RBI circular and since SBI was already considering a process for devising an alternate solution to address the issues and such closure of accounts would have been detrimental to the interest of the Company, the Company has filed another Writ Petition before the Hon'ble High Court bearing W. P (C) No. 14854 / 2021 making all the banks party and seeking for the intervention of the court. The Hon'ble court was pleased to order status current account and the next hearing date is December 10, 2021. In the meantime, RBI has issued another circular RBI/2021-22/116 DOR.CRE.REC.63/21.04.048/2021-22 dated October 29, 2021 wherein opening of current accounts have been permitted with one bank which has more than 10% of banking exposure in the Company. Accordingly, the Company has approached SBI and process of opening such current accounts for its branches with SBI is on.
For further information, see "*Risk Factors - Scheduled commercial banks and payment banks have been directed not to open and maintain current accounts for customers who have availed credit facilities in the form of cash credit (CC)/overdraft (OD) from the banking system. Implementation of the aforesaid direction without providing alternate mechanism for financial institutions transacting with scheduled commercial banks and payment banks to withdraw and deposit cash may adversely affect our business, results of operations and financial condition.*" on page 17.

2. Ms. Komala, a former employee of our Company whose employment was terminated by our Company, challenged her termination before the labour court and the court had ordered her reinstatement with back wages. The employee has filed an application for computing the back wages. The claim amount involved, as per the employee, is ₹ 28 lakh.

3. Tripple Ess Communications Private Limited has filed a suit against the Company and others before the High Court, Delhi claiming an amount of 76.50 lakh towards payments due against certain outdoor advertising campaigns allegedly undertaken for our Company. The Company has filed its written statement in the matter. The matter has been transferred and is currently pending.

Cases filed by the Company under Section 138 of the Negotiable Instruments Act, 1881

The Company has filed various complaint and notices under Section 138 of the Negotiable Instruments Act, 1881 for recovering amounts due from various entities on account of dishonouring of cheques issued by such entities. As of the date of this Prospectus, there are 893 such complaints pending before various courts. The total amount involved in such cases is approximately ₹ 613.21 lakh.

Other Proceedings

1. On June 1, 2012 the Employees' Provident Fund Organization at Nagercoil issued provisional codes TN/79468 to TN/79532 to 65 branches of Muthoot Fincorp Limited in Kanyakumari district, thereby implying separate and individual compliance of all provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("**EPF & MP Act**") by each of the branches. Enforcement Officers ("**EOs**") subsequently issued notices from June 21, 2012 onwards to the 65 branches calling for information under Section 13 of the EPF & MP Act. The EOs filed non-compliance reports in respect of the branches. Muthoot Fincorp Limited has asserted that Muthoot Fincorp Limited should be covered under a single code and compliance with the EPF & MP Act is to be ensured as a Company and not by each branch under a separate code. The Assistant PF Commissioner at Nagercoil has held otherwise in proceedings under Section 7A of the EPF & MP Act and on January 2, 2014 ordered "the employer of the establishment to comply with the EPF & MP Act within seven days of receipt of this order failing which necessary steps shall be taken to determine the dues and recover the amount invoking the provisions as contemplated under Section 8B to 8G of the EPF & MP Act." No further determination of dues or demand has been made. Muthoot Fincorp Limited has filed an appeal against the order in the National Provident Fund Tribunal and the matter is currently pending.

Tax litigations involving our Company

1. The Company had filed a Writ Petition before the Honourable High Court of Madras on 30th July, 2019 challenging the Order passed by the Income Tax Settlement Commission, Chennai Bench abating the proceedings before it relating to the Settlement Application filed by the Company dated December 17, 2017 ("**Settlement Application**"); and praying for stay on proceedings initiated by the Joint Commissioner of Income Tax (OSD), Central Circle, Thiruvananthapuram post abatement of proceedings by the Settlement

Commission. The tax and interest due on the issues forming part of the Settlement Application totaled to ₹ 7,406 lakh. The Settlement Application related to notices received under Section 147 of the Income Tax Act, as per which the income chargeable to tax for the Financial Years 2011-12 to 2016-17 of MFL has not been assessed, and Section 153A of the Income Tax Act, as per which MFL was required to prepare true and correct return of which MFL was assessable for the Assessment Years 2011-2012 to 2016-2017. The Honourable High Court of Madras has dismissed the petition filed by the Company on June 29, 2022 on the ground that the cause of action of the matter has arisen fully in Kerala and not within the territorial jurisdiction of the honourable Madras High Court, thereby ousting its jurisdiction to entertain the petition. Accordingly, the Company is taking steps to file a writ petition before the Honorable High Court of Kerala.

2. The Assistant Commissioner of Income Tax, Circle 1(1), Trivandrum had raised a demand notice for AY2006-07 on our Company on the alleged grounds that our Company had failed to deduct tax on entire payments made to Muthoot Pappachan Consultancy and Management Services, including reimbursement of expenses made towards the employees of the said firm, for an amount aggregating to ₹ 550.20 lakh, which has completely been adjusted against refunds due to the Company. The stance of the Company was that the tax deducted at source is required to be made only on professional fees paid to the said firm and not on reimbursement of expenses. The ITAT Kochi bench remitted back the file to the assessing officer on the appeal made by our Company, post which the Joint Commissioner of Income Tax/Special Range/Trivandrum made disallowances, the entire demand of which was adjusted against refunds due to the Company. The Company has made an appeal before the CIT (Appeals), Trivandrum and the matter is pending disposal.

3. The Joint Commissioner of Income Tax/Special Range/Trivandrum had raised a demand notice for AY2010-11 aggregating to ₹ 1728.50 lakh on our Company on the alleged grounds that the Company failed to deduct tax on entire payments made to Muthoot Pappachan Consultancy and Management Services, including reimbursement of expenses made towards the employees of the said firm. The stance of the Company was that the tax deducted at source is required to be made only on professional fees paid to the said firm and not on reimbursement of expenses. The Company had remitted ₹ 265 lakh in FY16-17 against the demand. Collection of the balance demand has been stayed by the ACIT/Circle 1(1)/Trivandrum vide order dated July 21, 2016, pending disposal of appeal by the CIT (Appeals), Trivandrum.

4. The Joint Commissioner of Income Tax/Special Range/Trivandrum had raised a demand notice aggregating to ₹2,065.20 lakh for AY2013-14 alleging that our Company had not furnished Form 15G/H from the debenture holders for the interest paid to them as well as disallowing reimbursement of expenses made to Muthoot Pappachan Consultancy and Management Services for non-deduction of tax at source. ₹ 933.50 lakh was adjusted against refunds due to our Company and ₹ 390.60 lakh was remitted by our Company in FY2016-17 against the said demand. Collection of demand has been stayed by the ACIT/Circle 1(1)/ Trivandrum vide order dated July 21, 2016, pending disposal of appeal by the CIT (Appeals), Trivandrum.

5. The Assistant Commissioner of Income Tax, Trivandrum had raised a demand notice for payment of tax deducted at source ("**TDS**") for alleged short-furnishing of details of Form 15G/H collected from customers pertaining to AY2015-16 with a demand aggregating to ₹3,860.60 lakh. A total of ₹ 786.9 lakh for stay of demand was remitted and an appeal before the Commissioner of Income Tax (Appeals)/Trivandrum was filed. The Commissioner of Income Tax (Appeals)-3, Kochi, has vide order dated December 10, 2021, partly allowed the appeal for the AY2015-16 by directing the Assessing Officer to reconsider the demand made. Accordingly, vide order dated February 11, 2022, the original demand was modified and quantified at Rs. 270.37 lakhs by the Deputy Commissioner of Income Tax (TDS), Trivandrum. The Company is has filed a rectification application for giving credit to amounts remitted during the course of the proceedings which has been denied by the Assessing Officer in the last Order issued.

6. The Commissioner of Central Excise, Customs & Service Tax (Appeals-III) issued Order-In-Appeal no.592/2014 dated October 30, 2014 ("**Order**"), confirming the Orders-in-Original no.04 & 05/2008 demanding tax amounting to ₹ 17.20 lakh with interest and penalty thereon. The department raised demands on our Company stating that such receipts are liable to Service Tax. Our Company has considered such receipts as exempt, as the same is an Export of Service, not liable to tax in India. Our Company has moved an appeal to the Customs Excise and Service Tax Appellate Tribunal ("**CESTAT**"), Bangalore against the said Order, which is pending hearing.

7. The Service Tax department had raised demands on certain revenues of our Company for the periods prior to FY12-13. Out of the total demand of ₹ 1,263.21 lakh, the Company had remitted ₹ 384.69 lakhs, the balance of which is pending as disputed. The pending demand relates to the assignment of receivables,

wherein the department has stated that the entire receipts are liable to tax. The Company, based on opinions received from its consultants has filed its appeal before the Customs Excise and Service Tax Appellate Tribunal ("**CESTAT**"), Bangalore, which is pending hearing. Pre-deposit fee of ₹ 50 lakh has been remitted.

8. The Service Tax department had raised demands on our Company on notional consideration arrived on support services provided by the Company to its group concerns aggregating to ₹2,132.10 lakh. The demand also consisted of disallowance of Central Value Added Tax ("**CENVAT**") credit. The Company had availed CENVAT credit pertaining to 5 years together in FY 2012-13. Citing that the credit was reported in the returns as Opening balance and not as credit availed during the period, the department has sought to disallow the entire credit, stating that the returns did not show any closing balance of credit as at the end of FY2011-12. Our Company, based on opinions received from its consultants have filed its appeal before the Customs Excise and Service Tax Appellate Tribunal ("**CESTAT**"), Bangalore, which is pending hearing. ₹ 96.60 lakh has been paid as pre-deposit fee.

9. The Kerala Sales Tax Department has sought to demand tax on the Company under Section 6(2) of the Kerala Value Added Tax Act pertaining to Purchase Tax. As the Company does not make any purchase of Gold, the demand made by the department has been disputed. The Company has remitted ₹28.65 million for stay of recovery. The Deputy Commissioner of State Tax (Appeals), Thiruvananthapuram, vide his Order dated November 4, 2019, had observed that the findings of the officer in making the demand for Purchase Tax is not based on material evidence and has thereby directed the officer to re-examine the issue in light of his observations and accordingly modify the order. Subsequently, vide a rectified order dated October 7, 2021, the total demand was modified to ₹ 1,040.58 lakhs, net of the tax paid. The Company has filed an appeal against the Rectified Assessment Order. The Deputy Commissioner (Appeals) II Thiruvananthapuram, vide his order dated April 29, 2022 has directed the assessing authority to consider the directions made by the appellate authority in its order dated November 4, 2019 where it noted that the findings of the assessing authority was not based on material evidence and has thereby directed the assessing authority to verify and delete the demanded turnover if there is no material evidence to prove such purchase and to pass a reasoned order in this behalf. The matter is currently pending before the assessing authority.

10. The Assistant Commissioner of Income Tax, Circle Central, Trivandrum has vide Order dated September 29, 2021, completed the assessment for the Assessment Year 2018-19 and demanded tax totaling to ₹ 577.43 lakhs against income charged to tax under Section 36(1) (va), disallowance of deduction claimed under Section 80IA, income charged to tax as miscellaneous income and commission income and disallowance of expense of previous year claimed during the year. The Company has paid ₹ 116.00 lakhs towards stay of recovery and has filed an Appeal against the Order. Order under Section 220(6) dated November 8, 2021 has been passed by the Assistant Commissioner of Income Tax, Circle Central, Trivandrum, granting stay for the balance demand.

11. The Joint Commissioner of Central GST & Central Excise has issued Order-In-Original No. 05 & 06 / 2020-21 ST(JC) dated July 31, 2020 (issued on August 10, 2020) ("**Order**"), demanding tax amounting to ₹315.61 lakhs and interest thereon, and penalty amounting to ₹31.66 lakhs relating to taxability of commission received on inward money transfer services provided by the Company. The demand has been made on the ground that the assessee would fall under the definition of Intermediary under Rule 2(f) of the Place of Provision of Service Rules, 2012 and therefore, the services rendered by the Company cannot be treated as export of services. As the same issue under question was discussed and settled in the favour of the Company by the Commissioner of Central Tax and Central Excise, Thiruvananthapuram for the periods up to March, 2015 and as the Company is of the belief that the said commission received on money transfer services is not subject to Service Tax, the Company has filed an appeal before the Commissioner of GST & Central Excise (Appeals), Cochin on December 16, 2020.

12. The Commissioner of Central GST & Central Excise has issued Order-In-Original No. TVM-EXCUS-000-COM-04-20-21 dated August 28, 2020 (issued on September 3, 2020) and TVM-EXCUS-000-COM-05-20-21 dated August 28, 2020 (issued on September 3, 2020) ("**Order**"), demanding tax amounting to ₹264.34 lakhs and ₹571.94 lakhs and interest thereon, and penalty amounting to ₹264.44 lakhs and ₹57.29 lakhs for the periods 2014-15 to 2016-17 and for the period April 2016 to June 2017 respectively relating to taxability of the amount received as collection agent towards assignment of loan receivables. The demand has been made on the ground that the activity of selling loan portfolios to other financial institutions is taxable and that the differential interest between the interest payable to the assignee and the interest charged to the borrowers is service charges, and hence is liable to tax under Section 66B of the Act. The Company has filed an appeal before the Honorable CESTAT, Bangalore on December 30, 2020.

13. The Deputy Commissioner of Income Tax (TDS), Trivandrum has passed an order dated June 28, 2022 imposing penalty under Section 271H of the Income Tax Act, 1961 amounting to Rs.1 lakh for the assessment year 2015-16. The Company is in the process of filing an appeal before the CIT (Appeals), Trivandrum.

II. Litigations involving the Directors

Civil proceedings involving any director of the Company

1. M. Mathew has filed a suit before the district court at Kottayam, against the Muthoot Pappachan Group and others alleging infringement of the trademark "MUTHOOT". The mark "MUTHOOT" has been registered as a trademark by M. Mathew, Chairman and Managing Director of Muthoot Mercantile Limited. Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot on behalf of "Muthoot Pappachan Group", have contended that "Muthoot" is a family name and they have the right to use the same for their business and also that the Muthoot Pappachan Group was using the same much prior to M. Mathew. The matter is currently pending.

2. Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot have filed an application before the Intellectual Property Appellate Board, Chennai ("**IPAB**"), to remove/cancel/rectify the trademark "MUTHOOT". The mark "MUTHOOT" has been registered as a trademark by M. Mathew, Chairman and Managing Director of Muthoot Mercantile Limited. The matter is currently pending before the IPAB.

Criminal proceedings involving any director of the Company

1. Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot have filed a writ petition for quashing a complaint filed by K. P. Varghese before the Chief Judicial Magistrate, Trivandrum, alleging that exorbitant interest rate is being charged on loans granted by our Company. As per the provisions of the Kerala Money Lenders Act and Kerala Prohibition of Charging Exorbitant Interest Act, charging interest beyond the rates mentioned therein is an offence and hence the complaint is filed before the Chief Judicial Magistrate, Trivandrum. Since the Company, being an RBI regulated entity, is not coming under the preview of the said Acts, the Company has filed a Writ Petition before the Hon'ble High Court, Kerala to protect its interest. The said writ petition has been admitted and the proceedings in the lower court have been stayed. The matter is currently pending.

2. The service tax department has initiated prosecution against Thomas John Muthoot consequent to a tax claim made on another concern. Technically such prosecution will not lie as no claim was made by the department against Thomas John Muthoot. Also, all actions on the assessment made by the department is currently stayed by the appellate tribunal. However, based on a departmental circular, wherein it is mentioned that the they can even initiate criminal action in cases which are stayed by the Tribunal, the department has initiated prosecution before the Chief Judicial Magistrate, Kochi. However, the same is challenged before the high court and the court was pleased to grant a stay in the matter.

3. The Registrar of Companies, Hyderabad, Andhra Pradesh, had filed a complaint before the Special Judge for Economic Offences at Hyderabad against the erstwhile directors of Nagarjuna Finance Limited ("NFL") including Mr. A.P. Kurian seeking conviction against the accused persons on the ground of violations of the order dated February 29, 2000, passed by the Company Law Board. The Registrar of Companies, Andhra Pradesh, Hyderabad, also prayed that the accused be directed to pay the amount due to the depositors of NFL. Mr. A.P. Kurian and others filed discharge petitions in the matter and the court discharged them from the case, pursuant to the order dated May 2, 2005. Aggrieved by the above order, the Registrar of Companies, Andhra Pradesh, Hyderabad, filed Criminal Revision Case 1305/2005 in the High Court of Andhra Pradesh. The matter is currently pending.

4. Legal Metrology Department had filed a complaint under the sections 190 and 200 of the Criminal Procedure Code before the Judicial First Class Magistrate Court, Manjeri against the Company in 2019. Thereafter summons was issued to the Directors of the Company as well. The offence alleged is that lesser weight is mentioned in the pledge card as against the original weight and hence the allegation is that the customer will get cheated since the company is liable to return only the weight mentioned in the pledge card. However, in reality we mention both the gross and net weight of the ornaments and for the purpose of considering the weight of ornaments for pledge we rely upon the net weight which is after nominal deduction towards impurities and / stones. As the allegation is baseless. We have moved the Kerala High Court for quashing the

proceedings and the matter has been stayed. The stay was extended by an interim order dated February 19, 2020. The matter is still pending.

Tax proceedings involving any director of the Company

Tax related disputes

1. Thomas John Muthoot

Sl. No.	Assessment Year	Amount Involved (₹)	Nature of Demand	Status
1	2005-06	1,37,05,006	Penalty under Section 271 C of the Income Tax Act.	Penalty was dismissed by ITAT Kochi vide order September 24, 2014. The Income Tax Department had gone on appeal before the Honourable High Court of Kerala. The High Court of Kerala allowed the appeal filed by the department. In this regard, Special Leave Petition has been filed by the assesse and the same has been admitted by the Supreme Court of India.
2.	2005-06	7,43,50,423	Order under Section 143(3) and disallowance under Section 40(a)(ia) of the Income Tax Act.	The appeal was dismissed by the ITAT Kochi and the Honourable High Court of Kerala by orders dated August 28, 2014 and July 03, 2015 respectively. In this regard, the assessee has filed a special leave petition in the Supreme Court of India and the same has been admitted by the Supreme Court.
3.	2006-07	70,49,302	Penalty under Section 271C of the Income Tax Act.	The Honourable High Court of Kerala by way of order dated July 03, 2015 allowed the appeal filed by the Revenue against order of the ITAT. In this regard, the assesse has filed a Special Leave Petition in the Supreme Court of India and the same has been admitted.
4.	2006-07	3,56,55,872	Order under Section 143(3) and disallowance under Section 40(a)(ia) of the Income Tax Act.	The appeal was dismissed by the ITAT Kochi and the Honourbale High Court of Kerala by orders dated August 28, 2014 and July 03, 2015 respectively. Special Leave Petition has been filed by the assesse in this regard and the same has been admitted by Supreme Court of India.
5.	2007-08	69,09,500	Penalty under Section 271 C of the Income Tax Act.	Penalty was dismissed by ITAT Kochi vide order dated September 24, 2014. The Income Tax Department had gone on appeal before the Honourable High Court of Kerala. The High Court of Kerala allowed the said appeal (order dated February 02, 2015). In this regard, the assese has filed a Special Leave Petition and the same has been admitted by Supreme Court of India.
6.	2007-08	3,04,68,287	Order under Section 143(3) and disallowance under Section 40(a)(ia) of the Income Tax Act.	The appeal was dismissed by the ITAT Kochi and the Honorable High Court of Kerala by orders dated August 28, 2014 and July 03, 2015 respectively. Special Leave Petition has been filed by the assese in this regard and the same has been admitted by Supreme Court of India.
7.	2008-09	8,37,750	Order under Section 143 (3) of the Income Tax Act.	Appeal pending before CIT (Appeals) / Kochi
8.	2008-09	3,56,459	Penalty under Section 271 C of the Income Tax Act.	Appeal allowed by CIT (Appeals), Kochi
9.	2008-09	7,43,260	Tax under Section 143(3) of the Income Tax Act.	Appeal pending before the CIT (Appeals), Trivandrum
10.	2009-10	16,97,280	Order under Section	ACIT /Circle -I /Tvla completed the Assessment

Sl. No.	Assessment Year	Amount Involved (₹)	Nature of Demand	Status
			143 (3) of the Income Tax Act and disallowance under Section 40(a)(ia) of the Income Tax Act.	making a disallowance of ₹ 46.78 lakhs u/s 40(a) (ia). Appeal against this order was dismissed by CIT(A)/, Kottayam, dated December 12, 2015. Appeal against this order was filed in the Income Tax, Appellate Tribunal, Cochin bench, Cochin. The same was dismissed by way of order dated April 28, 2016. Appeal against the said order was filed in the High Court of Kerala at Ernakulam. The said appeal has been dismissed by the High Court of Kerala vide its order dated July 13, 2016. SLP filed before the Hon. Supreme Court.
11.	2011-12	-	Tax under Section 143(3) of the Income Tax Act and penalty under Section 271(1)(c).	Appeal pending before CIT (A) / Kochi
12.	2012-13	-	Order u/s 143(3) - disallowance u/s 14 A	Appeal against order passed by deputy commissioner of income tax /Circle-1/Tvla. - pending before CIT (A)/ Kochi
13.	2013-14	-	Order u/s 143(3) - disallowance u/s 14 A	Appeal against order passed by assistant commissioner of income tax /Circle-1, Thiruvalla, pending before CIT (A), Kochi.
14.	2011 – 12	26,370	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
15.	2012-13	63,72,070	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
16.	2013-14	-	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
17.	2014-15	1,50,76,100	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
18.	2015-16	2,15,71,830	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
19.	2016-17	-	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
20.	2017-18	-	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
21.	2020-21	16,65,66,978	Order under Section 143 (3) of the Income Tax Act.	Appeal filed against the order, which is pending before the CIT (Appeals) - III, Kochi

2. Thomas George Muthoot

Sl. No.	Assessment Year	Amount Involved (₹)	Nature of Demand	Status
1.	2003-04	1,28,93,540	Demand under Section 30 of the Wealth Tax Act, 1957	Appeal pending before CWT (Appeals)/ Kochi
2.	2004-05	1,20,88,299	Demand under Section 30 of the Wealth Tax Act.	Appeal pending before CWT (Appeals) / Kochi.
3.	2005-06	1,11,97,107	Demand under Section 30 of the Wealth Tax Act.	Appeal pending before CWT (Appeals) / Kochi.
4.	2005-06	9,53,71,446	Order under Section 143 (3) of the Income Tax Act and disallowance under Section 40(a)(ia) of the Income Tax Act.	Appeal dismissed by ITAT / Kochi Bench by order dated August 12, 2011
5.	2006-07	1,02,15,920	Demand under Section 30 of the Wealth Tax Act.	Appeal pending before CWT (Appeals) / Kochi
6.	2006-07	1,43,54,083	Penalty under Section 271 C of the Income Tax Act.	Penalty was dismissed by the ITAT Kochi vide its order dated September 24, 2014. The department appealed before the High Court of Kerala and the same was allowed. Special Leave Petition has been filed by Thomas George Muthoot in this regard and the same has been admitted by Supreme Court.
7.	2006-07	7,53,51,608	Order under Section 143(3) and 143(4) and disallowance under Section 40(a)(ia) of the Income Tax Act.	Appeal was dismissed by ITAT/ Kochi and the Honorable High Court of Kerala vide orders dated August 28, 2014 and July 03, 2014 respectively. Special Leave Petition has been filed by the assese in this regard and the same has been admitted by Supreme Court of India.
8.	2007-08	91,86,170	Wealth tax	Appeal pending before CWT (Appeals) / Kochi.
9.	2007-08	2,69,12,085	Order under Section 143(3) and 143(4) and disallowance under Section 40(a)(ia) of the Income Tax Act.	Appeal was dismissed by ITAT/ Kochi and the Honorable High Court of Kerala vide orders dated August 28, 2014 and July 03, 2014 respectively. Special Leave Petition has been filed by the assese in this regard and the same has been admitted by Supreme Court of India.
10.	2008-09	1,41,680	Demand under Section 154 of the Income Tax Act.	Appeal pending before CIT (A) / Kochi
11.	2011-12	-	Order under Section 143(3) of the Income Tax Act.	Appeal pending before CIT (A) / Kochi
12.	2012-13	-	Order u/s 143 (3) - Disallowance u/s 14 A	Appeal against order of the DCIT /Circle-1/Tvla. Pending before CIT (A)/Kochi.
13.	2013-14	-	Order u/s 143 (3) - Disallowance u/s 14 A	Appeal against order of the Assistant CIT /Circle-1, Thiruvalla, pending before CIT (A), Kochi
14.	2011-12	483,750	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
15.	2012-13	1,11,68,000	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
16.	2013-14	45,02,360	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi

Sl. No.	Assessment Year	Amount Involved (₹)	Nature of Demand	Status
17.	2014-15	3,28,62,750	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
18.	2015-16	2,84,92,810	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
19.	2016-17	12,01,195	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
20.	2017-18	-	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
21.	2020-21	19,33,81,692	Order under Section 143 (3) of the Income Tax Act.	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi

3. Thomas Muthoot

Sl. No.	Assessment Year	Amount Involved (₹)	Nature of Demand	Status
1.	2005-06	18,18,200	Penalty under Section 271 C of the Income Tax Act.	Penalty was dismissed by ITAT Kochi vide order dated August 24, 2014. The department had appealed before the Honorable High Court of Kerala and the same was admitted. In this regard, Special Leave Petition has been filed in Supreme Court of India and the same has been admitted.
2.	2005-06	1,06,17,873	Order under Section 143(3) of the Income Tax Act and disallowance under Section 40(a)(ia) of the Income Tax Act.	Appeal was dismissed by ITAT /Kochi and Honorable High Court of Kerala by orders dated August 28, 2014 and July 03, 2015 respectively. In this regard, Special Leave Petition has been filed in the Supreme Court of India and the same has been admitted.
3.	2006-07	15,69,664	Penalty under Section 271 C of the Income Tax Act.	The Honorable High Court by order dated July 03, 2015 allowed the appeal filed by the Revenue against the order of the ITAT Kochi. In this regard Special Leave Petition has been filed by the assesse in the Supreme Court of India and the same has been admitted.
4.	2006-07	83,09,102	Order under Section 143(3) of the Income Tax Act.	Appeal was dismissed by ITAT /Kochi and Hon. High Court of Kerala by orders dated August 28, 2014 and July 03, 2015 respectively. In this regard, Special Leave Petition has been filed in the Supreme Court of India and the same has been admitted.
5.	2007-08	30,60,400	Penalty under Section 271 C of the Income Tax Act.	Penalty was dismissed by ITAT Kochi by order dated September 09, 2014. The department had gone on appeal before the Honorable High Court of Kerala and the same was allowed. In this regard, Special Leave Petition has been filed in the Supreme Court of India and the same has been admitted.
6.	2007-08	1,29,78,162	Order under Section 143(3) of the Income Tax Act.	Appeal was dismissed by ITAT /Kochi and Honorable High Court of Kerala by orders August 28, 2014 and July 03, 2015 respectively. In this regard, Special Leave Petition has been filed in the Supreme Court of India and the same has been admitted.

Sl. No.	Assessment Year	Amount Involved (₹)	Nature of Demand	Status
7.	2008-09	9,29,923	Order under Section 271(1) C of the Income Tax Act.	Appeal was dismissed by the CIT (A) / Kochi. An appeal before ITAT/Kochi Bench has been filed against the Order of the CIT (A) / Kochi
8.	2008-09	1,23,370	Order under Section 143(3) of the Income Tax Act.	Appeal pending before CIT (A) / Kochi.
9.	2011-12	-	Order under Section 143(3) of the Income Tax Act.	Appeal was dismissed by the CIT (A) / Kochi.
10.	2012-13	-	Order u/s 143(3) - Disallowance u/s.14 A of the Income Tax Act, 1961.	Appeal against order passed by DCIT, Circle-1, Thiruvalla, pending before CIT (A), Kochi.
11.	2013-14	-	Order u/s 143(3) - Disallowance u/s.14 A of Income Tax Act, 1961.	Appeal against order passed by Assistant CIT /Circle-1, Thiruvalla, pending before CIT (A), Kochi.
12.	2011-12	-	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
13.	2012-13	-	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
14.	2013-14	84,70,010	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
15.	2014-15	3,11,48,770	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
16.	2015-16	3,14,11,810	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
17.	2016-17	3,76,50,585	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
18.	2017-18	54,84,474	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
19.	2011-12	23,000	Penalty u/s 271 (1) (c) for the AY 2011-12	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
20.	2013-14	175,000	Penalty u/s 271 (1) (c) for the AY 2013-14	Appeal filed against the order, which is pending before the CIT (Appeals) – III, Kochi
21.	2020-21	8,91,04,846	Order under Section 143 (3) of the Income Tax Act.	Appeal filed against the order, which is pending before the CIT (Appeals) III, Kochi

III. Litigations involving Group Companies

A. Civil proceedings involving the Group Companies

MPG Hotels & Infrastructure Ventures Private Limited ("**MPG Hotels**")

1. The Company issued a purchase order to R K Sales, a proprietary concern for the supply of doors, wardrobe, etc. for its 5 star hotel at Trivandrum. The said party supplied defective goods which it agreed to replace as per communications with MPG Hotels. However, the replaced goods were also defective and hence MPG Hotels procured the goods from other suppliers. Since the party supplied inferior quality goods, MPG Hotels did not pay for the said goods. The party filed a claim petition before UP State Micro & Small Enterprises Facilitation Council and preliminary objection was filed by MPG Hotels. However, pending conciliation, the Council passed an order directing to pay an amount of ₹ 92,69,453 and an interest of ₹ 97,89,300.41, aggregating to a total of ₹ 1,90,58,753.41. Aggrieved by the said award, MPG Hotels has filed the Writ Petition. The order of the council is stayed by the Allahabad, High Court. The matter is pending for hearing and disposal.

2. MPG Hotels built a software complex Muthoot Technopolis within the Cochin Special Economic Zone Authority ("**CSEZA**"), wherein software companies are the occupants. CSEZA is the distribution licensee for electricity supply. MPG Hotels was to provide electricity supply connections to sub-lessee/purchasers in Muthoot Technopolis and to collect charges. At all times the MPG Hotels performed as per the conditions laid down by CSEZA. This licensee CSEZA has no case that, MPG Hotels violated any of the conditions stipulated therein. As required by the licensee and as insisted, MPG Hotels shared electricity from High Tension ("**HT**") electric connection with the subleases/purchasers of Muthoot Technopolis. The licensee never asked MPG Hotels to collect electricity duty @ 10% of energy charges from the subleases / purchasers and never required MPG Hotels to remit it to the licensee or to the state government. The licensee collected electricity duty at HT rates for the entire consumption of electricity metered at the point of supply. As a consumer of HT electricity under CSEZA distribution licensee, MPG Hotels did everything as required by the licensee only. Thereby, MPG Hotels is not at all liable to pay electricity duty applicable to Low Tension ("**LT**") electricity supply which was never used by MPG Hotels and which was used by others as required by the licensee. A demand notice for ₹ 91,09,820.00 towards electricity duty arrears for the period from April, 2011 to March, 2016 dated March 2, 2017 has been issued to MPG Hotels. A writ petition has been filed by MPG Hotels praying to quash the demand notice and notice of disconnection. The court has stayed the operation of the notice of disconnection. Matter is currently pending.

B. Tax Litigation

1. Demand of Rs.39,64,662/- raised by the Commissioner of Central Excise and Customs, Thiruvananthapuram, towards Service-tax and also for the penalty of Rs.29,41,928/- imposed u/S.78 of the Finance Act for the default on remittance of Service-tax which is disputed on appeal before the higher authorities. The appeal filed by the company before the Customs, Excise and Service Tax Appellate Tribunal against the said order is pending disposal and management hopes to succeed on the appeal.

2. The Thahasildar of Kanayannur Taluk has raised a demand of Rs.56,07,000 towards building tax in respect of the Technopolis building at Kakkanad and the company has obtained stay from the Hon High Court of Kerala against enforcement of the demand. An amount of Rs.28,03,500 has been remitted by the Company based on the interim order of the High Court. The management is confident of succeeding on the case in the High Court on the ground that property tax is not leviable on buildings in SEZ.

3. The Assistant commissioner (Assessment), Commercial Taxes has raised a demand of Rs.6,17,217/- towards KGST assessment for the year 2005-06. The appeal filed by the company before the Deputy Commissioner (Appeals), Commercial Taxes against the said order is pending disposal and the management hopes to succeed on the appeal.

4. The Assistant Commissioner- III (Assessment), Commercial Taxes has raised a demand of Rs.1,13,905/- towards KVAT assessment for the year 2013-14. An appeal has been filed by the company before The Deputy Commissioner (Appeals), Commercial Taxes against the said order, which is pending disposal. The company has paid an amount aggregating to Rs.22,781/, being 20% of the demand raised under protest. The management is hopeful of succeeding on appeal and hence no provision has been made in respect of the above.

5. The Company has provided security bond furnished in Form No.6 of KVAT rules towards the demand of security deposit raised by the Commercial Tax department for purchase of capital goods from Serta Mattress for Rs.10,63,060/-. The company has disputed the demand on grounds of fact stating that levy is basically not permitted by law and the matter is pending for proceedings before the Deputy Commissioner of Commercial Taxes.

MPG Security Group Pvt Ltd ("**MPGSG**")

1. MPGSG has availed various services from OM Security and Services, Ideas Innovation Squared Technologies Pvt Limited and Softcall Cust-O-Care Pvt. Ltd in their regular course of business. Further, MPGSG has availed GST input credit against such services availed and charges paid to such service providers. It appears that these service providers have filed their GST returns after their respective due dates and therefore, the department has taken a stand that MPGSG is ineligible for the credit claimed. The matter is now pending consideration before the State Tax Officer, Central Tax, Thane, Maharashtrafor an amount of Rs. 13,16,326.

Muthoot Exim Pvt. Ltd. (“**MEPL**”)

1. MEPL was the consignment agent of M/s. Rajesh Exports Ltd. (“**REL**”). MEPL sold the gold ornaments supplied by REL on commission basis. MEPL had not paid the Service Tax on commission earlier but remitted along with interest before the issuance of the show cause notice. But department imposed 100% penalty of Rs. 82,04,594/- under section 78 with an additional penalty of Rs. 10,000/- under section 77 of the Finance Act, 1994 even after remitting the Service Tax with interest. The provisions of Section 78 provide that where penalty demanded has been paid within 30 days from the date of receipt of the Order, 25% of the demanded amount may be paid along with interest to conclude the demand. MEPL has remitted 25% of the demanded amount of Rs. 20,51,150/- and Rs. 10,000/- within the said 30 days and filed an appeal before CESTAT against the order. The matter is pending.

2. We, MEPL received a notice (33871122485/2020/A3 Dated 14/02/2020) from the commercial tax department, Tamil Nadu towards the CST assessment FY 2015-16 and 2016-17 with a demand amount of Rs. 22,34,708/-. Department asked us to produce the books of accounts along with F Form. We have submitted all the documents and cleared all the queries except F Form as it must be issued from the Maharashtra commercial tax department. We have forwarded a request to the MVAT department to get the F Form. But they have not yet given the timeline to issue the F Form as they will consider the request based on the FIFO method. We have intimated the same to the Tamil Nadu commercial tax department, but the assessing officer denied giving extension and also, they have withheld the demand amount of Rs.22,34,708/- in Current Account.

   We have filed a writ petition on 25/02/2020 before hon’ble high court of Madras by paying 25% of the demand amount (Rs.5,58,800/-) to the Tamil Nadu VAT department for getting extension towards the submission of required documents along with the release of withheld amount.

3. MEPL received a demand order (MUM-VAT-E-822/27450710371C/CST/CST/2020-21/2521131 dated 30/06/2020) from the commercial tax department of Maharashtra towards the CST assessment FY 2015-16 with a demand amount of Rs. 29,50,565/-. Department asked us to produce the books of accounts along with F form and C form. We have submitted all the documents and cleared all the queries except F form and C form as it must be issued from the Commercial tax department of various states. We have co-ordinated with our consultants to get the required forms from respective states. But they have not yet given the timeline to issue the F form and C forms considering the pandemic situation (Lockdown). We have intimated the same with the Maharashtra commercial tax department, but the assessing officer denied giving extension and they have withheld the demand amount of Rs.29,50,565/- in Current Account.

   We have filed an appeal to Maharashtra VAT department on 17/04/2021 for getting extension towards the submission of required documents and also to release the withheld amount. Now awaiting revert from the MVAT department to know the status of our appeal application and way forward.

C. Regulatory proceedings involving Group Companies

Muthoot Risk Insurance & Broking Services Pvt Ltd ("**MRIBS**”)

1. IRDAI has conducted an on-site inspection in MRIBS during the period from 18th -22nd Nov 2019. Pursuant to the same, Show Cause Notice was issued to the MRIBS to which the company has furnished its response. IRDAI issued its final order on 07th April 2021, levying a penalty of Rs. 1 Crore/- on MRIBS alleging that MRIBS has canvassed Insurance Business through engaging unlicensed entities.

   Aggrieved by the order, MRIBS has preferred an appeal to Securities Appellate Tribunal (SAT) under Section 110 of the Insurance Act, 1938. MRIBS has clarified in its Appeal that it has appointed the requisite number of Broker Qualified Personnel as required under the IRDAI Regulations and that the allegation w.r.t engagement of unlicensed entities for canvassing insurance business are baseless and uncalled for. The case is currently pending with SAT.

Muthoot Capital Services Limited ("**MCSL**”)

1. MCSL had a delay of 32 days in complying with the provisions of Regulation 23 (9) of SEBI (LODR) Regulations, 2015 i.e., submission of the list of related party transactions at the end of each half year with the

Stock Exchanges within 30 days from the conclusion of the Board meeting. As a result, MCSL paid fine amounting to Rs. 1,88,800.00 (inclusive of GST @ 18%) each to both the stock exchanges i.e., BSE and NSE.

D. Criminal proceedings involving the Group Companies

Muthoot Microfinance Limited ("**MML**")

1. A first information report ("**FIR**") was filed by MML, on October 7, 2017 in relation to an alleged robbery that took place on October 6, 2017, wherein the perpetrator seized, inter alia, cash amounting to INR 0.03 million from the complainant. The charge sheet on the matter was submitted by the investigating officer before the Court of Judicial Magistrate of First Class, Konark on November 30, 2017.This matter is currently pending.

2. Another FIR was filed by MML on December 26, 2017 in relation to an alleged robbery of cash amounting to INR0.06 million, that took place on December 21, 2017. This matter is currently pending.

3. A FIR was filed by MML on March 07, 2017, in relation to an alleged fraudulent misappropriation of funds amounting to INR0.85 million. The charge sheet on the matter was submitted by the investigating officer before the Court of Judicial Magistrate, Nanguneri on May 15, 2017. This matter is currently pending.

4. A FIR was filed by MML on April 07, 2018, in relation to an alleged robbery that took place at the MML office located near one of MML's branches, wherein the perpetrators took, inter alia, cash amounting to INR0.34 million collected by the debt collection officers of MML from certain women self-help groups. This matter is currently pending.

5. A FIR was filed by MML on December 03, 2016, in relation to fraudulent misappropriation of loan repayment amounts collected from certain self-help groups, aggregating to INR1.97 million by a former employee of MML. This matter is currently pending.

6. A police complaint was filed by MML on October 27, 2016, against a former relationship officer of MML, in relation to an alleged misappropriation of funds amounting to INR1.40 million. Subsequently, a petition was filed by MML before the Madurai Bench of the Madras High Court ("**Madurai Bench**"), wherein MML has sought a direction to the Inspector of Police, District Crime Branch, Virudhunagar District ("Inspector of Police"), to register a case on the basis of MML's complaint. The Madurai Bench has, by way of its order dated November 28, 2016, directed the Inspector of Police to expedite the enquiry in the matter and complete the same within a period of two weeks from the date of receipt of a copy of the order. This matter is currently pending.

7. A FIR was registered by MML on November 29, 2017, against certain former group loan recovery staff members working in one of MML's branches. The three suspects had between the period November, 2016 and June, 2017, allegedly misused and misappropriated an amount of INR0.61 million collected from the borrowers, instead of depositing the money with MML. This matter is currently pending.

8. A FIR was registered by MML on December 25, 2017, against certain former employees of MML. The suspects had during their employment with MML, allegedly sanctioned loans to the members without actually giving them the money and had recovered the loans from a few members but had not deposited the money to MML, thereby misusing and misappropriating an amount of INR1.33 million. This matter is currently pending.

9. A police complaint was filed by MML on March 14, 2018, against certain former relationship officers of MML, who had allegedly collected amounts aggregating to INR0.08 million from the associations of MML, but did not deposit the money to MML. This matter is currently pending.

10. A police complaint was filed by MML, on February 24, 2018, against certain former officials of MML, in relation to an alleged fraudulent misappropriation of funds aggregating to INR0.62 million. This matter is currently pending.

11. A police complaint was filed by MML, on December 15, 2017 against certain former officials of MML, in relation to an alleged fraudulent misappropriation of funds amounting to INR0.37 million. This matter is currently pending.

12. A police complaint was filed by MML, on April 04, 2018 against certain former officials of MML and a third person, in relation to an alleged fraudulent collection of commission amounting to INR 0.78 million. This matter is currently pending.

13. Another FIR was filed by MML on July 07, 2018 in relation to an alleged theft of cash amounting to INR 0.49 million, that took place on July 06, 2018 This matter is currently pending.

14. A police complaint was filed by MML, on July 25, 2020 FIR registered against a former official of MML, in relation to alleged misappropriation of cash amounting to INR 0.438 million. This matter is currently pending.

15. A police complaint was filed by MML, on June 20, 2020 FIR registered in relation to alleged robbery of RO's bag by unknown while returning after collection which involves cash amounting to ₹ INR 0.028 million. This matter is currently pending.

16. A police complaint was filed by MML, on July 8, 2020 FIR registered in relation to alleged robbery of RO's bag by unknown while returning after collection which involves cash amounting to ₹ INR 0.037 million. This matter is currently pending.

17. A police complaint filed by MML, on July 3, 2020 FIR registered against former official of MML, in relation to alleged misappropriation of cash amounting to INR 0.082 million. This matter is currently pending.

18. A complaint was filed by MML in CJM Court and FIR registered in relation to alleged robbery of amounts by badly hitting the RO with motor cycle by a group of unknown people while returning after collection which involves cash amounting to INR 0.064 million. This matter is currently pending.

19. A police complaint filed by MML, on February 2, 2020 and FIR registered in relation to alleged robbery of amounts by snatching the bag of RO by a group of unknown people while returning after collection, which involves cash amounting to INR 0.015 million, a mobile and a bike. This matter is currently pending.

20. A complaint was filed by MML in Magistrate Court and FIR registered in relation to alleged robbery of amounts by snatching the bag of RO by a group of unknown people while returning after collection, which involves cash amounting to INR 0.045 million. This matter is currently pending.

21. A police complaint filed by MML, on March 18, 2021 and FIR registered against former official of MML, in relation to alleged fraud and misappropriation of cash amounting to INR 0.312 million. This matter is currently pending.

22. A complaint filed by MML in Magistrate Court and FIR registered against former official of MML, in relation to fraud alleged to have committed wherein the amount involved is INR 0.090 million. This matter is currently pending.

23. A complaint filed by MML in Magistrate Court and FIR registered against former official of MML, in relation to fraud alleged to have committed wherein the amount involved is INR 0.305 million. This matter is currently pending.

24. A police complaint filed by MML, on March 17, 2021 and FIR registered in relation to alleged snatching by unknown persons of cash amounting to INR 0.048 million. This matter is currently pending.

25. A police complaint filed by MML, on March 12, 2021 and FIR registered against former official of MML, in relation to alleged fraud and misappropriation of cash amounting to INR 0.103 million. This matter is currently pending.

26. A police complaint filed by MML, on December 15, 2020 in relation to alleged fraud and misappropriation of cash by MML Staff amounting to INR 0.074 million and FIR is being registered. This matter is currently pending. Amount recovered is INR 0.040 million.

27. A police complaint filed by MML, on December 15, 2020 in relation to alleged fraud and misappropriation of cash amounting to INR 0.160 million and FIR is being registered. This matter is currently pending. Amount recovered is INR 0.081 million.

28. A police complaint filed by MML, on August 5, 2021 and FIR registered in relation to alleged robbery by a group of six unknown people, which involves cash amounting to INR 0.105 million, a mobile phone, a tablet and wallet. This matter is currently pending.

29. A police complaint filed by MML, on September 10, 2021 and FIR registered in relation to alleged snatching by two unknown persons of cash amounting to INR 0.096 million. This matter is currently pending.

30. A police complaint filed by MML, on September 1, 2021 and FIR registered in relation to alleged snatching by unknown persons of cash amounting to INR 0.094 million, a mobile phone and tablet. This matter is currently pending.

31. A police complaint filed by MML, on September 1, 2021 and FIR registered in relation to alleged snatching by unknown person of cash amounting to INR 0.034 million. This matter is currently pending.

32. A police complaint filed by MML, on September 11, 2021 and FIR registered against former official of MML, in relation to alleged fraud and misappropriation of cash amounting to INR 0.018 million. This matter is currently pending.

33. A police complaint filed by MML, on January 5, 2022 and FIR registered in relation to alleged robbing/snatching by four unknown person of cash amounting to INR 0.142 million. This matter is currently pending.

34. A police complaint filed by MML, on February 10, 2022 and FIR registered in relation to alleged snatching by three unknown person of cash amounting to INR 0.015 million. This matter is currently pending.

35. A police complaint filed by MML, on February 12, 2022 and FIR registered in relation to alleged robbing by four unknown person of money collected from the customers, a tablet, Id. Card and the bag containing these items for which the amount involved is INR 0.027 million. This matter is currently pending.

36. A police complaint filed by MML, on April 19, 2022 and FIR registered in relation to alleged snatching by unknown person of cash amounting to INR 0.0481 million. This matter is currently pending.

37. A police complaint filed by MML, on April 25, 2022 and FIR registered in relation to alleged fraudulent retention of company asset by an ex-staff viz., Tab amounting to INR 0.030 million. This matter is currently pending.

38. A police complaint filed by MML, on June 01, 2022 and FIR registered in relation to alleged fraud committed by 6 MML staff along with 2 others of cash misappropriation amounting to INR 5.155 million. This matter is currently pending.

Litigation against MML:

Names of the parties involved	A brief description of the nature of the claim, cause of action and history of the petition/notice/claim, including prayers made and status of the case (next date of hearing, appeal/reply filed etc.)	Suit Number/ Appeal Number	Amount in dispute/ amount claimed, if any	Details of orders including interim orders passed, if any	Authority before which the case is currently pending
IEPF Authority & Muthoot Microfin Ltd.	Wages need to be calculated on gross salary, as the contribution was deducted from basic salary - Filed an appeal before the Appellate Tribunal, Delhi on	KR/KC/29181/Enf50502/2015	88,832.00	NIL	The Appellate Tribunal, Delhi

	21/03/2016 pending before the Delhi Tribunal and has not been transferred to Bangalore bench - No further updates on this case				

IV. <u>Litigations by and against our Promoters</u>

Except as disclosed below, there are no other outstanding important legal proceedings involving our Promoters.

(a) Criminal Proceedings

Since our Promoters, Mr. Thomas Muthoot, Mr. Thomas John Muthoot and Mr. Thomas George Muthoot are also directors of our Company, please see "*Criminal proceedings involving any Director of the Company*" on page 331.

(b) Civil proceedings

Since our Promoters, Mr. Thomas Muthoot, Mr. Thomas John Muthoot and Mr. Thomas George Muthoot are also directors of our Company, please see "*Civil proceedings involving any Director of the Company*" on page 331.

(c) Tax proceedings

Since our Promoters, Mr. Thomas Muthoot, Mr. Thomas John Muthoot and Mr. Thomas George Muthoot are also directors of our Company, please see "*Tax proceedings involving any Director of the Company*" on page 332.

V. Details of inquiries, inspections or investigations initiated or conducted under the Securities laws, Companies Act, 1956 or the Companies Act, 2013 against our Company and its Subsidiaries in the last three years along with Section wise details of prosecutions filed (whether pending or not), fines imposed or compounding of offences against our Company and its Subsidiaries in the last three years.

NIL

VI. Details of litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoter during the last three years and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action, as on date of this Prospectus.

NIL

VII. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon.

NIL

VIII. Summary of reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of circulation of this offer letter and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks.

NIL

IX. Summary of reservations or qualifications or 4 or adverse remarks or other observations by auditors in the audit report / CARO by the auditors in the last three financial years i.e. 2020 to 2022.

Fiscal Year	Basis of Financial Statements	Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the audit report / CARO	Impact on the financial statements and financial position of the Company	Corrective steps taken and proposed to be taken by the Company
2021-22	Consolidated	**Other Matters** We did not audit the financial statements/ financial information of the subsidiaries, whose financial statements reflect total assets of Rs.7,03,698.65 lakhs as at March 31, 2022, total revenues of Rs.105,236.15 lakhs and net cash flows amounting to Rs. 21,190.62 lakhs for the year ended on that date, as considered in the consolidated Ind AS 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 Ind AS Financial Statements, in so far as it relates to the amount and disclosures included in respect of this subsidiaries, and our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. Our opinion is not modified in respect of the above.	N.A.	N.A.
2020-21	Consolidated	**Emphasis of Matter** We draw attention to Note 45 to the consolidated Ind AS financial statements, relating to the impact of Covid-19 Pandemic, in which the management has discussed the impact on the Group and the environment in which it operates. Our opinion is not modified in respect of this matter.	N.A.	N.A.
		Other Matters (i)We did not audit the financial statements / financial information of the subsidiaries, whose financial statements reflect total assets of ₹547,630.54 lakhs as at March 31, 2021, total revenues of ₹89,374.92 lakhs and net cash flows amounting to ₹61,921.71 lakhs for the year ended on that date, as considered in the Consolidated Ind AS 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 Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.	N.A.	N.A.

Fiscal Year	Basis of Financial Statements	Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the audit report / CARO	Impact on the financial statements and financial position of the Company	Corrective steps taken and proposed to be taken by the Company
		Our opinion is not modified in respect of the above. (ii)Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the subsidiary companies, are based solely on the corresponding reports of the auditors of such company. Our opinion is not modified in respect of the above matter.		
	Standalone	**Emphasis of Matter** We draw attention to Note 44 to the standalone Ind AS financial statements, relating to the impact of Covid-19 Pandemic. Our opinion is not modified in respect of this matter.	N.A.	N.A.
2019-20	Consolidated	**Emphasis of Matter** We draw attention to Note 45 to the consolidated Ind AS financial statements, relating to the impact of Covid-19 Pandemic, in which the management has discussed the probable impact on the Group and the environment in which it operates. This note also indicates that the extent to which the Covid-19 pandemic will have impact on the Group's financial performance is dependent on future developments, which are uncertain. Our opinion is not modified in respect of this matter.	N.A.	N.A.
		Other Matters (i) We did not audit the financial statements / financial information of the subsidiaries, whose financial statements reflect total assets of ₹ 526,430.90 lakhs as at March 31, 2020, total revenues of ₹ 106,963.86 lakhs and net cash flows amounting to ₹ 49,538.22 lakhs for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. These financial statements / financial information has been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. Our opinion is not modified in respect of the above. (ii) Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating	N.A.	N.A.

Fiscal Year	Basis of Financial Statements	Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the audit report / CARO	Impact on the financial statements and financial position of the Company	Corrective steps taken and proposed to be taken by the Company
		effectiveness of the internal financial controls over financial reporting insofar as it relates to the subsidiary companies, are based solely on the corresponding reports of the auditors of such company. Our opinion is not modified in respect of the above matter.		
	Standalone	**Emphasis of Matter** We draw attention to Note 44 to the standalone Ind AS financial statements, relating to the impact of Covid-19 Pandemic, in which the management has discussed the probable impact on the company and the environment in which it operates. This note also indicates that the extent to which the Covid-19 pandemic will have impact on the Company's financial performance is dependent on future developments, which are uncertain. Our opinion is not modified in respect of this matter. Our opinion is not modified in respect of these matters.	N.A.	N.A.
	Standalone	N.A.	N.A.	N.A.

X. Details of acts of material frauds committed against the Company in the last three years, if any, and if so, the action taken by the Company in response.

Sl. No	Year	Gross Amount (₹ in Lakh)	Modus Operandi	Recovery (₹ Lakh)	Provisions (₹ Lakh)	Action Taken by the Company
1.	2021-22	614.08	Loans granted against theft gold, spurious gold and misappropriation of cash committed by personnel of the Company	61.94	552.14	1. For misappropriation by staff – Complaint / FIR lodged against the employee and staff dismissed from service 2. Spurious Gold pledged – FIR lodged against customers 3. Stolen gold – The Company verifies if there is any deficiency in KYC submitted and the SOP stipulated by the Company and based on the findings action is initiated
		364.21	Burglary in the Asansol Murgasol branch of the Company	364.21	-	Burglary – The Company has security and vigilance systems with continuous monitoring mechanisms to prevent and / or to respond to such attempts
2.	2020-21	687.65	Loans granted against theft gold,	314.37	373.28	1.For misappropriation by staff – Complaint / FIR lodged against the

Sl. No	Year	Gross Amount (₹ in Lakh)	Modus Operandi	Recovery (₹ Lakh)	Provisions (₹ Lakh)	Action Taken by the Company
			spurious gold and misappropriation of cash committed by personnel of the Company			employee and staff dismissed from service 2.Spurious Gold pledged – FIR lodged against customers 3.Stolen gold – The Company verifies if there is any deficiency in KYC submitted and the SOP stipulated by the Company and based on the findings action is initiated
3.	2019-20	263.50	Loans granted against theft gold, spurious gold and misappropriation of cash committed by personnel of the Company	12.36	251.14	1.For misappropriation by staff – Complaint / FIR lodged against the employee and staff dismissed from service 2.Spurious Gold pledged – FIR lodged against customers 3.Stolen gold – The Company verifies if there is any deficiency in KYC submitted and the SOP stipulated by the Company and based on the findings action is initiated

REGULATIONS AND POLICIES

The regulations summarized below are not exhaustive and are only intended to provide general information to Investors and are neither designed nor intended to be a substitute for any professional legal advice. Taxation statutes such as the IT Act, GST laws (including CGST, SGST and IGST) and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions, Act, 1952, and other miscellaneous regulations such as the Trade Marks Act, 1999 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below.

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

The major regulations governing our Company are detailed below:

We are a non-deposit taking (which does not accept public deposits), systemically important, NBFC. As such, our business activities are regulated by RBI Regulations applicable to non-public deposit accepting NBFCs ("NBFC-ND").

As at February 17, 2020, the RBI issued an updated Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, dated September 1, 2016 (as updated from time to time) applicable to all NBFC-NDSI's.

Regulations governing NBFCs

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale/purchase/construction of immovable property.

As per prescribed law any company that carries on the business of a non-banking financial institution as its 'principal business' is to be treated as an NBFC. The term 'principal business' has not been defined in any statute, however, RBI has clarified through a press release (Ref. No. 1998-99/1269) issued in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company's principal business. The company will be treated as an NBFC if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalisation of the balance sheet and in any case, not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

NBFCs are primarily governed by the RBI Act, the Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, Peer to Peer Lending Platform (Reserve Bank) Directions, 2017 ("Peer to Peer Regulations"), Reserve Bank Commercial Paper Directions, 2017 ("Commercial Papers Directions") and the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

- An NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits. Thus, NBFCs are not permitted to issue negotiable instruments, such as cheques which are payable on demand; and

- NBFCs are not allowed to deal in foreign exchange, even if they specifically apply to the RBI for approval in this regard, unless they have received an Authorised Dealer Category II licence from the RBI.

Types of NBFCs

Section 45-IA of the RBI Act makes it mandatory for every NBFC to get itself registered with the Reserve Bank in order to be able to commence any of the aforementioned activities.

Further, an NBFC may be registered as a deposit accepting NBFC ("NBFC-D") or as a non-deposit accepting NBFC ("NBFC-ND"). NBFCs registered with RBI are further classified as:

- Asset finance companies;
- Investment companies;
- Systemically Important Core Investment Company;
- Loan companies and/or
- Infrastructure finance companies.
- Infrastructure debt fund - NBFCs;
- NBFC - micro finance institutions;
- NBFC –Factors;
- Mortgage guarantee companies;
- NBFC- non-operative financial holding company; and
- Non-Banking Financial Company-Peer to Peer Lending Platform.

The Company has been classified as an NBFC-ND-SI.

Systemically Important NBFC-NDs

As per the NBFC Master Directions, the revised the threshold for defining systemic significance for NBFCs-ND in the light of the overall increase in the growth of the NBFC sector. NBFCs-ND-SI will henceforth be those NBFCs-ND which have asset size of ₹50,000 lakh and above as per the last audited balance sheet. Moreover, as per this amendment, all NBFCs-ND with assets of ₹50,000 lakh and above, irrespective of whether they have accessed public funds or not, shall comply with prudential regulations as applicable to NBFCs-ND-SI. NBFCs-ND-SI is required to comply with conduct of business regulations if customer interface exists.

All systemically important NBFCs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio of 15 per cent.

Rating of NBFCs

Pursuant to the RBI circular DNBS (PD) CC. No.134/03.10.001/2008-2009 dated February 4, 2009, all NBFCs -ND-SI are required to, as per RBI instructions to, furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them within 15 days of a change in rating.

Prudential Norms

The RBI Master Circular on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 ("ND-SI-Directions"), amongst other requirements prescribe guidelines on NBFC-ND regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans. The ND-SI-Directions state that the credit/ investment norms shall not apply to a systemically important non-banking financial company not accessing public funds in India, either directly or indirectly, and not issuing guarantees.

Corporate governance norms

As per the ND-SI-Directions, all NBFC-ND-SI are required to adhere to certain corporate governance norms, including constitution of an audit committee, a nomination committee, an asset liability management committee and risk management committee. The NBFC-ND-SIs are also required to constitute asset liability management support group which shall be responsible for analysing, monitoring and reporting the liquidity risk profile to the asset liability management committee. NBFCs are required to furnish to the RBI a quarterly statement on change of directors, and a certificate from the managing director of the NBFC that fit and proper criteria in selection of the directors has been followed. Further, all applicable NBFCs shall have to frame their internal guidelines on corporate governance with the approval of its board of directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the above guidelines and it shall be published on the company's web-site, if any, for the information of various stakeholders. NBFC-ND-SIs are mandatorily required to rotate the partner/s of the chartered accountant firm conducting its audit, every three years so that same partner does not conduct audit of such NBFC-ND-SI continuously for more than a period of three years. However, the partner so rotated shall be eligible for conducting the audit of the such NBFC-ND-SI after an interval of three years, if so decided by the NBFC-ND-SI. RBI has also mandated the NBFC-ND-SIs to have a policy to ascertain the 'fit and proper criteria' at the time of appointment of directors and on a continuing basis.

Provisioning Requirements

An NBFC-ND, after taking into account the time lag between an account becoming non-performing, its recognition, the realisation of the security and erosion overtime in the value of the security charged, shall make provisions against sub-standard assets, doubtful assets and loss assets in the manner provided for in the ND-SI-Directions.

In the interests of counter cyclicality and so as to ensure that NBFCs create a financial buffer to protect them from the effect of economic downturns, RBI vide their circular no. DNBS.PD.CC. No.207/ 03.02.002 /2010-11 dated January 17, 2011, introduced provisioning for Standard Assets by all NBFCs. NBFCs are required to make a general provision at 0.25 per cent of the outstanding standard assets. RBI vide their circular no. DNBR (PD) CC No. 037/03.01.001/2014-15 dated June 11, 2015 raised the provision for standard assets to 0.40 per cent to be met by March 2018. The provisions on standard assets are not reckoned for arriving at Net NPAs. The provisions towards Standard Assets are not needed to be netted from gross advances but shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet. NBFCs are allowed to include the '*General Provisions on Standard Assets*' in Tier II Capital which together with other 'general provisions/ loss reserves' will be admitted as Tier II Capital only up to a maximum of 1.25 per cent of the total risk-weighted assets.

Capital Adequacy Norms

Every systemically important NBFC-ND is required to maintain, with effect from April 1, 2007, a minimum capital ratio consisting of Tier I and Tier II Capital of not less than 15 per cent of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained. Also, the total of the Tier II Capital of a NBFC-MFI shall not exceed 100 per cent of the Tier I Capital.

Tier-I Capital, has been defined in the ND-SI Directions as, owned funds as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10 per cent of the owned fund and perpetual debt instruments issued by a systemically important NBFC-ND in each year to the extent it does not exceed 15 per cent of the aggregate Tier I Capital of such company as on 31st March of the previous accounting year.

Owned-Funds, has been defined in the ND-SI Directions as, paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier - II Capital, has been defined in the ND-SI Directions, includes the following (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55 per cent; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one-and-one-fourth per cent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt to the extent the aggregate does not exceed Tier - I capital; and (f) perpetual debt instrument issued by a systemically important NBFC-ND, which is in excess of what qualifies for Tier I Capital to the extent that the aggregate Tier-II capital does not exceed 15 per cent of the Tier -I capital.

Hybrid debt means, capital instrument, which possess certain characteristics of equity as well as debt.

Subordinated debt means a fully paid up capital instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed and to the extent such discounted value does not exceed fifty percent of Tier I capital.

Exposure Norms

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the Master Direction, prescribed credit exposure limits for NBFC-ND-SI (except for NBFC-MFIs with asset size of ₹ 500 crore and above) in respect of their lending to single/ group borrowers. Credit exposure to a single borrower shall not exceed 15 per cent of the owned funds of the systemically important NBFC-ND, while the credit exposure to a single group of borrowers shall not exceed 25 per cent of the owned funds of the systemically important NBFC-ND. Further, the systemically important NBFC-ND may not invest in the shares of another company exceeding 15 per cent of its owned funds, and in the shares of a single group of companies exceeding 25 per cent of its owned funds. However, this prescribed ceiling shall not be applicable on a NBFC-ND-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. Any NBFC-ND-SI not accessing public funds, either directly or indirectly may make an application to the RBI for modifications in the prescribed ceilings Any systemically important NBFC-ND classified as asset finance company by RBI, may in exceptional circumstances, exceed the above ceilings by 5% of its owned fund, with the approval of its Board of Directors. The loans and investments of the systemically important NBFC-ND taken together may not exceed 25% of its owned funds to or in single party and 40% of its owned funds to or in single group of parties. A systemically important ND-NBFC may, make an application to the RBI for modification in the prescribed ceilings.

Asset Classification

The Prudential Norms Directions require that every NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- Standard assets;
- Sub-standard Assets;
- Doubtful Assets; and
- Loss assets

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. At present every NBFC is required to make a provision for standard assets at 0.40 per cent.

Other stipulations

All NBFCs are required to frame a policy for demand and call loan that includes provisions on the cut-off date for recalling the loans, the rate of interest, periodicity of such interest and periodical reviews of such performance.

The prudential norms also specifically prohibit NBFCs from lending against its own shares.

Net Owned Fund

Section 45-IA of the RBI Act provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹200 lakh. For this purpose, the RBI Act has defined "net owned fund" to mean:

Net Owned Fund - The aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting (i) accumulated balance of losses, (ii) deferred revenue expenditure, (iii) *deferred tax asset (net); and (iv) other intangible assets; and further reduced by the amounts representing,*

(i) investment by such companies in shares of (i) its subsidiaries, (ii) companies in the same group, (iii) other NBFCs; and

(ii) the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiaries of such companies; and (ii) companies in the same group, to the extent such amount exceeds 10 per cent of (a) above.

According to ND-SI Directions a non-banking financial company holding a certificate of registration issued by the RBI and having net owned fund of less than ₹200 lakh may continue to carry on the business of non-banking financial institution, if such company achieves net owned fund of ₹ 20 million before April 1, 2017.

Reserve Fund

In addition to the above, Section 45-IC of the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually before declaration of dividend. Such a fund is to be created by every NBFC irrespective of whether it is a ND NBFC or not. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such appropriation.

Maintenance of liquid assets

The RBI through notification dated January 31, 1998, as amended has prescribed that every NBFC shall invest and continue to invest in unencumbered approved securities valued at a price not exceeding the current market price of such securities an amount which shall, at the close of business on any day be not less than 10% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank; the aggregate of which shall not be less than 15% of the public deposit outstanding at the last working day of the second preceding quarter.

NBFCs such as the Company, which do not accept public deposits, are subject to lesser degree of regulation as compared to a NBFC-D and are governed by the RBI's Non- Deposit Accepting Companies Directions.

An NBFC-ND is required to inform the RBI of any change in the address, telephone no's, etc. of its Registered Office, names and addresses of its directors/auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC-ND would need to ensure that its registration with the RBI remains current.

All NBFCs (whether accepting public deposits or not) having an asset base of ₹10,000 lakhs or more or holding public deposits of ₹2,000 lakhs or more (irrespective of asset size) as per their last audited balance sheet are required to comply with the RBI Guidelines for an Asset-Liability Management System.

NBFCs shall constitute grievance redressal machinery as contained in RBI's circular on Grievance Redressal Mechanism, vide DNBS. CC. PD. No. 320/03.10. 01/2012-13 dated February 18, 2013 which states that at the operational level, all NBFCs shall display the name and contact details of the grievance redressal officer prominently at their branches/ places where business is transacted. The designated officer shall ensure that genuine grievances of customers are redressed promptly without involving any delay. It shall be clearly indicated that NBFCs' grievance redressal machinery shall also deal with the issue relating to services provided by the outsourced agency. Generally, a time limit of 30 (thirty) days may be given to the customers for preferring their complaints/ grievances. The grievance redressal procedure of the NBFC and the time frame fixed for responding to the complaints shall be placed on the NBFC's website.

Liquidity Risk Management

RBI has mandated non-deposit taking NBFC-SIs and all deposit taking NBFCs (irrespective of their asset size), save and except, Type 1 NBFC-NDs (i.e. NBFCs not accepting public funds/ not intending to accept public funds in the future and not having customer interface/not intending to have customer interface in the future), non-operating financial holding companies and standalone primary dealers, to comply with the liquidity risk management guidelines, which inter alia deal with: (i) liquidity risk management policy, strategies and practices; (ii) management information system; (iii) internal controls; (iv) maturity profiling; (v) liquidity risk measurement

– stock approach; (vi) currency risk; (vii) managing interest rate risk; and (viii) liquidity risk monitoring tools.

Similarly, all NBFCs are required to comply with "Know Your Customer Guidelines - Anti Money Laundering Standards" issued by the RBI, with suitable modifications depending upon the activity undertaken by the NBFC concerned.

RBI, vide circular bearing reference number RBI/2018-19/130 DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019, has harmonised different categories of NBFCs into fewer ones, based on the principle of regulation by activity rather than regulation by entity. Accordingly, RBI has merged the three categories of NBFCs viz. Asset Finance Companies (AFC), Loan Companies (LCs) and Investment Companies (ICs) into a new category called NBFC - 4Credit Company (NBFC-ICC). Further differential regulations relating to bank's exposure to the three categories of NBFCs viz., AFCs, LCs and ICs were harmonised. Further, a deposit taking NBFC-ICC shall invest in unquoted shares of another company which is not a subsidiary company or a company in the same group of the NBFC, an amount not exceeding twenty per cent of its owned fund.

Lending against security of gold

The RBI pursuant to the Master Direction –Non-Banking Financial Company –Systemically Important Non Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended from time to time ("RBI Master Directions") has prescribed that all NBFCs shall maintain a loan to value ratio not exceeding 75% for loans granted against the collateral of gold jewellery. NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50% or more of their financial assets) shall maintain a minimum Tier l capital of 12%. The RBI Master Directions has issued guidelines with regard to the following:

(i) Appropriate infrastructure for storage of gold ornaments: A minimum level of physical infrastructure and facilities is available in each of the branches engaged in financing against gold jewellery including a safe deposit vault and appropriate security measures for operating the vault to ensure safety of the gold and borrower convenience. Existing NBFCs should review the arrangements in place at their branches and ensure that necessary infrastructure is put in place at the earliest. No new branches should be opened without suitable storage arrangements, including safe deposit vault, having been made thereat. No business of grant of loans against the security of gold can be transacted at places where there are no proper facilities for storage/security.

(ii) NBFCs shall not grant any advance against bullion / primary gold and gold coins. NBFCs shall not grant any advance for purchase of gold in any form including primary gold, gold bullion, gold jewellery, gold coins, units of Exchange Traded Funds (ETF) and units of gold mutual fund.

(iii) Prior approval of RBI for opening branches in excess of 1,000: It is henceforth mandatory for NBFC to obtain prior approval of the Reserve Bank to open branches exceeding 1,000. However, NBFCs which already have more than 1,000 branches may approach the Bank for prior approval for any further branch expansion. Besides, no new branches will be allowed to be opened without the facilities for storage of gold jewellery and minimum security facilities for the pledged gold jewellery.

(iv) Standardization of value of gold in arriving at the loan to value ratio: For arriving at the value of gold jewellery accepted as collateral, it will have to be valued at the average of the closing price of 22 carat gold for the preceding 30 days as quoted by BBA or the historical spot gold price data publicly disseminated by a commodity exchange regulated by the Forward Markets Commission.

(v) Verification of the Ownership of Gold: NBFCs should have an explicit Board approved policy in their overall loan policy to verify ownership of the gold jewellery, and adequate steps be taken to ensure that the KYC guidelines stipulated by the Reserve Bank are followed and due diligence of the customer undertaken. Where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams, NBFCs must keep record of the verification of the ownership of the jewellery. The method of establishing ownership should be laid down as a Board approved policy. Auction Process and Procedures: The following additional stipulations are made with respect to auctioning of pledged gold jewellery:

  (a) The auction should be conducted in the same town or taluka in which the branch that has extended the loan is located.
  (b) While auctioning the gold the NBFC should declare a reserve price for the pledged ornaments. The

reserve price for the pledged ornaments should not be less than 85% of the previous 30 day average closing price of 22 carat gold as declared by The Bombay Bullion Association Limited and value of the jewellery of lower purity in terms of carats should be proportionately reduced.

(c) It will be mandatory on the part of the NBFCs to provide full details of the value fetched in the auction and the outstanding dues adjusted and any amount over and above the loan outstanding should be payable to the borrower.

(d) NBFCs must disclose in their annual reports the details of the auctions conducted during the financial year including the number of loan accounts, outstanding amounts, value fetched and whether any of its sister concerns participated in the auction.

(e) In case the first auction fails, NBFCs can pool gold jewellery from different branches in a district and auction it at any location within the district, subject to adherence with all other requirements regarding auction (prior notice, reserve price, arms-length relationship, disclosures, etc.) are met.

(vi) Other Instructions:

(a) NBFCs financing against the collateral of gold must insist on a copy of the PAN Card of the borrower for all transaction above ₹500,000.

(b) Every NBFC shall ensure compliance with the requirements under sections 269SS and 269T of the Income Tax Act, 1961, as amended from time to time.

(c) Documentation across all branches must be standardized.

(d) NBFCs shall not issue misleading advertisements like claiming the availability of loans in a matter of 2-3 minutes.

Reserve Bank of India (Know Your Customer (KYC)) Master Directions, 2016 dated February 25, 2016, as amended ("RBI KYC Directions")

The RBI KYC Directions are applicable to every entity regulated by the RBI, specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others. In terms of the RBI KYC Directions, every entity regulated thereunder is required to formulate a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. It is advised that all NBFC'S adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The RBI KYC Directions provide for a simplified procedure for opening accounts by NBFCs. It also provides for an enhanced and simplified due diligence procedure. It has prescribed detailed instructions in relation to, inter alia, the due diligence of customers, record management, and reporting requirements to Financial Intelligence Unit – India. The RBI KYC Directions have also issued instructions on sharing of information while ensuring secrecy and confidentiality of information held by Banks and NBFCs. The regulated entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and Common Reporting Standards. The RBI KYC Directions also require the regulated entities to ensure compliance with the requirements/obligations under international agreements. The regulated entities must also pay adequate attention to any money-laundering and financing of terrorism threats that may arise from new or developing technologies, and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies. The RBI KYC Directions were updated on April 20, 2018 to enhance the disclosure requirements under the Prevention of Money-Laundering Act, 2002 and in accordance with the Prevention of Money-Laundering Rules vide Gazette Notification GSR 538 (E) dated June 1, 2017 and the final judgment of the Supreme Court in the case of Justice K.S. Puttaswamy (Retd.) & Another v. Union of India (Writ Petition (Civil) 494/2012). The Directions were updated to accommodate authentication as per the AADHAR (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and use of an Indian resident's Aadhar number as a document for the purposes of fulfilling KYC requirement. The RBI KYC Directions were further updated on January 9, 2020 with a view to leveraging the digital channels for customer identification process by regulated entities, whereby the RBI has decided to permit video based customer identification process as a consent based alternate method of establishing the customer's identity, for customer onboarding.

Accounting Standards & Accounting policies

Subject to the changes in Indian Accounting Standards ("IAS") and regulatory environment applicable to a NBFC we may change our accounting policies in the future and it might not always be possible to determine the effect on the statement of profit and loss of these changes in each of the accounting years preceding the change. In such cases profit/loss for the preceding years might not be strictly comparable with the profit/loss for the period for which such accounting policy changes are being made. The Ministry of Corporate Affairs ("MCA"), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for non-banking financial companies, scheduled commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. The notification further explains that NBFCs whose equity and/or debt securities are listed or in the process of listing on any stock exchange in India or outside India and having a net worth of less than ₹50,000 lakh, shall comply with Ind AS for accounting periods beginning from April 1, 2021 onwards with comparatives for the periods ending on March 31, 2021 or thereafter. Accordingly, Ind AS is applicable to our Company with effect from April 1, 2021.

Implementation of Indian Accounting Standards: RBI Notification
The Reserve bank of India vide notification number RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/ 2019-20 dated March 13, 2020 framed regulatory guidance on Ind AS which will be applicable on Ind AS implementing NBFCs and Asset Reconstruction Companies (ARCs) for preparation of their financial statements from financial year 2019-20 onwards. These guidelines focus on the need to ensure consistency in the application of the accounting standards in specific areas, including asset classification and provisioning, and provide clarifications on regulatory capital in the light of Ind AS implementation.

Master Direction dated September 29, 2016 on Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016

All NBFC-ND-SIs shall put in place a reporting system for frauds and fix staff accountability in respect of delays in reporting of fraud cases to the RBI. An NBFC-ND-SI is required to report all cases of fraud of ₹ 1 lakh and above, and if the fraud is of ₹100 lakh or above, the report should be sent in the prescribed format within three weeks from the date of detection thereof. The NBFC-ND-SI shall also report cases of fraud by unscrupulous borrowers and cases of attempted fraud.

Master Circular dated July 1, 2015 – Frauds – Future approach towards monitoring of frauds in NBFCs

In order to prevent the incidence of frauds in NBFCs, the RBI established a reporting requirement to be followed by NBFCs, both NBFC-D and NBFCs-ND-SI. In terms of the circular, all NBFCs-ND-SI shall disclose the amount related to fraud, reported in the company for the year in their balance sheets. NBFCs failing to report fraud cases to the RBI would be liable for penal action prescribed under the provisions of Chapter V of the RBI Act. Additionally, the circular provides for categorisation of frauds and the reporting formats in order to ensure uniformity in reporting.

Master Circular dated July 1, 2015 on returns to be submitted by NBFCs

The circular lists down detailed instructions in relation to submission of returns, including their periodicity, reporting time, due date, purpose and the requirement of filing such returns by various categories of NBFCs, including an NBFC ND- SI. RBI vide notification dated November 26, 2015 titled "Online Returns to be submitted by NBFCs-Revised" changed the periodicity of NBFC-ND-SI returns from monthly to quarterly.

Implementation of Green Initiative of the Government

All NBFCs are required take proactive steps for increasing the use of electronic payment systems, elimination of post-dated cheques and gradual phase-out of cheques in their day to day business transactions which would result in more cost-effective transactions and faster and accurate settlements.

Reporting by Statutory Auditor

The statutory auditor of the NBFC-ND is required to submit to the Board of Directors of the company along with the statutory audit report, a special report certifying that the Directors have passed the requisite resolution mentioned above, not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of non-compliance, the statutory auditors are required to directly report the same to the RBI.

Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021

The circular puts in place ownership-neutral regulations, ensuring independence of auditors, avoiding conflict of interest in auditor's appointments and to improve the quality and standards of audit in RBI Regulated Entities. These guidelines shall streamline the procedure for appointment of Statutory Auditors across all the Regulated Entities and ensure that appointments are made in a timely, transparent and effective manner.

Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

In addition to the report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of an NBFC-ND-SI, the auditor shall make a separate report to the Board of Directors of the company on inter alia examination of validity of certificate of registration obtained from the RBI, whether the NBFC is entitled to continue to hold such certificate of registration in terms of its Principal Business Criteria (financial asset / income pattern) as on 31st March of the applicable year, whether the NBFC is meeting the required net owned fund requirement, whether the board of directors has passed a resolution for non-acceptance of public deposits, whether the company has accepted any public deposits during the applicable year, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it, whether the capital adequacy ratio as disclosed in the return submitted to the Bank in form NBS- 7, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the Bank, whether the company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period, and whether the non-banking financial company has been correctly classified as NBFC Micro Finance Institutions (MFI).

Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016

All NBFCs are required to put in place a reporting system for filing various returns with the RBI. An NBFC-ND-SI is required to file on a quarterly basis a return on important financial parameters, including components of assets and liabilities, profit and loss account, exposure to sensitive sectors etc., NBS-7 on prudential norms on a quarterly basis, multiple returns on asset-liability management to address concerns regarding inter alia asset liability mismatches and interest rate risk, quarterly report on branch information, and Central Repository of Information on Large Credits ("CRILC") on a quarterly basis as well as all Special Mention Accounts-2 ("SMA-2") status on a weekly basis to facilitate early recognition of financial distress, prompt steps for resolution and fair recovery for lenders.

Master Direction on Information Technology Framework for the NBFC Sector, 2017

All systemically important NBFCs must implement the security enhancement requirements under the Master Direction with respect to enhancing security of its Information Technology/Information Security Framework ("IT") business continuity planning, disaster recovery and management. NBFCs must constitute an IT Strategy Committee and IT Steering Committee and formulate an IT and Information Security Policy in furtherance of the same. Further, a Cyber Crisis Management Plan must be formulated to address cyber intrusions and attacks. It has to be implemented by applicable NBFCs by June 2018.

Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017

With a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs, the RBI has issued directions on managing risks and code of conduct in outsourcing of financial services by NBFCs ("Risk Management Directions"). The Risk Management Directions specify that core management functions like internal auditing, compliance functions, decision making functions such as compliance with KYC norms shall not be outsourced by NBFCs. Further, the Risk Management Directions specify that outsourcing of functions shall not limit its obligations to its customers.

Reserve bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019

Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 sets out a framework to ensure that there is an early recognition, reporting and time bound resolution of stressed assets. The Stressed Assets Directions apply to (a) Scheduled Commercial Banks (excluding Regional Rural Banks); (b) All India Term Financial Institutions (NABARD, NHB, EXIM Bank, and SIDBI); (c) Small Finance Banks;

and, (d) Systemically Important Non-Deposit taking Non-Banking Financial Companies (NBFC-ND-SI) and NBFC-Ds. In the event of a default, the said lenders shall recognize the stress in the loan accounts and classify these loan accounts into three categories namely: (i) SMA-0, where the principal and/or interest, whether partly or wholly is overdue between 1-30 days; (ii) SMA-1, where the principal and/or interest, whether partly or wholly is overdue between 31-60 days; and(iii) SMA-2, where the principal and/or interest whether partly or wholly is overdue between 61-90 days. The said lenders shall report credit information, including classification of an account as SMA to Central Repository of Information on Large Credits ("CRILC"), on all borrowers having aggregate exposure of ₹500 lakhs and above with them. Once a borrower is reported to be in default by any of the lenders mentioned at (a), (b) and (c) hereinabove, the lenders shall undertake a prima facie review of the borrower account within thirty days from such default ("Review Period") to inter alia decide on a resolution strategy, including nature of the resolution plan ("RP").

During the Review Period for the implementation of an RP, all lenders shall enter into an inter-creditor agreement, which shall among other things provide that any decision agreed by lenders representing 75 per cent.by value of total outstanding credit facilities (fund based as well non-fund based) and 60 per cent of lenders by number shall be binding upon all the lenders. In particular, the RPs shall provide for payment not less than the liquidation value due to the dissenting lenders, being the estimated realisable value of the assets of the relevant borrower, if such borrower were to be liquidated as on the date of commencement of the Review Period.

Financing of NBFCs by bank

The RBI has issued guidelines vide a circular dated bearing number DBOD No. FSD. BC.46/24.01.028/2006-07 dated December 12, 2006 relating to the financial regulation of systemically important NBFC-NDs and the relationship of banks with such institutions. In particular, these guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or corporate deposits by NBFCs to any company; (iii) investments by NBFCs both of current and long term nature, in any company; (iv) all types of loans and advances by NBFCs to their subsidiaries, group companies/entities; and (v) further lending to individuals for the purpose of subscribing to an initial public offer.

In addition to the above the RBI has issued guidelines vide a circular dated bearing number DBR.BP.BC.No.5/21.04.172/2015-16 dated July 1, 2015 relating to bank financing of NBFCs predominantly engaged in lending against Gold has directed banks to (i) reduce their regulatory exposure ceiling on a single NBFC, having gold loans to the extent of 50% or more of its total financial assets 10% of banks' capital funds. However, the exposure ceiling may go up by 5%, i.e., up to 15% of banks' capital funds if the additional exposure is on account of funds on-lent by NBFCs to the infrastructure sector and (ii) to have an internal sub-limit on their aggregate exposures to all such NBFCs, having gold loans to the extent of 50% or more of their total financial assets, taken together. The sub-limits should be within the internal limit fixed by the banks for their aggregate exposure to all NBFCs put together.

Norms for excessive interest rates

In addition, the RBI has introduced vide a circular bearing reference number RBI/ 2006-07/ 414 dated May 24, 2007 whereby RBI has requested all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 1, 2015 for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

Supervisory Framework

In order to ensure adherence to the regulatory framework by systemically important ND-NBFCs, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio etc. as at the end of March every year, in a prescribed format. This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non-banking financial institution with requirement to hold a certificate of registration under the RBI Act. This certificate is required to be submitted within one month of the date of finalisation of the balance sheet and in any other case not later than December 30 of that particular year. Further, in addition to the auditor's report under Section 143 of the Companies Act, 2013 the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI. Where the statement regarding any of the items referred relating to the above, is unfavorable or qualified, or in the opinion of the auditor the company has not complied with the regulations issued by RBI , it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the company to the concerned Regional Office of the Department of Non-Banking Supervision of the Bank under whose jurisdiction the registered office of the company is located.

Ombudsman scheme for customers of NBFCs

The RBI has on February 23, 2018 introduced the Ombudsman Scheme for Non-Banking Financial Companies, 2018 (the "Scheme"). The stated objective of the Scheme is to enable the resolution of complaints free of cost, relating to certain aspects of services rendered by certain categories of NBFCs registered with the RBI to facilitate the satisfaction or settlement of such complaints, and matters connected therewith. The Scheme provides for the appointment by RBI of one or more officers not below the rank of general manager as ombudsmen (the "Ombudsmen") for a period not exceeding three years at a time, to carry out the functions entrusted to Ombudsmen under the Scheme. The Scheme describes the nature of complaints which any person could file with an Ombudsman alleging deficiency in services by an Covered NBFC, which include inter alia failure to convey in writing the amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof, failure or refusal to provide adequate notice on proposed changes being made in the sanctioned terms in vernacular or a language understood by the borrower, levying of charges without adequate prior notice to the borrower/customer and failure or inordinate delay in releasing the securities documents to the borrower on repayment of all dues. The complaints may be settled by the Covered NBFC within a specified period or may be decided by an award passed by Ombudsman after affording the parties a reasonable opportunity to present their case, either in writing or in a meeting. Where the Ombudsman decides to allow the complaint, the award passed is required to contain the direction/s, if any, to the Covered NBFC for specific performance of its obligations and in addition to or otherwise, the amount, if any, to be paid by the Covered NBFC to the complainant by way of compensation for any loss suffered by the complainant, arising directly out of the act or omission of the Covered NBFC. The Covered NBFC is required to implement the settlement arrived at with the complainant or the award passed by the Ombudsman when it becomes final and send a report in this regard to the RBI within 15 days of the award becoming final. The Ombudsman is required to send a report to the RBI governor annually (as on June 30 every year) containing general review of the activities of his office during the preceding financial year and provide such other information as may be required by the RBI.

Asset Liability Management

The RBI has prescribed the Guidelines for Asset Liability Management ("ALM") System in relation to NBFCs ("ALM Guidelines") that are applicable to all NBFCs through a Master Circular on Miscellaneous Instructions to All Non-Banking Financial Companies dated July 1, 2015. As per this Master Circular, the NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting certain criteria, including, an asset base of ₹ 10,000 lakhs, irrespective of whether they are accepting / holding public deposits or not, or holding public deposits of ₹ 2,000 lakhs or more (irrespective of the asset size) as per their audited balance sheet as of March 31, 2001, are required to put in place an ALM system. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/31 days' time-bucket should not exceed the prudential limit of 15 per cent of cash outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15 per cent of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

Foreign Investment Regulations

Foreign investment in Indian securities is regulated through the Consolidated Foreign Direct Investment ("FDI") Policy and Foreign Exchange Management Act, 1999 ("FEMA"). The government bodies responsible for granting foreign investment approvals are the concerned ministries/ departments of the Government of India and the RBI. The Union Cabinet has approved phasing out the Foreign Investment Promotion Board, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the office memorandum dated June 5, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the FDI policy has been entrusted to concerned ministries/departments. Subsequently, the Department of Industrial Policy & Promotion ("DIPP") issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "SOP"). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned administrative ministry/department shall act as the competent authority (the "Competent Authority") for the grant of post facto approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP shall identify the Competent Authority. The DIPP has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendment to FEMA. In case of any conflict FEMA prevails.

The Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified by RBI on October 17, 2019, regulate investment in India by a person resident outside India in listed NCDs.

The Consolidated FDI Policy consolidates the policy framework in place as on August 27, 2017. Further, on January 4, 2018 the RBI released the Master Direction on Foreign Investment in India. Under the approval route, prior approval from the relevant ministry and competent authorities, as per the procedure established under the Standard Operating Procedure for Processing FDI Proposals ("SOP") dated June 29, 2017 or RBI is required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the Government of India as its members.

As per the sector specific guidelines of the Government of India, 100 per cent FDI/ Non-Resident Indian ("NRI") investments are allowed under the automatic route in certain NBFC activities subject to compliance with guidelines of the RBI in this regard.

Guidelines for Licencing and other Approvals for Authorised Money Changers (AMCs)

Full Fledged Money Changers (FFMCs) are authorised by the Reserve Bank to deal in foreign exchange for specified purposes, to widen the access of foreign exchange facilities to residents and tourists while ensuring efficient customer service through competition. FFMCs are authorised to purchase foreign exchange from residents and non-residents visiting India and to sell foreign exchange for certain approved purposes. AD Category –I Banks/ADs Category – II/FFMCs may appoint franchisees to undertake purchase of foreign currency*. No person shall carry on or advertise that he carries on money changing business unless he is in possession of a valid money changer's licence issued by the Reserve Bank.

**Note: -Franchisees of AD Category –I Banks/ADs Category – II/FFMCs functioning within 10 kilometres from the borders of Pakistan and Bangladesh may also sell the currency of the bordering country, with the prior approval of the Regional offices concerned of the Reserve Bank. Other franchises of AD Category –I Banks/ADs Category – II/FFMCs cannot sell foreign currency.*

Guidelines for appointment of Agents/ Franchisees by Authorised Dealer Category – FFMCs.

Under the Scheme, the Reserve Bank permits FFMCs to enter into franchisee/agency agreements at their option for the purpose of carrying on Restricted Money Changing business i.e. conversion of foreign currency notes, coins or travellers' cheques into Indian Rupees.

A franchisee can be any entity which has a place of business and a minimum Net Owned Funds of ₹10 lakhs. Franchisees can undertake only restricted money changing business.

FFMCs as the franchisers are free to decide on the tenor of the arrangement as also the commission or fee through mutual agreement with the franchisee. The Agency/Franchisee agreement to be entered into should include the salient features as mentioned under the master circular. The master circular also prescribes the procedure for application, due diligence of franchisees, selection of centres, training, reporting, audit and inspection of franchisees and Anti Money Laundering (AML)/Know Your Customer (KYC)/Combating the Financing of Terrorism (CFT) Guidelines.

Note: No licence for appointment of franchisees will be issued to any FFMC, against whom any major DoE/DRI/CBI/Police case is pending. In case where any FFMC has received one-time approval for appointing franchisees and subsequent to the date of approval, any DoE/DRI/CBI/Police case is filed, the FFMC should not appoint any further franchisees and bring the matter to the notice of the Reserve Bank immediately. A decision will be taken by the Reserve Bank regarding allowing the FFMC to appoint franchisees.

Operational Instructions

Foreign exchange in any form can be brought into India freely without limit provided it is declared on the Currency Declaration Form (CDF) on arrival to the Custom Authorities. When foreign exchange brought in the form of currency notes or travellers' cheques does not exceed US $10,000 or its equivalent and/or the value of foreign currency notes does not exceed US $5,000 or its equivalent, declaration thereof on CDF is not insisted upon.

Taking out foreign exchange in any form, other than foreign exchange obtained from an authorised dealer or a money changer is prohibited unless it is covered by a general or special permission of the Reserve Bank. Non-residents, however, have general permission to take out an amount not exceeding the amount originally brought in by them, subject to compliance with the provisions of sub-para above.

Authorised Money Changers (AMCs)/franchisees may freely purchase foreign currency notes, coins and traveller’s cheques from residents as well as non-residents. Where the foreign currency was brought in by declaring on form CDF, the tenderer should be asked to produce the same. The AMC should invariably insist on production of declaration in CDF.

AMCs may sell Indian Rupees to foreign tourists/visitors against International Credit Cards/International Debit Cards and take prompt steps to obtain reimbursement through normal banking channels.

AMCs may issue certificate of encashment when asked for in cases of purchases of foreign currency notes, coins and travellers cheques from residents as well as non-residents. These certificates bearing authorised signatures should be issued on the letter head of the money changer and proper record should be maintained.

In cases where encashment certificate is not issued, attention of the customers should be drawn to the fact that unspent local currency held by non-residents will be allowed to be converted into foreign currency only against production of a valid encashment certificate.

AMCs may purchase from other AMCs and ADs any foreign currency notes, coins and encashed travellers’ cheques tendered in the normal course of business. Rupee equivalent of the amount of foreign exchange purchased should be paid only by way of crossed account payee cheque/demand draft/bankers' cheque/Pay order.

AMCs may sell foreign exchange up to the prescribed ceiling (currently US $ 10,000) specified in Schedule III to the Foreign Exchange Management (Current Account Transaction) Rules, 2000 during a financial year to persons resident in India for undertaking one or more private visits to any country abroad (except Nepal and Bhutan). Exchange for such private visits will be available on a self-declaration basis to the traveller regarding the amount of foreign exchange availed during a financial year. Foreign nationals permanently resident in India are also eligible to avail of this quota for private visits provided the applicant is not availing of facilities for remittance of his salary, savings, etc., abroad in terms of extant regulations.

AMCs may sell foreign exchange to persons’ resident in India for undertaking business travel or for attending a conference or specialised training or for maintenance expenses of a patient going abroad for medical treatment or check-up abroad or for accompanying as attendant to a patient going abroad for medical treatment/check-up up to the limits as specified in Schedule III to FEMA (Current Account Transactions) Rules, 2000.

AMCs may convert into foreign currency, unspent Indian currency held by non-residents at the time of their departure from India, provided a valid Encashment Certificate is produced.

AMCs may convert at their discretion, unspent Indian currency up to ₹10,000 in the possession of non-residents if, for bona fide reasons, the person is unable to produce an Encashment Certificate after ensuring that the departure is scheduled to take place within the following seven days. FFMCs may provide facility for reconversion of Indian Rupees to the extent of ₹50,000 to foreign tourists (not NRIs) against ATM Receipts based on the following documents- Valid passport and visa, ticket confirmed for departure within 7 days, Original

ATM slip.

AMCs may issue a cash memo, if asked for, on official letterhead to travellers to whom foreign currency is sold by them. The cash memo may be required for production to emigration authorities while leaving the country.

AMCs may put through transactions relating to foreign currency notes and travellers' cheques at rates of exchange determined by market conditions and in alignment with the ongoing market rates.

AMCs should display at a prominent place in or near the public counter, a chart indicating the rates for purchase/sale of foreign currency notes and travellers' cheques for all the major currencies and the card rates for any day, should be updated, latest by 10:30 a.m.

AMCs should keep balances in foreign currencies at reasonable levels and avoid build-up of idle balances with a view to speculating on currency movements.

Franchisees should surrender foreign currency notes, coins and travellers' cheques purchased only to their franchisers within seven working days.

The transactions between authorised dealers and FFMCs should be settled by way of account payee crossed cheques/demand drafts. Under no circumstances should settlement be made in cash.

AMCs may obtain their normal business requirements of foreign currency notes from other AMCs/authorised dealers in foreign exchange in India, against payment in rupees made by way of account payee crossed cheque/demand draft.

Where AMCs are unable to replenish their stock in this manner, they may make an application to the Forex Markets Division, Foreign Exchange Department, Central Office, RBI, Mumbai through an AD Category-I for permission to import foreign currency into India. The import should take place through the designated AD Category-I through whom the application is made.

AMCs may export surplus foreign currency notes/encashed travellers' cheques to an overseas bank through designated Authorised Dealer Category - I in foreign exchange for realisation of their value through the latter. FFMCs may also export surplus foreign currency to private money changers abroad subject to the condition that either the realisable value is credited in advance to the AD Category – I bank’s nostro account or a guarantee is issued by an international bank of repute covering the full value of the foreign currency notes/coins to be exported.

In the event of foreign currency notes purchased being found fake/forged subsequently, AMCs may write- off up to US $ 2000 per financial year after approval of their Top Management after exhausting all available options for recovery of the amount. Any write-off in excess of the above amount, would require the approval of the Regional Office concerned of the Foreign Exchange Department of the Reserve Bank.

Further, provisions regarding the following are also mentioned**:**

- Registers and Books of Accounts of Money-changing Business
- Submission of Statements to the Reserve Bank
- Inspection of Transactions of AMCs
- Concurrent Audit
- Temporary Money Changing Facilities
- Opening of Foreign Currency Accounts by AMCs

AMCs, with the approval of the respective Regional Offices of the Foreign Exchange Department, may be allowed to open Foreign Currency Accounts in India, subject to the following conditions: -

i. Only one account may be permitted at a particular centre.
ii. Only the value of foreign currency notes/encashed TCs exported through the specific bank and realised can be credited to the account.
iii. Balances in the accounts shall be utilised only for settlement of liabilities on account of:
  (a) TCs sold by the AMCs,
  (b) Foreign currency notes acquired by the AMCs from AD Category-I banks, and

(c) No idle balance shall be maintained in the said account.

All AMCs are required to submit their annual audited balance sheet to the respective Regional office of the Reserve Bank for the purpose of verification of their Net Owned Funds along-with a certificate from the statutory auditors regarding the NOF as on the date of the balance sheet. As AMCs are expected to maintain the minimum NOF on an ongoing basis, if there is any erosion in their NOF below the minimum level, they are required to bring it to the notice of the Reserve Bank immediately along with a detailed time bound plan for restoring the Net Owned Funds to the minimum required level.

FFMCs, which are not Regional Rural Banks (RRBs), Local Area Banks (LABs), Urban Co-operative Banks (UCBs) and Non-Banking Financial Companies (NBFCs) having a minimum net worth of ₹500 lakhs, may participate in the designated currency futures and currency options on exchanges recognised by the Securities and Exchange Board of India (SEBI) as clients only for the purpose of hedging their underlying foreign exchange exposures. FFMCs and ADs Category–II which are RRBs, LABs, UCBs and NBFCs, may be guided by the instructions issued by the respective regulatory Departments of the Reserve Bank in this regard.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the "DRT Act") provides for establishment of the Debts Recovery Tribunals (the "DRTs") for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

Anti-Money Laundering

The RBI has issued a Master Circular dated July 1, 2015 to ensure that a proper policy framework for the Prevention of Money Laundering Act, 2002 ("PMLA") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 10 lakhs; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 10 lakhs where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 10 lakhs. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

RBI Notification dated December 3, 2015 titled "Anti-Money Laundering (AML)/ Combating of Financing of Terrorism (CFT) – Standards" states that all regulated entities (including NBFCs) are to comply with the updated FATF Public Statement and document 'Improving Global AML/CFT Compliance: on-going process' as on October 23, 2015.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act")

The SARFAESI Act regulates the securitization and reconstruction of financial assets of banks and financial institutions. The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution or an NBFC may sell financial assets to an asset reconstruction company provided the asset is a Non - Performing Asset ("NPA"). Securitisation Companies and Reconstruction Companies ("SCs/RCs") are required to obtain, for the purpose of enforcement of security interest, the consent of secured creditors holding not less than 60 per cent of the amount outstanding to a borrower as against 75 per cent. While taking recourse to the sale of secured assets in terms of Section 13(4) of the SARFAESI Act, a SC/RC may itself acquire the secured assets, either for its own use or for resale, only if the sale is conducted through a public auction.

As per the SARFAESI Amendment Act of 2004, the constitutional validity of which was upheld in a recent Supreme Court ruling, non-performing assets have been defined as an asset or account of a borrower, which has been classified by a bank or financial institution as sub-standard, doubtful or loss asset in accordance with directions or guidelines issued by the RBI. In case the bank or financial institution is regulated by a statutory body/authority, NPAs must be classified by such bank in accordance with guidelines issued by such regulatory authority. The RBI has issued guidelines on classification of assets as NPAs. Further, these assets are to be sold on a "without recourse" basis only.

The SARFAESI Act provides for the acquisition of financial assets by Securitization Company or Reconstruction Company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower; enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitisation company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties.

Various provisions of the SARFAESI Act have been amended by the Enforcement of Security Interest and Recovery of Debt Laws and Miscellaneous Provisions (Amendment) Act, 2016 as also the Insolvency and Bankruptcy Code, 2016 (which amended S.13 of SARFAESI). As per this amendment, the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 shall by order declare moratorium for prohibiting inter alia any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the SARFAESI Act.

Further, in accordance with Ministry of Finance notification no. S.O. 856(E) dated February 24, 2020, the eligibility limit for to enforcement of security interest with respect to secured debt recovery by NBFCs (having assets worth ₹ 100 Crores and above) has been reduced from ₹ 1 Crore to ₹ 50 Lakhs.

Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 (Bankruptcy Code) was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

RBI vide its circular dated June 7, 2019, laid down the Prudential Framework for Resolution of Stressed Assets whereby prescribing the regulatory approach for resolution of stressed assets interalia by: (i) early recognition and reporting of default by banks, financial institutions and NBFCs in respect of large borrowers; (ii) Affording complete discretion to lenders with regard to design and implementation of resolution plans, in supersession of earlier resolution schemes (S4A, SDR, 5/25 etc.), subject to the specified timeline and independent credit evaluation; (iii) Laying down a system of disincentives in the form of additional provisioning for delay in implementation of resolution plan or initiation of insolvency proceedings; (iv) Withdrawal of asset classification dispensations on restructuring. Future upgrades to be contingent on a meaningful demonstration of satisfactory performance for a reasonable period; and (v) Requiring the mandatory signing of an inter-creditor agreement (ICA) by all lenders, which will provide for a majority decision making criteria. MCA vide notification dated November 15, 2019, issued the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ("FSP Rules") interalia governing the corporate insolvency resolution process and liquidation process of Financial Service Providers (FSPs) under the Bankruptcy Code. The issuance of the FSP Rules has made viable and unified resolution process accessible for the FSPs and their creditors with some procedural differences.

Companies Act, 2013

The Companies Act, 2013 ("Companies Act") has been notified by the Government of India on August 30, 2013 (the "Notification"). Under the Notification, Section 1 of the Companies Act has come into effect and the remaining provisions of the Companies Act have and shall come into force on such dates as the Central Government has notified and shall notify. Section 1 of the Companies Act deals with the commencement and application of the Companies Act and among others sets out the types of companies to which the Companies Act applies. Further the Ministry of Corporate Affairs has by their notifications dated September 12, 2013 and March 26, 2014 notified certain sections of the Companies Act, which have come into force from September 12, 2013 and April 1, 2014.

The Companies Act provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act is complemented by a set of rules that set out the procedure for compliance with the substantive provisions of the Companies Act. As mentioned above, certain provisions of the Companies Act, 2013 have already come into force and the rest shall follow in due course.

Under the Companies Act every company having net worth of ₹50,000 lakh or more, or turnover of ₹1,00,000 lakh or more or a net profit of ₹ 500 lakh or more during the immediately preceding financial year shall formulate a corporate social responsibility policy. Further, the board of every such company shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its corporate social responsibility policy.

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter-alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, termination of services and safety measures and wages for overtime work.

Labour Laws

India has stringent labour related legislations. The Company is required to comply with certain labour laws, which include the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972 and the Payment of Wages Act, 1936, amongst others.

Intellectual Property

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trademarks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

Regulatory measures on account of the COVID-19 pandemic

The Government of India on October 23, 2020 has announced the 'Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020)' (the 'Scheme'), which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by the respective lending institutions.

The RBI has issued circulars, the Statement of Developmental and Regulatory Policies dated May 22, 2020 and Monetary Policy Statement, 2020-2021: Resolution of Monetary Policy Committee dated May 22, 2020 announcing certain additional regulatory measures with an aim to revive growth and mitigate the impact of COVID-19 on business and financial institutions in India, including:

(a) permitting banks to grant a moratorium of six months on all term loan instalments and working capital facilities sanctioned in the form of cash credit/overdraft ("CC/OD"), falling due between March 1, 2020 and August 31, 2020, subject to the fulfilment of certain conditions;

(b) permitting the recalculation of 'drawing power' of working capital facilities sanctioned in the form of cash/ credit overdraft facilities by reducing the margins till the extended period, being August 31, 2020, and permitting lending institutions to restore the margins to the original levels by March 31, 2021;

(c) permitting the increase in the bank's exposures to a group of connected counterparties from 25% to 30% of the eligible capital base of the bank, up to June 30, 2021;

(d) deferring the recovery of the interest applied in respect of all working capital facilities sanctioned in the form of cash/credit overdraft facilities during the period from March 1, 2020 to August 31, 2020;

(e) permitting lending institutions to convert the accumulated interest on working capital facilities up to the deferment period(up to August 31, 2020) into a funded interest term loan which shall be repayable not later than the end of the current financial year (being, March 31, 2021);

(f) permitting the lending institutions to exclude the moratorium period wherever granted in respect of term loans as stated in(a) above, from the number of days past-due for the purpose of asset classification under the income recognition and asset classification norms, in respect of accounts classified as standard as on February 29, 2020, even if overdue;

(g) permitting the lending institutions to exclude deferment period on recovery of the interest applied, wherever granted as stated in (d) above, for the determination of out of order status, in respect of working capital facilities sanctioned in the form of CC/OD where the account is classified as standard, including special mention accounts, as on February 29, 2020; and

(h) requiring lending institutions to make general provisions of not less than 10% of the total outstanding of accounts in default but standard as on February 29, 2020 and asset classification benefit is availed, to be phased over two quarters as provided:(i) not less than 5% for the quarter ended March 31, 2020; and (ii) not less than 5% for the quarter ended June 30, 2020, subject to certain adjustments.

Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses dated May 5, 2021 and June 4, 2021

The RBI has issued Resolution Framework – 2.0 dated May 5, 2021 announcing measures to alleviate the potential stress to individual borrowers and small businesses due to the resurgence of COVID-19 pandemic in India, including:

(a) permitting lending institutions to offer a limited window to individual borrowers and small businesses, including those in wholesale and retail trade, who have availed personal loans and to whom the aggregate exposure is not of more than 25 crores as on March 31, 2021 to implement resolution plans for their credit exposure;

(b) permitting lending institutions to form policies regarding the implementation of viable resolution plan for borrowers having stress on account of COVID – 19 and to ensure implementation before September 30, 2021 when the borrower and the lending institution agree towards a resolution plan;

(c) the resolution plan as stated in (b) should be implemented within 90 days from the date of invocation of resolution process and includes rescheduling of payments, conversion of any interest accrued or to be accrued into another credit facility etc, with a moratorium period of not more than two years on implementation of the resolution plan;

(d) permitting lending institutions to sanction additional finance even before implementation of the plan to meet the interim liquidity requirements of the borrower, to be classified as 'Standard' till implementation of the plan otherwise as per the actual performance of the borrower in case the resolution plan is not implemented within the set timeline;

(e) permitting lending institutions to keep from the date of implementation, higher of the provisions as per IRAC norms immediately before implementation or 10% the renegotiated debt exposure of the lending institution post implementation;

(f) half of provisions mentioned in (e) can be written back upon the borrower paying at least 20 per cent of the residual debt without slipping into NPA and the remaining half can be written back upon the borrower paying another 10 % of the residual debt without slipping into NPA;

(g) permitting the moratorium for resolution plans implemented in terms of Resolution Framework – 1.0 to be extended to not more than two years;

(h) permitting the lending institutions to review the working capital sanctioned limits and / or drawing power based on a reassessment of the working capital cycle, reduction of margins, etc. without the same being treated as restructuring for resolution plans implemented in terms of Resolution Framework – 1.0 before September 30, 2021 and to restore the working capital limit as per Resolution Framework – 1.0 before June 30, 2022.

The RBI further through a circular dated June 4, 2021 revised the aggregate exposure limit, including non-fund based facilities, as stated in (a), from ₹ 2500 lakhs to ₹ 5000 lakhs.

It must be noted that pursuant order dated September 10, 2020 passed in relation to Gajendra Sharma vs. Union of India & Anr. (Civil Writ Petition No. 825/2020), the Supreme Court imposed status quo with respect to the moratorium, extending the moratorium until further hearing. The Supreme Court ("Court") on the hearing dated November 27, 2020 acknowledged that the Union of India vide its circular dated October 23, 2020 has taken specific measures. The Court disposed the petition with directions to the respondents to ensure that all steps be taken to implement the decision dated 23.10.2020 of the Government of India, Ministry of Finance so that benefit as contemplated by the Government of India percolates to those for whom the financial benefits have been envisaged and extended.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Issuer's Absolute Responsibility

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this placement memorandum contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the placement memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on April 26, 2022, the Directors approved the issue of NCDs to the public, upto an amount not exceeding ₹ 1,500 crores including a green shoe option, in one or more tranches. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders at the EGM held on June 3, 2014.

Prohibition by SEBI

Our Company, persons in control of our Company, Directors of our Company and/or our Promoters have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Categorisation as a Wilful Defaulter

Our Company, our Directors and/or our Promoters have not been categorised as a Wilful Defaulter nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

Declaration as a Fugitive Economic Offender

None of our Promoters or Directors have been declared as a Fugitive Economic Offender.

Other confirmations

None of our Company or our Directors or our Promoters, or person(s) in control of our Company was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER(S) HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED TIME.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER SMC CAPITALS LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 1, 2022, WHICH READS AS FOLLOWS:

1. **WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE OFFER DOCUMENT AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDs OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**

3. **WE CONFIRM THAT THE OFFER DOCUMENT CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021.**

4. **WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 1956, COMPANIES ACT, 2013, SECURITIES CONTRACTS, (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

WE CONFIRM THAT ALL COMMENTS/COMPLAINTS AS WERE RECEIVED ON THE DRAFT PROSPECTUS FILED ON THE WEBSITE OF STOCK EXCHANGE HAVE BEEN SUITABLY ADDRESSED.

Disclaimer Clause of BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS APPROVAL LETTER DATED AUGUST 01, 2022, PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

A. **WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR**
B. **WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR**
C. **TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY.**

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

Disclaimer Clause of RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED JULY 23, 2002 BEARING REGISTRATION NO. N-16.00170 ISSUED BY THE RESERVE BANK OF INDIA UNDER

SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/DISCHARGE OF LIABILITY BY THE COMPANY.

Disclaimer Clause of CRISIL Ratings Limited

A RATING BY CRISIL RATINGS REFLECTS CRISIL RATINGS' CURRENT OPINION ON THE LIKELIHOOD OF TIMELY PAYMENT OF THE OBLIGATIONS UNDER THE RATED INSTRUMENT, AND DOES NOT CONSTITUTE AN AUDIT OF THE RATED ENTITY BY CRISIL RATINGS. OUR RATINGS ARE BASED ON INFORMATION PROVIDED BY THE ISSUER OR OBTAINED BY CRISIL RATINGS FROM SOURCES IT CONSIDERS RELIABLE. CRISIL RATINGS DOES NOT GUARANTEE THE COMPLETENESS OR ACCURACY OF THE INFORMATION ON WHICH THE RATING IS BASED. A RATING BY CRISIL RATINGS IS NOT A RECOMMENDATION TO BUY / SELL OR HOLD THE RATED INSTRUMENT; IT DOES NOT COMMENT ON THE MARKET PRICE OR SUITABILITY FOR A PARTICULAR INVESTOR. CRISIL RATINGS HAS A PRACTICE OF KEEPING ALL ITS RATINGS UNDER SURVEILLANCE AND RATINGS ARE REVISED AS AND WHEN CIRCUMSTANCES SO WARRANT. CRISIL RATINGS IS NOT RESPONSIBLE FOR ANY ERRORS AND ESPECIALLY STATES THAT IT HAS NO FINANCIAL LIABILITY WHATSOEVER TO THE SUBSCRIBERS / USERS / TRANSMITTERS / DISTRIBUTORS OF ITS RATINGS. CRISIL RATINGS' CRITERIA ARE AVAILABLE WITHOUT CHARGE TO THE PUBLIC ON THE WEB SITE, WWW.CRISILRATINGS.COM. CRISIL RATINGS OR ITS ASSOCIATES MAY HAVE OTHER COMMERCIAL TRANSACTIONS WITH THE COMPANY/ENTITY. FOR THE LATEST RATING INFORMATION ON ANY INSTRUMENT OF ANY COMPANY RATED BY CRISIL RATINGS, PLEASE VISIT WWW.CRISILRATINGS.COM OR CONTACT CUSTOMER SERVICE HELPDESK AT CRISILRATINGDESK@CRISIL.COM OR AT 1800-267-1301.

Track record of past public issues handled by the Lead Manager

The track record of past issues handled by the Lead Manager, as required by SEBI NCS Regulations, are available at the following website:

Name of Lead Manager	Website
SMC Capitals Limited	www.smccapitals.com

Listing

The NCDs proposed to be offered through this Prospectus are proposed to be listed on the BSE. An application will be made to BSE for permission to deal in and for an official quotation of our NCDs. BSE has been appointed as the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing at the Stock Exchange are taken within 6 (six) Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription or failure to achieve minimum subscription to any one or more of the Series, such Series(s) of NCDs shall not be listed.

If permissions to deal in and for an official quotation of our NCDs are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus.

Consents

Consents in writing of (a) Directors of our Company; (b) Company Secretary and Compliance Officer; (c) Chief Financial Officer; (d) Joint Statutory Auditors; (e) legal advisor to the Issue; (f) Lead Manager; (g) the Registrar to the Issue; (h) Credit Rating Agencies; (i) the Bankers to our Company; (j) the Debenture Trustee; (k) the Syndicate Member; (l) Bankers to the Issue, and; (m) Experts; to act in their respective capacities, have been obtained and the consents of (a) Public Issue Account Bank; (b) Refund Bank; and (c) Sponsor Bank shall be obtained and will be filed along with a copy of the Prospectus with the RoC as required under Section 26 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of this Prospectus with the Stock Exchange.

The consents of the Joint Statutory Auditors of our Company, namely Krishnan Retna & Associates and Rangamani and Co., for (a) inclusion of their name as the Joint Statutory Auditors; and (b) examination reports on Reformatted Ind AS Standalone Financial Statements, Reformatted Ind AS Consolidated Financial Statements have been obtained and the same will be filed along with a copy of the Prospectus with the RoC.

Expert Opinion

Our Company has received consent from the Joint Statutory Auditors of our Company dated July 25, 2022 to include their name as an expert under Section 26(5) of the Companies Act, 2013 in the Prospectus in relation to (i) Statutory Auditor's report on Reformatted Audited Standalone Ind AS Financials for the Financial Years ending March 31, 2022, March 31, 2021 and March 31, 2020 issued by M/s. Krishnan Retna & Associates and M/s. Rangamani & Co., dated July 21, 2022 and the report on Reformatted Audited Consolidated Ind AS Financials for the Financial Years ending March 31, 2022, March 31, 2021 and March 31, 2020; and (ii) Credit rating issued by CRISIL Ratings Limited *vide* letter no. RL/MUFILT/288627/NCD/0321/04689/92003555 dated February 25, 2022, letter no. RL/MUFILT/296169/NCD/0622/36549/92003526 dated June 17, 2022 assigned a rating of CRISIL A+/Stable to the NCDs, which was revalidated by way of letter no. RL/MUFILT/296169/NCD/0622/36549/92003526/1 dated June 20, 2022, further revalidated by way of letter no. RL/MUFILT/296169/NCD/0622/36549/92003526/2 dated July 20, 2022, in respect of the credit rating issued for this Issue which furnishes the rationale and press release for its rating, our Company has not obtained any expert opinions.

Common form of Transfer

We undertake that there shall be a common form of transfer for the NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant Depository Participants of the transferor or transferee and any other applicable laws and rules notified in respect thereof.

Filing of the Draft Prospectus

The Draft Prospectus has been filed with the designated Stock Exchange in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on its website(s) prior to the opening of the Issue.

Filing of the Prospectus

The Prospectus shall be filed with the RoC in accordance with Section 26 of the Companies Act, 2013.

Debenture Redemption Reserve ("DRR")

Pursuant to Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, each as amended, our Company is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs.

Recovery Expense Fund

Pursuant to the SEBI circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020, the creation of the recovery expense fund shall be in accordance with the aforementioned circular, as may be amended from time to time.

Issue related expenses

For details of Issue related expenses, see "*Objects of the Issue*" on page 55.

Reservation

No portion of this Issue has been reserved.

Details regarding the public issue during the last three years by our Company and other listed companies under the same management

There are no public or rights or composite issue of capital by listed companies under the same management within the meaning of Section 370(1) (B) of the Companies Act, 1956 during the last three years.

Public issue of Equity Shares

Our Company has not made any public issue of Equity Shares in the last five years.

Previous Issues of NCDs

On August 2, 2014, the Company issued 19,39,872 secured non-convertible debentures of face value ₹1,000 each aggregating to ₹1,93,98,72,000 by way of a public issue which opened on July 3, 2014 and closed on July 22, 2014. The electronic credit of the bonds to investors pursuant to this public offer was completed on August 4, 2014. 99.17% and 0.83% of the issue proceeds were used for on-lending and towards issue proceeds, respectively.

On October 30, 2014, the Company issued 24,71,693 secured and unsecured non-convertible debentures of face value ₹1,000 each aggregating to ₹24,71,693,000 by way of a public issue which opened on September 15, 2014 and closed on October 16, 2014. The electronic credit of the bonds to investors pursuant to this public offer was completed on October 30, 2014. 99.43% and 0.57% of the issue proceeds were used for on-lending and towards issue expenses, respectively.

On September 21, 2015, the Company issued 30,00,000 secured non-convertible debentures of face value ₹1,000 each aggregating to ₹3,00,00,00,000 by way of a public issue which opened on September 28, 2015 and closed on October 27, 2015. The electronic credit of the bonds to investors pursuant to this public offer was completed on November 5, 2015. 98.37% and 1.63% of the issue proceeds were used for on-lending and towards issue expenses, respectively.

On October 25, 2019 the Company issued 41,70,381 secured non-convertible debentures of face value ₹1,000 each aggregating to ₹4,170,381,000 by way of a public issue which opened on September 20, 2019 and closed on October 18, 2019. The electronic credit of the bonds to investors pursuant to this public offer was completed on October 25, 2019. 99.77% and 0.23% of the issue proceeds were used for on-lending and issue expenses, respectively.

On January 6, 2020 the Company issued 32,16,124 secured non-convertible debentures of face value ₹1,000 each aggregating to ₹ 321,61,24,000 by way of a public issue which opened on January 9, 2020 and closed on February 4, 2020. The electronic credit of the bonds to investors pursuant to this public offer was completed on February 7, 2020. 99.52% and 0.48% of the issue proceeds were used for on-lending and towards issue expenses, respectively.

On June 25, 2020 the Company issued 16,00,000 secured non-convertible debentures of face value ₹1,000 each aggregating to ₹ 1,000 by way of a public issue which opened on June 29, 2020 and closed on July 13, 2020. The electronic credit of the bonds to investors pursuant to this public offer was completed on July 17, 2020. 99.55% and 0.45% of the issue proceeds were used for on-lending and issue expenses, respectively.

On September 24, 2020 the Company issued secured redeemable non-convertible debentures of face value of ₹ 1,000 each for an amount aggregating to ₹ 40,000 lakhs by way of public issue which opened on 28 September, 2020 and closed on 23 October, 2020. The electronic credit of the bonds to investors pursuant to this public offer was completed on 29 October, 2020. 99.43% and 0.57% of the issue proceeds were used for on-lending and towards issue expenses, respectively.

On December 28, 2020, the Company issued secured and unsecured redeemable non-convertible debentures of face value of ₹ 1,000 each for an amount aggregating to ₹ 40,000 lakhs by way of public issue which opened on December 31, 2020 and closed on January 25, 2021. The electronic credit of the bonds to investors pursuant to this public offer was completed on January 29, 2021. 99.55% and 0.45% of the issue proceeds were used for on-lending and towards issue expenses, respectively.

On February 15, 2021, the Company issued secured and unsecured redeemable non-convertible debentures of face value of ₹ 1,000 each for an amount aggregating to ₹ 30,000 lakhs by way of public issue which opened on February 18, 2021 and closed on March 09, 2021. The electronic credit of the bonds to investors pursuant to this public offer was completed on March 15, 2021. 99.25% and 0.75% of the issue proceeds shall be used for on-lending and towards issue expenses, respctively.

On March 31, 2021, the Company issued secured and unsecured redeemable non-convertible debentures of face value of ₹ 1,000 each for an amount aggregating to ₹ 40,000 lakhs by way of public issue which opened on April 7, 2021 and closed on April 29, 2021. The electronic credit of the bonds to investors pursuant to this public offer was completed on May 7, 2021. 99.42% and 0.58% of the issue proceeds were used for on-lending and towards issue expenses, respectively.

On September 27, 2021, the Company issued secured and unsecured redeemable non-convertible debentures of face value of ₹ 1,000 each for an amount aggregating to ₹ 40,000 lakhs by way of public issue which opened on September 30, 2021 and closed on October 26, 2021. The electronic credit of the bonds to investors pursuant to this public offer was completed on October 29, 2021. 99.63% and 0.37% of the issue proceeds were used for on-lending and towards issue expenses, respectively.

On December 30, 2021, the Company issued secured redeemable non-convertible debentures of face value of ₹ 1,000 each for an amount aggregating to ₹ 40,000 lakhs by way of public issue which opened on January 5, 2022 and closed on January 28, 2022. The electronic credit of the bonds to investors pursuant to this public offer was completed on February 2, 2022. 99.54% and 0.46% of the issue proceeds were used for on-lending and towards issue expenses, respectively.

There are no capital issues made by any company under same management within the meaning of the Companies Act 2013, during the last three years.

Dividend

Our Company has in place dividend distribution policy approved by the Board of Directors of our Company. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Cochin, India.

Commission or Brokerage on Previous Issues

An expense of ₹ 345 lakhs was incurred towards commission and brokerage in connection with the public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹300,00,00,000 pursuant to the prospectus dated September 21, 2015.

An expense of ₹18 lakhs was incurred towards commission and brokerage in connection with the public issue of secured and unsecured non-convertible debentures of face value ₹1,000 each aggregating to ₹247,16,93,000 pursuant to the prospectus dated September 4, 2014.

An expense of ₹11 lakhs was incurred towards commission and brokerage in connection with the public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹193,98,72,000 pursuant to the prospectus dated June 25, 2014.

An expense of ₹8.73 lakhs was incurred towards commission and brokerage in connection with the public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹417,03,81,000 pursuant to the prospectus dated September 13, 2019.

An expense of ₹17.70 lakhs was incurred towards commission and brokerage in connection with the public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹ 321,61,24,000 pursuant to the prospectus dated January 6, 2020.

An expense of ₹ 8.71 lakhs was incurred towards commission and brokerage in connection with the public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹ 160,00,00,000 pursuant to the prospectus dated June 25, 2020.

An expense of ₹ 84.73 lakhs was incurred towards commission and brokerage in connection with the public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 40,000 lakhs pursuant to the prospectus dated September 24, 2020.

An expense of ₹ 36.43 lakhs was incurred towards commission and brokerage in connection with the public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 40,000 lakhs pursuant to the prospectus dated December 28, 2020.

An expense of ₹ 31.72 lakhs was incurred towards commission and brokerage in connection with the public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 40,000 lakhs pursuant to the prospectus dated March 31, 2021.

An expense of ₹ 32.49 lakhs was incurred towards commission and brokerage in connection with the public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 40,000 lakhs pursuant to the prospectus dated September 27, 2021.

An expense of ₹ 64.71 lakhs was incurred towards commission and brokerage in connection with the public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 40,000 lakhs pursuant to the prospectus dated December 30, 2021.

Details of the use of proceeds for on-lending from previous public issue of debt securities

Lending Policy

Please see "*Our Company's Business–Gold loans*" under Chapter "*Our Business*" at page 70.

Loans given by the Company

Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoters out of the proceeds of the previous public issue and private placements of debentures.

Classification of loans/advances given to Group Entities/Promoters as on March 31, 2022:

(₹ in lakhs)

Sr. No.	Name of the Borrower (A)	Amount of exposures to such borrower (Group) (B)	Percentage of Exposure: C = B/Total AUM
1	Thomas John Muthoot	7,025.32	0.41%
2	Thomas George Muthoot	7,020.71	0.41%
3	Thomas Muthoot	5,915.52	0.34%

Types of loans

Classification of loans/advances given

The loans given by the Company as on March 31, 2022 is as follows:

(₹ in lakhs)

Type of Loans	Amount
Secured	17,29,276.20
Unsecured	3,037.27
Total assets under management (AUM) *	**17,32,313.47**

**Assets under Management includes the gross total loan assets and interest accrued on loans before provision for impairment and is net of unamortized processing fee*

Sectoral Exposure

The sectoral exposure of loans given by the Company as on March 31, 2022 is as follows:

Sr. No	Segment- wise breakup of AUM	Percentage of AUM
1.	**Retail**	
A	Mortgages (home loans and loans against property)	1.97%
B	Gold loans	96.74%
C	Vehicle Finance	0.00%
D	MFI	0.00%
E	MSME	1.28%
F	Capital market funding (loans against shares, margin funding)	0.00%
G	Others	0.01%
2.	**Wholesale**	
A	Infrastructure	0.00%
B	Real estate (including builder loans)	0.00%
C	Promoter funding	0.00%
D	Any other sector (as applicable)	0.00%
E	Others	0.00%
	Total	**100.00%**

Residual Maturity Profile of Assets and Liabilities as on March 31, 2022

(₹ in lakhs)

Particulars	Upto 30/ 31 days	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 3 year	More than 3 to 5 years	More than 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	304,799	79,407	97,001	572,922	616,235	2,805	200	28,152	7,01,521
Investments	2,111	-	-	-	-	1,512	-	160,336	163,959
Borrowings	70,674	43,862	53,777	166,606	782,516	466,380	95,770	91,888	.7,71,473
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

Denomination of loans outstanding by ticket size as on March 31, 2022*:

Sr. No.	Ticket Size	Percentage of Gold loan
1	Up to ₹ 2 lakhs	76.06%
2	2 lakhs to 5 lakhs	9.08%
3	5 lakhs to 10 lakhs	11.64%
4	10 lakhs to 25 lakhs	3.02%
5	25 lakhs to 50 lakhs	0.20%
6	50 lakhs to 1 crore	0.00%
7	1 crore to 5 crores	0.00%
8	5 crores to 25 crores	0.00%
9	25 crores to 100 crores	0.00%
10	above 100 crores	0.00%
	Total	**100.00%**

** Ticket size at the time of origination*

Denomination of loans outstanding by LTV as on March 31, 2022*:

Sr. No.	LTV	Percentage of AUM
1.	Up to 40%	1.18%
2.	40%-50%	1.99%
3.	50%-60%	5.26%
4.	60%-70%	23.63%
5.	70%-80%	67.94%
6.	80%-90%	0.00%
7.	More than 90%	0.00%
	Total	**100.00%**

**LTV at the time of origination*

Geographical classification of borrowers as on March 31, 2022:

Sr. No.	Top 5 states	Percentage of Gold loan
1	Karnataka	19.96%
2	Tamil Nadu	17.60%
3	Andhra Pradesh	9.64%
4	Telangana	8.49%
5	Kerala	7.28%
	Total	**62.97%**

Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2022:

Particulars	Amount (₹ in lakhs)
Total Advances to twenty largest borrowers (*₹in lakhs)*	34,046
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	1.97%

Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2022:

(₹ in lakhs)

Particulars	Amount	
	Secured	Unsecured
Total Exposures to twenty largest borrowers/Customers *(₹in lakhs)*	34,123	452
Percentage of Exposures to twenty largest borrowers/Customers to Total Advances of the NBFC on borrowers/Customers	1.97%	0.03%

Details of loans overdue and classified as non-performing in accordance with RBI's guidelines as on March 31, 2022:

Movement of gross NPA	Amount
Opening gross NPA	35,958
- Additions during the year	512,465
- Reductions during the year	498,464
Closing balance of gross NPA	49,959
Movement of net NPA	**Amount**
Opening net NPA	18,938
- Additions during the year	278,909
- Reductions during the year	270,657
Closing balance of net NPA	27,190
Movement of provisions for NPA	**Amount**
Opening balance	17,020
- Provisions made during the year	233,556
- Write-off / write-back of excess provisions	227,807
Closing balance	22,769

Segment–wise gross NPA

S. no	Segment- wise breakup of gross NPAs	Gross NPA (%)
1	**Retail**	
a	Mortgages (home loans and loans against property)	27.33%
b	Gold loans	43.94%
c	Vehicle Finance	0.00%
d	MFI	0.00%
e	MSME	28.69%
f	Capital market funding (loans against shares, margin funding)	0.00%
g	Others	0.04%
2	**Wholesale**	
a	Infrastructure	0.00%
b	Real estate (including builder loans)	0.00%

S. no	Segment- wise breakup of gross NPAs	Gross NPA (%)
c	Promoter funding	0.00%
d	Any other sector (as applicable)	0.00%
e	Others	0.00%
	Gross NPA	**100.0%**

Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability

Sr. No.	Particulars	Nature of Liability	Amount as on March 31, 2022
1.	Income Tax Demands	Disputed Demands appealed against and pending final judgement	3,419.85
2.	Service Tax Demands	Disputed Demands appealed against and pending final judgement	5,106.18
3.	Value Added Tax Demands	Disputed Demands appealed against and pending final judgement	1,327.12
4.	Bank Guarantees	Bank Guarantees availed by the Company	36.9
5.	Others	Claims not acknowledged as debt in view of counter claims raised	917.78

Revaluation of assets

Our Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

Agreement dated June 30, 2022 between the Registrar to the Issue and our Company provides for settling of investor grievances in a timely manner and for retention of records with the Registrar to the Issue for a period of eight years.

All grievances relating to the Issue may be addressed to the Registrar to the Issue and Compliance Officer giving full details such as name, address of the applicant, number of NCDs applied for, amount paid on application and the details of Member of Syndicate or Trading Member of the Stock Exchange where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Application Locations, giving full details such as name, address of Applicant, Application Form number, option applied for, number of NCDs applied for, amount blocked on Application.

Additionally, the Stock Exchange shall be responsible for addressing investor grievances arising from applications submitted online through the app based/ web interface platform of the Stock Exchange or through its Trading Members. Further, in accordance with the SEBI Operational Circular, the Designated Intermediaries shall be responsible for addressing any investor grievances arising from the Applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be three (3) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Registrar to the Issue

Integrated Registry Management Services Private Limited
II Floor, Kences Towers
No. 1 Ramakrishna Street, North Usman Road
T. Nagar, Chennai – 600 017, Tamil Nadu

Tel: +91 44 28140801, 802, 803
Fax: +91 44 2814 2479
Email: mfinipo@integratedindia.in
Investor Grievance Email: sureshbabu@integratedindia.in
Website: www.integratedindia.in
Contact Person : Mr. Yuvaraj S
SEBI Registration No.: INR000000544

Compliance Officer of our Company

Sachu Sivas has been appointed as the Compliance Officer of our Company for this Issue.

The contact details of Compliance officer of our Company are as follows:

Sachu Sivas
Company Secretary
Muthoot Centre, Punnen Road
Trivandrum – 695 001
Tel No.: 0471-4911563
Email: cs@muthootfincorp.com

Details of Auditor to the Issuer:

S.No.	Name of the Auditor	Address	Auditor since
1.	Krishnan Retna & Associates	201 Block A, Nandini Gardens, Fort, Thiruvananthapuram, Kerala - 695023	March 28, 2022
2.	Rangamani & Co.	Rose Gardens, North of Iron Bridge, Alappuzha, Kerala – 688011	March 28, 2022

Change in Auditors of our Company during the last three years:

Name of the Auditor	Address	Date of appointment	Date of cessation, if applicable	Date of resignation, if applicable
M/s. Rangamani & Co	Chartered Accountants 1st Floor, Aptech Building, Pentacoast Mission Lane, Ambelipadam Road, Vytilla, Kochi 682019	September 25, 20217	March 15, 2022	March 15, 2022

Auditor's Remarks

There are no reservations or qualifications or adverse remarks in the financial statements and financial position of our Company in the last three Fiscals immediately preceding this Prospectus.

Disclaimer statement from our Company, our Directors and the Lead Manager

Our Company, our Directors and the Lead Manager accepts no responsibility for statements made other than in this Prospectus or in the advertisements or any other material issued by or at our Company's instance in connection with the Issue of the NCDs and anyone placing reliance on any other source of information including our Company's website, or any website of any affiliate of our Company would be doing so at their own risk. The Lead Manager accept no responsibility, save to the limited extent as provided in the Issue Agreement.

None among our Company or the Lead Manager or any Member of the Syndicate is liable for any failure in uploading the Application due to faults in any software/ hardware system or otherwise; the blocking of Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Investors who make an Application in the Issue will be required to confirm and will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs and will not issue, sell, pledge, or transfer the NCDs to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the NCDs being offered in the Issue.

Latest ALM statement submitted to stock exchange

The following table describes the standalone ALM of our Company as on March 31, 2022:

Particulars	Upto 30/31 days	Over 1 month & upto 2 month	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 years	Total
Advances	304,799	79,407	97,001	572,922	616,235	2,805	200	28,152	17,01,521
Investment	2,111	-	-	-	-	1,512	-	160,336	163,959
Borrowings	70,674	43,862	53,777	166,606	782,516	466,380	95,770	91,888	17,71,473
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

SECTION VII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

Public Issue of NCDs aggregating up to ₹ 25,000 lakhs, with a green shoe option of up to ₹ 25,000 lakhs, aggregating up to ₹ 50,000 lakhs, on the terms and in the manner set forth herein.

The Issue has been authorized by resolution of the Board passed during meeting held on April 26, 2022 and the resolution of the Stock Allotment Committee dated June 29, 2022.

Principal Terms and Conditions of the Issue

TERMS AND CONDITIONS IN CONNECTION WITH THE NCDs

Issuer	Muthoot Fincorp Limited
Lead Manager	SMC Capitals Limited
Debenture Trustee	Vardhman Trusteeship Private Limited
Registrar to the Issue	Integrated Registry Management Services Private Limited
Type and nature of Instrument	Secured, redeemable, non-convertible debentures
Face Value of NCDs (₹ /NCD)	₹ 1,000
Issue Price (₹ /NCD)	₹ 1,000
Minimum Application	10 NCDs i.e., ₹ 10,000 (across all Options of NCDs)
In Multiples of	One NCD after the minimum Application
Seniority	Senior (the claims of the Secured Debenture Holders holding NCDs shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements). The principal amount of the Secured NCDs to be issued in terms of this Prospectus together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable equal to the value 1 time of the debentures outstanding plus interest accrued thereon .
Mode of Issue	Public issue
Mode of Allotment	In dematerialised form
Mode of Trading	NCDs will be traded in dematerialised form
Minimum Subscription	Minimum subscription is 75% of the Base Issue, i.e. ₹ 18,750 lakhs
Issue	Public issue by our Company of NCDs aggregating up to ₹ 25,000 lakhs, with a green shoe option of up to ₹ 25,000 lakhs, aggregating up to ₹ 50,000 lakhs, on the terms and in the manner set forth herein
Base Issue	₹ 25,000 lakhs
Stock Exchange proposed for listing of the NCDs	BSE Limited
Listing and timeline for Listing	The NCDs shall be listed within 6 Working Days of Issue Closure
Depositories	NSDL and CDSL
Description regarding security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed	The principal amount of the NCDs to be issued in terms of this Prospectus, the Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable, For further details on date of creation of security/likely date of creation of security, minimum security cover etc, please see "*Terms of the Issue – Security"* on page 386.

<table>
<tr><td>in the Prospectus</td><td></td></tr>
<tr><td>Security Cover</td><td>Our Company shall maintain a minimum 100% security cover on the outstanding balance of the NCDs plus accrued interest thereon</td></tr>
<tr><td>Who can apply *</td><td>Category I

• Resident public financial institutions as defined in Section 2(72) of the Companies Act 2013, statutory corporations including state industrial development corporations, scheduled commercial banks, co-operative banks and regional rural banks, and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
• Provident funds of minimum corpus of ₹ 2,500 lakhs, pension funds of minimum corpus of ₹2,500 lakhs, superannuation funds and gratuity fund, which are authorised to invest in the NCDs;
• Alternative investment funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
• Resident venture capital funds registered with SEBI;
• Insurance Companies registered with the IRDAI;
• National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India);
• Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India;
• Mutual Funds registered with SEBI; and
• Systemically Important NBFCs.

Category II

• Companies falling within the meaning of Section 2(20) of the Companies Act 2013; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;
• Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorised to invest in the NCDs;
• Trust including public/private charitable/religious trusts which are authorised to invest in the NCDs;
• Association of persons;
• Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
• Partnership firms in the name of the partners;
• Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); and
• Resident Indian individuals and Hindu undivided families through the Karta aggregating to a value exceeding ₹ 10 lakhs.

Category III*

• Resident Indian individuals; and
• Hindu undivided families through the Karta.
* applications aggregating to a value not more than and including ₹ 10 lakhs</td></tr>
<tr><td>Credit Rating</td><td><table>
<tr><th>Rating agency</th><th>Instrument</th><th>Rating symbol</th><th>Date of credit rating rationale letter</th><th>Amount rated (₹ in lakhs)</th><th>Rating Definition</th></tr>
<tr><td>CRISIL</td><td>NCD</td><td>CRISIL A+/Stable</td><td>February 25, 2022 and June 17, 2022, revalidated on June 20, 2022,</td><td>50,000</td><td>Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial</td></tr>
</table></td></tr>
</table>

				further revalidated on July 20, 2022. Rationale dated June 17, 2022		obligations. Such instruments carry low credit risk.

Issue Size	Public issue by our Company of NCDs aggregating up to ₹ 25,000 lakhs, with a green shoe option of up to ₹ 25,000 lakhs, aggregating up to ₹ 50,000 lakhs
Pay-in date	Application Date. The entire Application Amount is payable on Application
Application money	The entire Application Amount is payable on submitting the Application
Mode of payment	Please see "*Issue Procedure*" on page 401.
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 Working Days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	The Company shall comply with the representations and warranties, general covenants, negative covenants, reporting covenants and financial covenants as more specifically set out in the Debenture Trust Deed.
Issue Schedule	The Issue shall be open from August 5, 2022 to September 1, 2022 with an option to close earlier as may be determined by a duly authorised committee of the Board and informed by way of newspaper publication on or prior to the earlier closer date/date of closure up to maximum 30 days from the date of the Prospectus.
Objects of the Issue	Please see "*Objects of the Issue*" on page 55.
Put/Call Option	None
Details of the utilisation of the proceeds of the Issue	Please see "*Objects of the Issue*" on page 55.
Coupon rate and redemption premium	Please see "*Terms of the Issue*" on page 386.
Working Days convention	If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. In case the redemption date (also being the last interest payment date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment
Issue Closing Date	Thursday, September 1, 2022
Issue Opening Date	Friday, August 5, 2022
Default interest date	In the event of any default in fulfilment of obligations by our Company under the Debenture Trust Deed, the Default Interest Rate payable to the Applicant shall be as prescribed under the Debenture Trust Deed
Deemed Date of Allotment	The date of issue of the Allotment Advice, or such date as may be determined by the Board or Stock Allotment Committee and notified to the Stock Exchange. All benefits relating to the NCDs including interest on the NCDs shall be available to the Investors from the Deemed Date of Allotment. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment.
Day count basis	Actual
Redemption Amount	The principal amount of the NCDs along with interest accrued on them, if any, as on the Redemption Date
Redemption premium/ discount	Not applicable
Transaction documents	The Draft Prospectus and this Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trusteeship Agreement, the Debenture Trust Deed and other security documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by the Company with Lead Manager and/or other intermediaries for the purpose of this Issue including but not

	limited to the Public Issue Account and Sponsor Bank Agreement, the Agreement with the Registrar and the Agreement with the Lead Manager. Refer to section titled "*Material Contracts and Documents for Inspection*" on page 434.
Affirmative and Negative covenants precedent and subsequent to the Issue	The covenants precedent and subsequent to the Issue will be finalised upon execution of the Debenture Trust Deed which shall be executed within three months of closure of the Issue as per Regulation 18 of SEBI NCS Regulations. Further, in the event our Company fails to execute the Debenture Trust Deed within a period of three months from the Issue Closing Date, our Company shall pay interest of at least 2% p.a. to each NCD Holder, over and above the agreed coupon rate, till the execution of the Debenture Trust Deed
Events of default (including manner of voting/ conditions of joining Inter Creditor Agreement)	Please see "*Terms of the Issue – Events of Default*" on page 389.
Due diligence certificate issued by the Debenture Trustee	The due diligence certificate is issued by the Debenture Trustee to BSE in accordance with the SEBI circular dated August 2, 2022 (bearing reference no. 181/OPR/VTPL/2022-23) and Schedule IV of SEBI NCS Regulations. The debenture trustee shall, at the time of filing the draft offer document with the stock exchange(s) and prior to opening of the public issue of debt securities, furnish to the Board and stock exchange(s), a due diligence certificate in case of secured debt securities, in the format as specified in Schedule IV of SEBI NCS Regulations.
Recovery Expense Fund	The creation of recovery expense fund will be finalised upon the execution of the Debenture Trust Deed, as applicable in accordance with the applicable provisions of SEBI NCS Regulations and other applicable laws. Our Company undertakes to deposit, in the manner as may be specified by SEBI from time to time, the amount in the recovery expense fund and inform the Debenture Trustee regarding the deposit in such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in the Summary Term Sheet, the Debenture Trustee shall take necessary actions as mentioned in the Debenture Trust Deed
Cross Default	Please see "*Terms of the Issue – Events of Default*" on page 389.
Roles and responsibilities of the Debenture Trustee	Please see "*Terms of the Issue – Debenture Trustees for the Debenture Holders*" on page 388.
Risk factors pertaining to the Issue	Please see "*Risk Factors*" on page 17.
Settlement Mode	Please see "*Terms of the Issue – Payment on Redemption*" on page 398.
Governing law and jurisdiction	The Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Trivandrum

*Note: (a) The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time), during the period indicated above, except that the Issue may close on such earlier date or extended date (subject to a period of maximum 30 days from the date of Prospectus) as may be decided by the Board of Directors of our Company ("**Board**") or the Stock Allotment Committee. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a reputed national daily newspaper with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.*

(b) In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this Issue of NCDs in dematerialized form. However, in terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfil such request through the process of dematerialization, if the NCDs were originally issued in dematerialized form.

[*]Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

%*While the NCDs are secured to the tune of 100% of the principal and interest thereon in favour of Debenture Trustee, it is it the duty of the Debenture Trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.*

Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

In case of Application Form being submitted in joint names, the Applicants should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Application Form.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

For further details, please see "*Issue Procedure*" on page 401.

Terms of the NCDs

Options	**I**	**II**	**III**	**IV**	**V**	**VI**	**VII***
Nature	Secured	Secured	Secured	Secured	Secured	Secured	secured
Tenure	27 Months	38 Months	48 Months	27 Months	38 Months	48 Months	96 Months
Frequency of Interest Payment	Monthly	Monthly	Monthly	Cumulative	Cumulative	Cumulative	Cumulative
Minimum Application	Rs. 10000 (10 NCDs)						
In multiples, of	1 NCD after minimum application						
Face Value of NCDs (₹ /NCD)	Rs.1000 (1 NCD)						
Issue Price (₹ /NCD)	Rs.1000 (1 NCD)						
Mode of Interest Payment/ Redemption	Through various opetions available						
Coupon (%) per annum*	8.00%	8.25%	8.35%	N.A.	N.A.	N.A.	N.A.
Coupon Type	Fixed						
Redemption Amount (₹ /NCD) for Debenture Holders*	1,000	1,000	1,000	1,196	1,297	1,395	2,007
Effective Yield (%) (per annum)*	8.29%	8.56%	8.67%	8.29%	8.56%	8.66%	9.09%
Put and Call Option	N.A.						
Deemed Date of Allotment	September 6, 2022						

**Maximum allotment under series VII is Rs.7,500 lakhs*

Specific Terms of NCDs – Interest and Payment of Interest

Interest and Payment of Interest

1. Monthly interest payment options

Interest would be paid monthly under Options I, II and III at the following rates of interest in connection with the relevant categories of Debenture holders, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of NCDs:

Category of Debenture Holder	Rate of Interest (p.a.) for following Options		
All categories (%)	I	II	III
	8.00%	8.25%	8.35%

For avoidance of doubt where interest is to be paid on a monthly basis, relevant interest will be calculated from the first day till the last date of every month on an actual/actual basis during the tenor of such NCDs and paid on the first day of every subsequent month. For the first interest payment for NCDs under the monthly options if the Deemed Date of Allotment is prior to the fifteenth of that month, interest for that month will be paid on first day of the subsequent month and if the Deemed Date of Allotment is post the fifteenth of that month, interest from the Deemed Date of Allotment till the last day of the subsequent month will be clubbed and paid on the first day of the month next to that subsequent month.

2. Cumulative interest payment options

Option IV, V, VI and VII of the NCDs shall be redeemed as below:

Category of Debenture Holder	Redemption Amount (₹ per NCD)			
	IV	V	VI	VII
All categories	1,196	1,297	1,395	2,007

Day count convention

Please see **Annexure C** for details pertaining to the cash flows of the Company in SEBI Debt Regulations.

Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the transferee of deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs subject to such Transferee holding the NCDs on the Record Date.

Terms of Payment

The entire face value per NCDs is payable on Application. The entire amount of face value of NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms of specified in "*Terms of the Issue – Manner of Payment of Interest/ Redemption Amounts*" on page 396.

Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Issue. For further details, please see the chapter titled "*Issue Procedure*" on page 401.

TERMS OF THE ISSUE

Authority for the Issue

This Issue has been authorised by the Board of Directors of our Company pursuant to a resolution passed at their meeting held on April 26, 2022 and subsequently by the Stock Allotment Committee in their meeting held on June 29, 2022. Further, the present borrowing is within the borrowing limits under Section 180(1)© of the Companies Act, 2013, duly approved by the Shareholders' *vide* their resolution passed at their EGM held on June 3, 2014.

Principal Terms & Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the applicable provisions of Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Prospectus, the Application Forms, the terms and conditions of the Debenture Trusteeship Agreement, the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, the Government of India, BSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of Secured NCDs

The Secured NCDs being offered through this Issue would constitute direct and secured obligations of the Company and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable. The claims of the Debenture Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements.

Security

The Issue comprises of public issue of NCDs of face value of ₹1,000 each.

The principal amount of the Secured NCDs to be issued in terms of this Prospectus together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee , to be held on pari passu basis among the present and / or future NCD holders, as may be applicable equal to the value 1 time of the debentures outstanding plus interest accrued thereon.

Our Company will create the security for the Secured NCDs in favour of the Debenture Trustee for the Debenture Holders holding the Secured NCDs on the assets to ensure 100.00% security cover of the amount outstanding including interest in respect of the Secured NCDs at any time.

Our Company has entered into the Debenture Trusteeship Agreement and in furtherance thereof intends to enter into a deed of agreement with the Debenture Trustee, ("**Debenture Trust Deed**"), the terms of which shall govern the appointment of the Debenture Trustee and the issue of the NCDs. Our Company proposes to complete the execution of the Debenture Trust Deed before finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange and shall utilise the funds only after the stipulated security has been created.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the Debenture Holders holding the NCDs the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on the NCDs at the rate specified in this Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security subject to prior written consent of the Debenture Trustee and/or may replace with another asset of the same or a higher value.

Our Company confirms that the Issue Proceeds shall be kept in the Public Issue Account until the documents for creation of security i.e. the Debenture Trust Deed, is executed.

Further, in the event our Company fails to execute the Debenture Trust Deed within a period of three months from the Issue Closing Date, our Company shall pay interest of at least 2% p.a. to each NCD Holder, over and above the agreed coupon rate, till the execution of the Debenture Trust Deed.

Debenture Redemption Reserve

Pursuant to Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, each as amended an NBFC is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs.

Face Value

The face value of each NCD to be issued under this Issue shall be ₹1,000.

Debenture Holder not a Shareholder

The Debenture Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI Listing Regulations.

Rights of Secured Debenture Holders

Some of the significant rights available to the Debenture Holders are as follows:

1. The Secured NCDs shall not, except as provided under the Companies Act, 2013, confer upon the Debenture Holders thereof any rights or privileges available to our members including the right to receive notices or annual reports of, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the Secured NCDs is to be placed before the members, the said resolution will first be placed before the concerned registered Debenture Holders for their consideration. The opinion of the Debenture Trustee as to whether such resolution is affecting the right attached to the Secured NCDs is final and binding on Debenture Holders. In terms of Section 136 of the Companies Act, 2013, holders of Secured NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to us.

2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the Secured NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Secured NCDs or with the sanction of a special resolution passed at a meeting of the concerned Debenture Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the Secured NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered Secured Debenture Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such Secured NCDs, either in person or by proxy, at any meeting of the concerned Secured Debenture Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the Secured Debenture Holders shall be in proportion to the outstanding nominal value of Secured NCDs held by him/her.

4. The Secured NCDs are subject to the provisions of the SEBI NCS Regulations, the applicable provisions of Companies Act, 2013 and the Companies Act, 1956, the Memorandum and Articles of Association of our Company, the terms of this Prospectus, the Application Form, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the

issue and listing, of securities and any other documents that may be executed in connection with the Secured NCDs.

5. The Depositories shall maintain the up to date record of holders of the Secured NCDs in dematerialised form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of Secured NCDs maintained by a Depository for any Secured NCD in dematerialised form under Section 11 of the Depositories Act shall be deemed to be a register of Debenture Holders for this purpose.

6. A register of Debenture Holders holding Secured NCDs in physical form pursuant to rematerialisation of the Secured NCDs issued pursuant to this Issue ("**Register of Debenture Holder**") will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest/redemption amounts and principal sums becoming due and payable in respect of the Secured NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Debenture Holders as on the Record Date.

7. Subject to compliance with RBI requirements, Secured NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the Secured NCDs after providing at least 21 days' prior notice for such roll over and in accordance with the SEBI NCS Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

8. The aforementioned rights of the Secured Debenture Holders are merely indicative. The final rights of the Secured Debenture Holders will be as per the terms of the Prospectus, the Debenture Trust Deed to be executed between our Company and the Debenture Trustee.

Debenture Trustees for the Debenture Holders

We have appointed Vardhman Trusteeship Private Limited to act as the Debenture Trustees for the Secured Debenture Holders in terms of Regulation 8 of the SEBI NCS Regulations and Section 71(5) of the Companies Act, 2013 and the rules prescribed thereunder. We and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia,* specifying the powers, authorities and obligations of the Debenture Trustee and us with respect to the NCDs. The Secured Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Secured Debenture Holder(s). Any payment made by us to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge us *pro tanto* to the Debenture Holder(s).

The Debenture Trustee will protect the interest of the Debenture Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Debenture Trustees for the Debenture Holders

We have appointed Vardhman Trusteeship Private Limited to act as the Debenture Trustees for the Debenture Holders in terms of Regulation 8 of the SEBI NCS Regulations and Section 71(5) of the Companies Act, 2013 and the rules prescribed thereunder. We and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us with respect to the NCDs. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by us to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge us *pro tanto* to the Debenture Holder(s).

The Debenture Trustee will protect the interest of the Debenture Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

The Debenture Trustee has undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI circulars titled (i) "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)" dated November 3, 2020; and (ii) "Monitoring and Disclosures by Debenture Trustee(s)" dated November 12, 2020."

Terms and Conditions of Debenture Trustee Agreement

Fees charged by Debenture Trustee

The Debenture Trustee Agreement (DTA) has been executed as per applicable laws. Service charges of Debenture Trustee are mentioned in the consent letter No. CL/MUM/22-23/DEB/18 dated June 8, 2022.

Terms of carrying out due diligence:

(a) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Prospectus/ Prospectus, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee.

(b) The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Company or any third party security provider are registered / disclosed.

(c) Further, in the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.

(d) Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the relevant laws/ Applicable Law.

(e) The Debenture Trustee shall have the power to either independently appoint, or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.

(f) The Secured Debentures shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository, etc, as applicable, or is independently verifiable by the debenture trustee.

Events of Default (including manner of voting/conditions of joining Inter Creditor Agreements)

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee, at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the Debenture Holders, (subject to being indemnified and/or secured by the Debenture Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular options of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice inter alia if any of the events listed below occurs. The description below is indicative and a complete list of events of default including cross defaults, if any, and its consequences will be specified in the Debenture Trust Deed:

Indicative list of Events of Default:

(i) default is committed in payment of the principal amount of the NCDs on the due date(s);

(ii) default is committed in payment of any interest on the NCDs on the due date(s);

(iii) default is committed in payment of any other amounts outstanding on the NCDs;

(iv) defaults in performance or compliance with one or more of its material obligations, covenant, condition or provisions in relation to the NCDs and/or the Transaction Documents, which default is incapable of remedy or, if in the reasonable opinion of the Debenture Trustee is capable of remedy, is not remedied within 30 (thirty) days of written notice of such default being provided to the Company by the Debenture Trustee;

(v) if the Company creates or attempts to create any additional charge on the Secured Assets or any part thereof without the prior approval of the Debenture Trustee.

(vi) if in the opinion of the Debenture Trustee, the Security is in jeopardy.

(vii) an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Company, or the Company ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by a Special Resolution of the NCD Holders;

(viii) the Company commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or take any action towards its re-organisation, liquidation or dissolution;

(ix) any step is taken by Governmental Authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Company which is material to the Company;

(x) the Company without the consent of Debenture Trustee ceases to carry on its business or gives notice of its intention to do so; and

(xi) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

In accordance with the circular (SEBI/HO/MIRSD/CRADT/CIR/P/2020/203) dated October 13, 2020 issued by SEBI on "Standardisation of procedure to be followed by Debenture Trustee(s) in case of 'Default' by Issuers of listed debt securities", post the occurrence of a "default", the consent of the NCD Holders for entering into an inter-creditor agreement (the "**ICA**")/enforcement of security shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the NCD Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level.

Regulation 51 read with the Explanation to Clause A (11) in Part B of Schedule III of the SEBI Listing Regulations, defines 'default' as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest or principal on debt.

It is hereby confirmed, in case of an occurrence of a "default", the Debenture Trustee shall abide and comply with the procedures mentioned in the above mentioned circular (SEBI/HO/MIRSD/CRADT/CIR/P/2020/203) dated October 13, 2020 issued by SEBI.

Market Lot and Trading Lot

Since trading of the NCDs is in dematerialised form, the tradable lot is one NCD.

Allotment in the Issue will be in Demat form in multiples of one NCD. For details of allotment, see "*Issue Procedure"* on page 401.

Nomination facility to Debenture Holder

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 ("Rule 19") and Section 72 of the Companies Act, 2013, the sole Debenture Holder, or first Debenture Holder, along with other joint Debenture Holders' (being individual(s)), may nominate, in the Form No. SH.13, any one person in whom, in the event of the death of Applicant the NCDs Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in Form No. SH.13 any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in Form No. SH.14, any person to become entitled to NCDs in the event of the holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office, Corporate Office or with the Registrar to the Issue.

Debenture Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the Debenture Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the NCDs; or

- to make such transfer of the NCDs, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, the Board may thereafter withhold payment of all interests or redemption amounts or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialized form, nominations registered with the respective Depository Participant of the Applicant would prevail. If the Investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialized form.

A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the Debenture Holder who has made the nomination, by giving a notice of such cancellation or variation in the prescribed manner as per applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received.

For all NCDs held in the dematerialised form and since the allotment of NCDs pursuant to this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. The nominations registered with the respective Depository Participant of the Applicant would prevail. If the Investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialised form.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Cochin, Kerala India.

Application in the Issue

Applicants shall apply in this Issue in dematerialised form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only (including Applications made by UPI Investors under the UPI Mechanism).

In terms of Regulation 7 of the SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in terms of Section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the NCDs in physical form will rematerializeise the NCDs. However, any trading of the NCDs shall be compulsorily in dematerialised form only.

Form of Allotment and Denomination of Secured NCDs

As per the SEBI NCS Regulations, the trading of the Secured NCDs on the Stock Exchange shall be in dematerialized form only in multiples of one (1) NCD ("**Market Lot**"). Allotment in this Issue to all allottees, will be in electronic form i.e. in dematerialised form and in multiples of one NCD.

For details of allotment please see "*Issue Procedure*" on page 401.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. The seller should give delivery instructions containing details of the buyer's DP account to his Depository Participant.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Company or Registrar.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 read with SEBI Press release (no. 49/ 2018) dated December 3, 2018, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from April 1, 2019. However, any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Title

In case of:

- the NCDs held in the dematerialised form, the person for the time being appearing in the record of beneficial owners maintained by the Depository; and

- the NCD held in physical form, pursuant to any rematerialisation, the person for the time being appearing in the Register of Debenture Holders as Debenture Holder shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated NCD Certificate issued in respect of the NCDs and no person will be liable for so treating the Debenture Holder.

No transfer of title of NCD will be valid unless and until entered on the Register of Debenture Holders or the register and index of Debenture Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of Debenture Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the Debenture Holder(s). It will be sufficient for our Company to delete the name of the deceased Debenture Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased Debenture Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, the Company will recognise the executors or administrator of the deceased Debenture Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of the Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of Debenture Holders who are holding NCDs in dematerialised form, third person is not required to approach the Company to register his name as successor of the deceased Debenture Holder. He shall approach the respective Depository Participant of the Debenture Holder for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased Debenture Holder.

2. Proof that the non-resident Indian is an Indian national or is of Indian origin.

3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Procedure for Re-materialization of NCDs

Debenture Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. **Holders of NCDs who propose 393ematerializeise their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to the Company and the DP. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.**

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs Allotted pursuant to this Issue. Pursuant to the SEBI Listing Regulations, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, with effect from April 1, 2019.

Period of Subscription

The subscription list shall remain open for a period as indicated below, with an option for early closure or extension by such period, as may be decided by the Board or a duly authorised committee of Directors of our Company, subject to necessary approvals. In the event of such early closure of the Issue, our Company shall ensure that notice of such early closure is given one day prior to such early date of closure through advertisement/s in a leading national daily newspaper and a local news paper in the state of Kerala, with wide circulation.

Issue Programme

Issue Opening Date	Friday, August 5, 2022*
Issue Closing Date	Thursday, September 1, 2022#

*# The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time), during the period indicated above, except that the Issue may close on such earlier date or extended date (subject to a period of maximum 30 days from the date of Prospectus) as may be decided by the Board of Directors of our Company ("**Board**") or the Stock Allotment Committee. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a reputed national daily newspaper with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.*

Application (including Application under the UPI Mechanism) and any further changes to the Applications shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, "IST**") during the Issue Period as mentioned above by the Members of the Syndicate, Trading Members and Designated Branches of SCSBs, except that on the Issue Closing Date when the Applications and any further changes in details in Applications, if any, shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchange. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchange. It is clarified that the Applications not uploaded in the Stock Exchange platform would be rejected.*

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for Allocation under the Issue. Applications will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Manager, nor any Member of the Syndicate, Trading Members or Designated Branches of SCSBs is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Please note that, within each category of Investors, the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

Basis of payment of Interest

NCDs once Allotted under any particular category of NCDs shall continue to bear the applicable tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of Debenture Holder on any Record Date, and such Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

Payment of Interest/Maturity Amount will be made to those Debenture Holders whose names appear in the Register of Debenture Holders (or to first holder in case of joint-holders) as on Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the Interest Payment Date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help Debenture Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Please see, *"Terms of the Issue - Manner of Payment of Interest / Redemption Amounts"* on page 396.

Taxation

Any tax exemption certificate/document must be lodged at the office of the Registrar at least 15 (fifteen) days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialised form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialised form.

If the date of interest payment falls on a Saturday, Sunday or a public holiday in Mumbai or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, then interest would be paid on the next working day. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of the Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention

Interest shall be computed on actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Operational Circular.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the "**Effective Date**"), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Illustration for guidance in respect of the day count convention and effect of holidays on payments

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Operational Circular as shall be disclosed in the Prospectus.

Maturity and Redemption

The NCDs issued pursuant to this Prospectus have a fixed maturity date. The NCDs will be redeemed at the expiry of 27 months from the Deemed Date of Allotment for Options I and IV, 38 months from the Deemed Date of Allotment for Options II and V, 48 months from the deemed allotment for options III and VI and 96 months from the deemed allotment for optionVII.

Application Size

Each Application should be for a minimum of 10 NCDs and multiples of one NCD thereof. The minimum Application size for each Application would be ₹10,000 (for all kinds of Options)/ NCDs either taken individually or collectively) and in multiples of ₹1,000 thereafter.

Applicants can apply for any or all Options of NCDs offered hereunder provided the Applicant has applied for minimum Application size using the same Application Form.

Applicants are advised to ensure that Application made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price of ₹ 1,000 per NCD is blocked in the ASBA Account on Application itself. In case of Allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on Application in accordance with the terms of the Prospectus.

Manner of Payment of Interest / Redemption Amounts

The manner of payment of interest / redemption in connection with the NCDs is set out below:

For NCDs held in dematerialised form:

The bank details will be obtained from the Depositories for payment of interest / redemption amount as the case may be. Holders of the NCDs, are advised to keep their bank account details as appearing on the records of the Depository Participant updated at all points of time. Please note that failure to do so could result in delays in credit of interest/redemption amounts at the Applicant's sole risk, and the Lead Manager, our Company or the Registrar shall have no responsibility and undertake no liability for the same.

For NCDs held in physical form on account of re-materialization:

In case of NCDs held in physical form, on account of rematerialisation, the bank details will be obtained from the documents submitted to the Company along with the rematerialisation request. For further details, please see *"Terms of the Issue – Procedure for Re-materialization of NCDs*" on page 393.

The mode of payment of interest/redemption amount shall be undertaken in the following order of preference:

1. **Direct Credit/ NACH/ RTGS:** Investors having their bank account details updated with the Depository shall be eligible to receive payment of interest / redemption amount, through:

   (i) **Direct Credit**. interest / redemption amount would be credited directly to the bank accounts of the Investors, if held with the same bank as the Company.

   (ii) **NACH:** National Automated Clearing House which is a consolidated system of ECS. Payment of interest / redemption amount would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of interest / redemption amount through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the interest / redemption amount through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get interest / redemption amount through NEFT or Direct Credit or RTGS.

   (iii) **RTGS:** Applicants having a bank account with a participating bank and whose interest / redemption amount exceeds ₹ 2 lakhs, or such amount as may be fixed by RBI from time to time, have the option to receive the interest / redemption amount through RTGS. Such eligible Applicants who indicate their preference to receive interest / redemption amount through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least 7 (seven) days before the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest / redemption amount shall be made through NECS subject to availability of complete bank account details for the same as stated above.

   (iv) **NEFT:** Payment of interest / redemption amount shall be undertaken through NEFT wherever the Applicants' bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a Magnetic Ink Character Recognition, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of the interest / redemption amounts, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the de-mat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest / redemption amount will be made to the Applicants through this method.

2. **Registered Post/Speed Post:** For all other Debenture Holders, including those who have not updated their bank particulars with the MICR code, the interest payment / redemption amount shall be paid by way of interest/ redemption warrants dispatched through speed post/ registered post only to Applicants that have provided details of a registered address in India.

Printing of Bank Particulars on Interest/ Redemption Warrants

As a matter of precaution against possible fraudulent encashment of interest/ redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs held dematerialised form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form on account of rematerialisation, the Investors are advised to submit their bank account details with our Company / Registrar at least fifteen (15) days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCD as available in the records of our Company. Bank account particulars will be printed on the warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the Debenture Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Procedure for Redemption by Debenture Holders

The procedure for redemption is set out below:

NCDs held in physical form on account of re-materialization:

No action would ordinarily be required on the part of the Debenture Holder at the time of redemption and the redemption proceeds would be paid to those Debenture Holders whose names stand in the register of Debenture Holders maintained by us on the Record Date fixed for the purpose of redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificate(s)) be surrendered for redemption on maturity and should be sent by the Debenture Holder(s) by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. Debenture Holder(s) may be requested to surrender the NCD certificate(s) in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those Debenture Holders whose names stand in the register of Debenture Holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also see "*Terms of the Issue - Payment on Redemption*" on page 398.

NCDs held in electronic form:

No action is required on the part of Debenture Holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below:

NCDs held in physical form on account of re-materialisation

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificate(s), duly discharged by the sole holder / all the joint-holders (signed on the reverse of the NCD certificate(s)). Dispatch of cheques/pay order, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those Debenture Holders whose names stand in the Register of Debenture Holders maintained by us/Registrar to the Issue on the Record Date fixed for the purpose of redemption. Hence the transferees, if any, should ensure lodgement of the transfer documents with us at least 15 (fifteen) days prior to the Record Date. In case the transfer documents are not lodged with us at least 15 (fifteen) days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties *inter se* and no claim or action shall lie against us or the Registrar.

Our liability to holder(s) towards their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the Debenture Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those Debenture Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of Debenture Holders.

Our liability to Debenture Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the Debenture Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

Right to reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the Debenture Holders available with us, and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the Debenture Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Kerala and/or will be sent by post/ courier or through email or other electronic media to the registered holders of the NCD(s) from time to time.

Issue of a NCD Certificate(s)

If any NCD certificate(s), issued pursuant to rematerialisation, if any, is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, *pari passu* or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50 lakh or with both.

Pre-closure

Our Company, in consultation with the Lead Manager reserves the right to close this Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription (75% of the Base Issue, i.e. ₹ 18,750 lakhs). Our Company shall allot NCDs with respect to the Application Forms received at the time of such pre-closure in accordance with the Basis of Allotment as described herein and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of this Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Issue Closing Date for this Issue, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue have been given.

Minimum Subscription

If our Company does not receive the minimum subscription of 75% of Base Issue Size i.e. ₹ 18,750 lakhs, prior to the Issue Closing Date, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within six Working Days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within six Working Days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule V of SEBI NCS Regulations in compliance with the Regulation 30(1) of SEBI NCS Regulations. Material updates, if any, between the date of filing of the Prospectus with RoC and the date of release of the statutory advertisement, will be included in the statutory advertisement.

Listing

The NCDs offered through the Prospectus are proposed to be listed on the BSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* their letter DCS/BM/PI-BOND/008/22-23 dated August 1, 2022. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing at the Stock Exchange is taken within six Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non- subscription to any one or more of the option, such option(s) of NCDs shall not be listed. If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus.

Guarantee/ Letter of Comfort

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Arrangers

No arrangers have been appointed for this Issue.

Monitoring & Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. Our Board shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in the Company's financial statements for the relevant financial year commencing from Financial Year 2020, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue

Lien

Not Applicable

Lien on Pledge of NCDs

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the Debenture Holder against pledge of such NCDs as part of the funding.

ISSUE PROCEDURE

This chapter applies to all Applicants. Pursuant to the SEBI Operational Circular, all Applicants are required to apply for in the Issue through the ASBA process and an amount equivalent to the full Application Amount as mentioned in the Application Form will be blocked by the Designated Branches of the SCSBs. Further, pursuant to the SEBI Operational Circular, SEBI has provided the UPI Mechanism as a payment mechanism for the Issue, wherein a UPI Investor, may submit the Application Form with a SCSB or a Designated Intermediary or through the app/web based interface platform of the Stock Exchange and use their bank account linked UPI ID for the purpose of blocking of funds, if the Application being made is for a value of ₹5 lakhs or less. The UPI Mechanism is applicable for public issue of debt securities which open for subscription on or after January 1, 2021. Accordingly, payment through the UPI Mechanism shall be available for the Issue. SEBI, vide the SEBI Operational Circular has also introduced an additional mode for application in public issues of debt securities through an online (app/web) interface to be provided by the stock exchanges. In this regard, SEBI has also stipulated that the stock exchanges formulate and disclose the operational procedure for applying through the app/web based interface developed by them for making applications in public issues through the stock exchange's website. Since, BSE is the Designated Stock Exchange for the Issue, BSE's online platform BSE Direct, shall be available to UPI Investors to make an application under the UPI Mechanism, in accordance with the operational procedures notified by BSE vide notifications dated December 28, 2020.

Applicants should note that they may submit their Application Forms (including in cases where Applications are being made under the UPI mechanism) at (i) the Designated Branches of the SCSBs or (ii) at the Collection Centres, i.e. to the respective Members of the Consortium at the Specified Locations, the Trading Members at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations or (iii) through BSE Direct, the app and/or web based interface/platform of the Stock Exchange, as applicable.. For further information, please see "Terms of the Issue - Submission of Completed Application Forms" on page 419.

Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in the Prospectus.

Please note that this section has been prepared based on the SEBI Operational Circular and the notifications issued by BSE, in relation to the UPI Mechanism, dated December 28, 2020.

Further, our Company, the Lead Manager and the Members of the Syndicate do not accept any responsibility for any adverse occurrence consequent to the implementation of the UPI Mechanism for application in the Issue.

THE DESIGNATED INTERMEDIARIES (OTHER THAN TRADING MEMBERS), SCSBs AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITIES OF SUCH TRADING MEMBERS INCLUDING BUT NOT LIMITED TO COLLECTION AND UPLOAD OF APPLICATION FORMS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATION THROUGH TRADING MEMBERS REGISTERED WITH THE STOCK EXCHANGE.

For purposes of this Issue, the term "Working Day" shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai and/or Cochin, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from the Issue Closure to listing of the NCDs on the Stock Exchange, Working Day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays in Mumbai, as per the SEBI NCS Regulations.

The information below is given for the benefit of the Investors. Our Company and the Members of Syndicate are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus.

PROCEDURE FOR APPLICATION

Availability of the Abridged Prospectus and Application Forms

The Abridged Prospectus containing the salient features of the Prospectus together with Application Form may be obtained from:

(a) Our Company's Registered Office and Corporate Office;

(b) Offices of the Lead Manager/Syndicate Members;

(c) the CRTA at the Designated RTA Locations;

(d) the CDPs at the Designated CDP Locations;

(e) Trading Members at the Broker Centres; and

(f) Designated Branches of the SCSBs.

Electronic copies of the Draft Prospectus and this Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Manager, the Stock Exchange, SEBI and the SCSBs.

Electronic Application Forms may be available for download on the website of the Stock Exchange and on the websites of the SCSBs that permit submission of Application Forms electronically. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the website of the Stock Exchange. Our Company may also provide Application Forms for being downloaded and filled at such website as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchange can download Application Forms from the website of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

UPI Investors making an Application upto ₹5 lakhs, using the UPI Mechanism, must provide the UPI ID in the relevant space provided in the Application Form. Application Forms that do not contain the UPI ID are liable to be rejected. UPI Investors applying using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Who can apply?

The following categories of persons are eligible to apply in this Issue:

Category I

- Resident public financial institutions as defined in Section 2(72) of the Companies Act, 2013, statutory corporations including state industrial development corporations, scheduled commercial banks, co-operative banks and regional rural banks, and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds of minimum corpus of ₹ 2,500 lakhs, pension funds of minimum corpus of ₹ 2,500 lakhs, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative investment funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident venture capital funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India);
- Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India;
- Mutual funds registered with SEBI; and

- Systemically Important NBFCs.

Category II

- Companies falling within the meaning of Section 2(20) of the Companies Act 2013; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorised to invest in the NCDs;
- Trust including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Association of persons;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); and
- Resident Indian individuals and Hindu undivided families through the Karta applying for an amount aggregating to a value exceeding ₹ 10 lakhs.

Category III*#

- Resident Indian individuals; and
- Hindu undivided families through the Karta.

** applications aggregating to a value not more than and including ₹ 10 lakhs.*
 # applications upto a value of ₹5 lakhs can be made under the UPI Mechanism.

For Applicants applying for NCDs, the Registrar shall verify the above on the basis of the records provided by the Depositories based on the DP ID Client ID and where applicable the UPI ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Members of the Syndicate or the Trading Members, as the case may be.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Application made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Issue.

The Lead Manager and its respective associates and affiliates are permitted to subscribe in the Issue.

Who are not eligible to apply for NCDs?

The following categories of persons, and entities, shall not be eligible to participate in this Issue and any Application from such persons and entities are liable to be rejected:

i. Minors without a guardian name*(A guardian may apply on behalf of a minor. However, Application by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);

ii. Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;

iii. Persons resident outside India and other foreign entities;

iv. Foreign Portfolio Investors;

v. Foreign Venture Capital Investors;

vi. Qualified Foreign Investors;

vii. Overseas Corporate Bodies; and

viii. Persons ineligible to contract under applicable statutory/regulatory requirements.

**Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

Based on the information provided by the Depositories, our Company shall have the right to accept Application Forms belonging to an account for the benefit of a minor (under guardianship). In case of such Application, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in this Issue.

Please see *"Issue Procedure - Rejection of Applications*" on page 421 for information on rejection of Applications.

Method of Application

In terms of the SEBI Operational Circular, an eligible Investor desirous of applying in this Issue can make Applications through the ASBA mechanism only. Applicants are requested to note that in terms of the SEBI Operational Circular, SEBI has mandated issuers to provide, through a recognised stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the SEBI Operational Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the SEBI Operational Circular and the Direct Online Application Mechanism infrastructure for the implementation of the SEBI Operational Circular and the Direct Online Application Mechanism. Further, SEBI vide the SEBI Operational Circular has directed the stock exchanges in India to formulate and disclose the operational procedure for making an application through the app/web based interface developed by them in order for investors to apply in public issue on their websites.

All Applicants shall mandatorily apply in the Issue either through:

1. the ASBA process (including UPI Investors). Applicants intending to subscribe in the Issue shall submit a duly filled Application Form to any of the Designated Intermediaries; or

2. UPI Investors having a valid UPI ID, through the app/web-based interface platform of the Stock Exchange (BSE Direct) wherein the application would automatically be uploaded onto the Stock Exchange's bidding platform and the amount will be blocked using the UPI Mechanism.

3. Additionally, certain SEBI registered UPI handles which can be accessed at https://www.sebi.gov.in/ sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, may also be used for making an Application through the UPI Mechanism.

Application process through physical Application Form

Applicants opting for the physical mode of Application process, should submit the Application Form (including for Applications under the UPI Mechanism) only at the Collection Centres, i.e. to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the registered broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available on SEBI's website *for Applications under the UPI Mechanism* at https://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of Application Forms from ASBA Applicants (including for Applications under the UPI Mechanism), shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit the Application Forms (except Application Forms submitted by UPI Investors under the UPI Mechanism) with the SCSB with whom the relevant ASBA Accounts are maintained. An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB, with the SCSB and can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form. For Applicants submitting the physical application Form who wish to block the funds in their respective UPI linked bank account through the UPI Mechanism, post uploading of the details of the Application Forms into the online platform of the Stock Exchange, the Stock Exchange shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to such UPI Investors for blocking of funds.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs (other than UPI Applications), the Application Amount payable on Application has been blocked in the relevant ASBA Account and for Applications by UPI Investors under the UPI Mechanism, uploaded by Designated Intermediaries, the Application Amount payable on Application has been blocked under the UPI Mechanism.

APPLICATION PROCESS THROUGH APP/WEB BASED INTERFACE OF THE STOCK EXCHANGE – *BSE DIRECT*

SEBI, vide the SEBI Operational Circular, has introduced an additional mode for application in the Issue through online (app / web) interface/platform of the Stock Exchange. In furtherance to the same, the Stock Exchange has extended the facility of '**BSE Direct**', which is a web based and a mobile app based platform for making an Application in the Issue where the funds can be blocked through the UPI Mechanism. BSE Direct platform can be accessed at **https://www.bsedirect.com** and can be accessed through the mobile app available (for android phone users only) on the Google Playstore.

PLEASE NOTE THAT APPLICATIONS IN THE ISSUE, THROUGH THE 'BSE DIRECT' PLATFORM, CAN ONLY BE MADE BY UPI INVESTORS, I.E., APPLICANTS WHO MAKE AN APPLICATION IN THE ISSUE FOR AN AMOUNT UPTO ₹5 LAKHS ONLY.

BSE Limited, the Designated Stock Exchange, has vide notifications dated December 28, 2020, notified the detailed operational procedure for making an Application, under the UPI Mechanism, using BSE Direct. The detailed operational instructions and guidelines issued by the Stock Exchange can be accessed on the Stock Exchange's website www.bseindia.com.

OPERATIONAL INSTRUCTIONS AND GUIDELINES

Certain relevant operational instructions and guidelines, for using BSE Direct to make an Application in the Issue, are listed below:

a. **General Instructions –**

i. Applicants are required to preregister themselves with BSE Direct. For the detailed process of registration and Applications under the BSE Direct Platform, see "*Issue Procedure - Process of Registration and Application on BSE Direct Platform/Mobile App*" on page 407.
ii. Applicants can access BSE Direct platform via internet at https://www.bsedirect.com or through the mobile app (on android phones only) called BSE Direct which can be downloaded from the Google Playstore.
iii. The Stock Exchange shall make this Prospectus and Issue related details available on its website under the 'Forthcoming Issues' a day prior to the Issue Opening Date and the details of the Issue shall also be made available on the issue page of BSE Direct.
iv. The BSE Direct platform, offers a facility of making a direct application through the web based platform

or the mobile app with a facility to block funds upto ₹5 lakhs through the UPI Mechanism.

v. The mode of allotment for Applications made through the BSE Direct platform, shall mandatorily be in dematerialised form only.

b. **Order Entry Parameters -**

Pursuant to the SEBI Operational Circular and other relevant SEBI circulars, the following operating parameters shall be made available for making an Application in the Debt IPO Segment. Applicants are requested to note the following general instructions:

i. The Issue symbol will remain same across all series/options;
ii. Applicants can enter order for a single Application having different series within one order entry screen.
iii. Before submission of the Application, the Applicant should have created an UPI ID with a maximum length of 45 characters including the handle (example: investorId@bankname)

Applicants can only submit an Application with the UPI Mechanism as the payment mode. The Applications which are successfully accepted will be allotted a bid id or order no.

c. **Modification and cancellation of orders**

i. An Applicant shall not be allowed to add or modify the Application except for modification of either DP ID/Client ID, or PAN but not both.
ii. The Applicant can withdraw the bid(s) submitted under a single Application and reapply.
iii. The part cancellation of bid in a single Application will not be permitted.

For details of the process post the Application details being entered into the bidding platform of the Stock Exchange, see "*Issue Procedure – Submission of Applications - for Applications under the UPI Mechanism*" on page 412.

d. **Re-initiation of Bids**

i. If the Applicant has not received the UPI Mandate vide an SMS or on the mobile app, associated with the UPI ID linked bank account, they will have the option to re-initiate the bid which is pending for confirmation.
ii. The facility of re-initiation/ resending the UPI Mandate shall be available only till 5 pm on the day of bidding.
iii. The Designated Intermediaries shall be permitted to use the re-initiation of Application option only once.

e. **Acceptance of the UPI Mandate**

i. An Applicant will be required to accept the UPI Mandate by 5:00 pm on the third Working Day from the day of bidding on the Stock Exchange platform except for the last day of the Issue Period or any other modified closure date of the Issue Period in which case, they shall be required to accept the UPI Mandate by 5:00 pm of the next Working Day. As the Company reserves the right to close the issue prior to the Issue Closing Date, hence is advisable that the Applicants should accept the UPI mandate by 5:00 pm on the Working Day subsequent to date of submission of the Application on BSE Direct.
ii. The transaction will be treated completed only after the UPI Mandate is accepted by the Applicant and the transaction is authorised by entering of their respective UPI PIN and successful blocking of fund through ASBA process by the Applicant's bank.
iii. If the Applicant fails to accept the mandate within stipulated timelines, their Application will not be considered for allocation.
iv. Applicants are required to check the status of their Applications with regards to the UPI Mandate acceptance and blocking of fund in the UPI Report for completion of the transaction.
v. Please note that the display of status of acceptance of the UPI Mandate/fund blocking shall be solely based on the data received from the Sponsor Bank.

f. **Order book and T+1 Modification**

i. The order book will be available in the Debt module of the Stock Exchange in real time basis.
ii. An Applicant shall be allowed to modify selected fields such as their DP ID/Client ID or PAN (Either

DP ID/Client ID or PAN can be modified but not both) on T+1 day for a validated bid.

g. **Applicant's responsibilities**

i. Applicants shall check the Issue details before making an Application.
ii. Applicants shall only be able to make an Application for an amount upto ₹5 lakhs.
iii. Applicants shall have only UPI as the payment mechanism with ASBA.
iv. Applicants must check and understand the UPI Mandate acceptance and the fund blocking process before making an Application.
v. The receipt of SMS for UPI Mandate acceptance depends upon the system response/ integration of UPI on the Debt Public Issue System.
vi. Applicants must check their respective mobiles for an SMS or the mobile app, associated with the UPI ID linked bank account, for receipt of the UPI Mandate.
vii. Applicants must accept the UPI Mandate request within stipulated timelines.
viii. Applicants must note that the transaction will be treated completed only after the UPI Mandate is accepted by the Applicant and the transaction is authorised by entering of their respective UPI PIN and successful blocking of fund through ASBA process by the Applicant's bank.
vi. If the Applicant fails to accept the mandate within stipulated timelines, their Application will not be considered for allocation.
vii. Applicants are required to check the status of their Applications with regards to the UPI Mandate acceptance and blocking of fund in the UPI Report for completion of the transaction.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager, the Registrar to the Issue or the Stock Exchange shall not be liable or responsible in the event an Applicant fails to receive the UPI Mandate acceptance request on their mobile or they fail to accept the UPI Mandate within the stipulated time period or due to any technical/other reasons

Process of Registration and Application on BSE Direct Platform/Mobile App

a. **Process of Registration for Investor**

i. To make an Application on the BSE Direct platform/ mobile app an Applicant is required to register themselves with the platform/mobile app.
ii. At the time of registration, the Applicant shall be required to select the option of "New Registration Without Broker" and enter their respective PAN along with details of their demat account (i.e., DP ID and Client ID) and UPI ID.
iii. The Stock Exchange shall verify the PAN and demat account details entered by the Applicant with the Depository, within one Working Day.
iv. The Applicant shall be required to accept the terms and conditions and also enter the correct 'One Time Password' ("**OTP**") sent on their respective mobile phones and email IDs to complete the registration process.
v. Upon the successful OTP confirmation, the Applicant's registration request shall be accepted, and a reference number shall be provided to them for checking their registration status.
vi. At the time of demat account verification, the Stock Exchange shall also validate Applicant's client type (investor category) present in demat account.
vii. An Applicant's registration shall be rejected if an incorrect investor category and/or demat account details have been entered.
viii. Post the verification of the demat account, the Stock Exchange shall activate the Applicant's profile for making an Application and also provide a user ID (which is PAN) and password for login onto the BSE Direct platform.
ix. An Applicant shall be able to view their respective details including their demat account, by accessing the tab 'My Profile'.
x. To modify their details, an Applicant must login to the BSE Direct portal and click on 'My profile'.
xi. The Stock Exchange shall revalidate the modified details with Depository.
xii. No modification request shall be accepted during the Issue Period if the Applicant has made an Application in the Issue.
xiii. To re-generate a new password, the Applicant can use the 'Forget Password' option.
xiv. Existing investors who are already registered for "GSec AND T-Bills investment", can also use the facility for applying in the Issue by using the UPI Mechanism for blocking of funds for Applications with a value upto ₹5 lakhs.

b. **Process to place Bid via BSE Direct platform/ mobile app**

i. The Issue, during the Issue Period, shall be opened for subscription and will be available for making an Application through the BSE Direct platform/ mobile app.
ii. Upon successful login, an Applicant can select the Issue to make an Application.
iii. The details of PAN and DP ID and Client ID will be populated based on the registration done by the Applicant.
iv. Before submission of the Application, an Applicant would be required to create a UPI ID with a maximum length of 45 characters including the handle (Example: investorId@bankname)
v. An Applicant shall be required to enter a valid UPI ID, in the UPI ID field.
vi. An Applicant must select the series/option along with number of NCDs being applied for in the Issue.
vii. Applicants must check the Issue details before making an Application.
viii. Applicant will only be able to make an Application for an amount of upto ₹5 lakhs.
ix. Applicants shall only have UPI as a payment mechanism with ASBA.
x. Applicants must check and understand the UPI Mandate acceptance and blocking of fund process before making an Application.

For details of the blocking process post the Application details being entered into the bidding platform of the Stock Exchange, see "*Issue Procedure – Submission of Applications - for Applications under the UPI Mechanism*" on page 412.

c. **SMS from the Exchange**

i. Post completion of the blocking process, the Stock Exchange shall send an SMS to the Applicant regarding submission of the Application at the end of day, during the Issue Period and for the last day of the Issue Period, the SMS shall be sent the next Working Day.

d. **Modification and Cancellation of Orders**

i. An Applicant shall not be allowed to add or modify the bid(s) of the Application except for modification of either DP ID/Client ID, or PAN but not both.
ii. An Applicant can withdraw the bid(s) submitted under a single Application and reapply. However, part cancellation of bid in a single Application is not permitted.

e. **Re-initiation of Bid**

i. If the Applicant has not received the UPI Mandate vide an SMS or on the mobile app, associated with the UPI ID linked bank account, they will have the option to re-initiate the bid which is pending for confirmation, after the lapse of reasonable time.
ii. The Designated Intermediaries shall be permitted to use the re-initiation of Application option only once.

For details of the process of the UPI Mandate acceptance, see "*Issue Procedure – Operational Instructions and Guidelines - Acceptance of the UPI Mandate*" on page 406.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager, the Registrar to the Issue or the Stock Exchange shall not be liable or responsible in the event an Applicant fails to receive the UPI Mandate acceptance request on their mobile or they fail to accept the UPI Mandate within the stipulated time period or due to any technical/other reasons. Sine the process of making an Application through BSE Direct is based on notifications issued by the Stock Exchange, Applicants are requested to check the website of the Stock Exchange for any further notifications by the Stock Exchange amending, supplementing, updating or revising the process of Applications through BSE Direct.

APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019 ("**SEBI Circular 2019**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However, the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a mutual fund shall clearly indicate the name of the concerned scheme for which Application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Application by Systemically Important Non-Banking Financial Companies

Systemically Important Non- Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s). **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor**.

Application by commercial banks, co-operative banks and regional rural banks

Commercial banks, co-operative banks and regional rural banks can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making Applications on their own account using ASBA Facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making Application in public issues and clear demarcated funds should be available in such account for applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority of India ("**IRDAI**"), a certified copy of certificate of registration issued by IRDAI must be lodged along with Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.**

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time to time including the IRDA (Investment) Regulations, 2000.

Application by Indian Alternative Investment Funds

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of SEBI registration certificate. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason**

therefor.

Applications by associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by 'Associations of Persons' and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) power of attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or **regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Public Financial Institutions or Statutory Corporations, which are authorised to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorised person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of incorporation/ registration under any act/rules under which they are incorporated. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by National Investment Fund

The Application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of the registration under the act/ rules under which they are incorporated. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of the registration under the act/ rules under which they are incorporated. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

The Application must be accompanied by certified true copies of certified copy of certificate of the partnership deed or registration issued under the Limited Liability Partnership Act, 2008, as applicable. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non-Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants, a certified copy of the power of attorney must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company and the Lead Manager may deem fit.**

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

APPLICATIONS FOR ALLOTMENT OF NCDs

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Manager and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, our Directors, affiliates, associates and their respective directors and officers, the Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications (including Applications under the UPI Mechanism) accepted by and/or uploaded by and/or accepted but not uploaded by Trading Members, registered brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs or failure to block the Application Amount under the UPI Mechanism.. It shall be presumed that for Applications uploaded by SCSBs (other than UPI Applications), the Application Amount payable on Application has been blocked in the relevant ASBA Account and for Applications by UPI Investors under the UPI Mechanism, uploaded by Designated Intermediaries, the Application Amount payable on Application has been blocked under the UPI Mechanism.

The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (https://www.sebi.gov.in) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (https://www.sebi.gov.in) as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of registered brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the website of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective

SCSBs to receive deposits of the Application Forms from the registered brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Submission of Applications

Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the Application Form, prior to uploading such Application into the electronic system of the Stock Exchange. **If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Application and shall not upload such Application in the electronic system of the Stock Exchange.** If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application.

    In case of Application being made in the electronic mode, the Applicant shall submit the Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Application.

(b) Physically through the Designated Intermediaries at the respective Collection Centres. Kindly note that above Applications submitted to any of the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the Application Form, has not named at least one branch at that Collection Center where the Application Form is submitted (a list of such branches is available at https://www.sebi.gov.in).

(c) A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is upto ₹5 lakhs, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange's bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism.

(d) A UPI Investor may also submit the Application Form for the Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchange's bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by the relevant Designated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange. Post which:

(a) ***for Applications other than under the UPI Mechanism*** - the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Collection Center, named by such SCSB to accept such Applications from the Designated Intermediaries (a list of such branches is available at https://www.sebi.gov.in). Upon receipt of the Application Form, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form. **If sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected.** If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form.

(b) ***for Applications under the UPI Mechanism*** – once the Application details have been entered in the bidding platform through Designated Intermediaries or BSE Direct, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchange which would be shared by the Stock Exchange with the relevant Designated Intermediary through its platform, for corrections, if any. Post uploading of the Application details on the Stock Exchange's platform, the Stock Exchange shall send an SMS to the Applicant regarding submission of the Application. Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with the Applicants UPI ID, with the Sponsor Bank appointed by our Company. The Sponsor Bank shall then initiate a UpI Mandate Request on the Applicant. The request raised by the Sponsor Bank, would be electronically received by the Applicant as an SMS or on the mobile app, associated with the UPI ID linked bank account. The Applicant shall then be required to authorise the UPI Mandate Request. Upon successful validation of block request by the Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account. The status of block request would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the Designated Intermediar

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

(a) Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries at the respective Collection Centres; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Physical Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.

(b) The Designated Branches of the SCSBs shall accept Application Forms directly from Applicants only during the Issue Period. The SCSBs shall not accept any Application Forms directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, the relevant branches of the SCSBs at Specified Locations can accept Application Forms from the Designated Intermediaries, after the closing time of acceptance of Applications on the Issue Closing Date, if the Applications have been uploaded. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 48.

Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialised form only.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in **BLOCK LETTERS IN ENGLISH**, as per the instructions contained in the Prospectus and the Application Form;
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names;
- Applications should be in single or joint names and not exceeding three names, and in the same order as

their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialised form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta;

- Applicants must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs;

- Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 NCDs, an Applicant may choose to apply for 10 NCDs of the same option or across different option;

- If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form;

- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;

- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;

- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the Eighth Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;

- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the Acknowledgement Slip. This Acknowledgement Slip will serve as the duplicate of the Application Form for the records of the Applicant;

- Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be;

- Every Applicant should hold valid Permanent Account Number and mention the same in the Application Form;

- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form; and

- All Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected.

The option, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for Allotment.

Applicants should note that neither the Members of Syndicate, Trading Member of the Stock Exchange, Public Issue Account Banks nor Designated branches of SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Our Company would allot the Option I of NCDs, as specified in the Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant Option of NCDs. Appropriate

instructions will be given to the Designated Intermediaries to indicate Option I as the Applicant's choice of the relevant NCD Option wherein the Applicants have not indicated their choice.

B. Applicant's Beneficiary Account Details

Applicants must mention their DP ID, Client ID and UPI ID (wherever applicable) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID, PAN and UPI ID (wherever applicable) mentioned in the Application Form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID, PAN and UPI ID (wherever applicable) available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected. Further, Application Forms submitted by Applicants whose beneficiary accounts are inactive, will be rejected.

On the basis of the Demographic Details as appearing on the records of the DP, the Registrar to the Issue will take steps towards demat credit of NCDs. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in demat credit and neither our Company, Designated Intermediaries, SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of power of attorney to request the Registrar that for the purpose of printing particulars on the Allotment Advice, the Demographic Details obtained from the Depository of the Applicant shall be used.

By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue. Allotment Advice would be mailed by speed post or registered post at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Registrar to the Issue, Public Issue Account Bank, Sponsor Bank nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of such Applicants. **Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the parameters, namely, DP ID, Client ID, PAN and UPI ID (wherever applicable), then such Application are liable to be rejected.**

C. Permanent Account Number

The Applicant should mention his or her Permanent Account Number allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

D. Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications all interest / redemption amount payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

E. Additional/Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other option of NCDs, subject to a minimum Application size as specified in the Prospectus and in multiples of thereafter as specified in the Prospectus. **Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected**. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹ 10 lakhs shall be deemed such individual Applicant to be an HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the Basis of Allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under this Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of the Prospectus and applicable law, rules, regulations, guidelines and approvals.
2. Read all the instructions carefully and complete the Application Form in the prescribed form.
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to this Issue.
4. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID, Client ID, PAN and UPI ID (wherever applicable) are correct and the depository account is active as Allotment of the Equity Shares will be in dematerialized form only. The requirement for providing Depository Participant details is mandatory for all Applicants.
5. Ensure that you have mentioned the correct ASBA Account number (for all Applicants other than UPI Investors applying using the UPI Mechanism) in the Application Form. Further, UPI Investors using the UPI Mechanism must also mention their UPI ID.
6. UPI Investors applying using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking, is certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries.
7. UPI Investors applying using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected.
8. Ensure that the Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) in case the Applicant is not the ASBA account holder. Applicants (except UPI Investors making an Application using the UPI Mechanism) should ensure that they have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Application Form. UPI

Investors applying using the UPI Mechanism should ensure that they have mentioned the correct UPI- linked bank account number and their correct UPI ID in the Application Form.

9. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be.
10. UPI Investors making an Application using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to Application Amount and subsequent debit of funds in case of Allotment, in a timely manner.
11. UPI Investors making an Application using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using their UPI PIN. Upon the authorization of the mandate using their UPI PIN, the UPI Investor may be deemed to have verified the attachment containing the application details of the UPI Investor making and Application using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to issue a request to block the Application Amount mentioned in the ASBA Form in their ASBA Account.
12. UPI Investors making an Application using the UPI Mechanism should mention valid UPI ID of only the Applicants (in case of single account) and of the first Applicant (in case of joint account) in the ASBA Form.
13. UPI Investors making an Application using the UPI Mechanism, who have revised their Application subsequent to making the initial Application, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in their account and in case of Allotment in a timely manner.
14. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Collection Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediary/ Designated Branch of the SCSB.
15. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Collection Centre.
16. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form.
17. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
18. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta.
19. Ensure that the Applications are submitted to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 48.
20. **Permanent Account Number:** Each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected.
21. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
22. All Applicants should choose the relevant option in the column "Category of Investor" in the Application Form.
23. Choose and mark the option of NCDs in the Application Form that you wish to apply for.
24. In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for Applications.

Don'ts:

1. Do not apply for lower than the minimum Application size.
2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest.
3. Do not send Application Forms by post. Instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be.
4. Do not submit the Application Form to any non-SCSB bank or our Company.
5. Do not apply through an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.
6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue Size and/or investment

limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.

7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.
8. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (wherever applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue.
9. Do not submit the Application Form without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account or in the case of UPI Investors making and Application using the UPI Mechanism, in the UPI-linked bank account where funds for making the Application are available.
10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms.
11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872.
12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise.
13. Do not submit Applications to a Designated Intermediary at a location other than Collection Centres.
14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction.
15. Do not apply if you are a person ineligible to apply for NCDs under this Issue including Applications by Persons Resident Outside India, NRI (inter-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA).
16. Do not make an Application of the NCD on multiple copies taken of a single form.
17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue.
18. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Investors using the UPI Mechanism.
19. Do not submit more than five Application Forms per ASBA Account.

Please also see "*Issue Procedure – Operational Instructions and Guidelines - Applicant's Responsibilities*" on page 407.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries, to deposit such Application Forms (A list of such branches is available at https://www.sebi.gov.in).

Please see *"Issue Procedure – Rejection of Applications*" on page 421 for information on rejection of Applications.

TERMS OF PAYMENT

The Application Forms will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Collection Centres, named by such SCSB to accept such Applications from the Designated Intermediaries, as the case may be (a list of such branches is available at https://www.sebi.gov.in).

For Applications other than those under the UPI Mechanism, the relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the Application. For Applications under the UPI Mechanism, i.e., upto ₹5 lakhs, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchange which would be shared by the Stock Exchange with the relevant Designated Intermediary through its platform, for corrections, if any. The blocking of funds in such case (not exceeding ₹5 lakhs) shall happen under the UPI Mechanism.

The entire Application Amount for the NCDs is payable on Application only. The relevant SCSB shall block an amount equivalent to the entire Application Amount in the ASBA Account at the time of upload of the Application Form. In case of Allotment of lesser number of NCDs than the number applied, the Registrar to the Issue shall instruct the SCSBs or the Sponsor Bank (as the case maybe) to unblock the excess amount in the ASBA Account.

For Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application, before entering the Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

For Applications submitted under the UPI Mechanism, post the successful validation of the UPI Mandate Request by the Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account.

Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application. An Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

A UPI Investor applying through the UPI Mechanism should ensure that, they check the relevant SMS generated for the UPI Mandate Request and all other steps required for successful blocking of funds in the UPI linked bank account, which includes accepting the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the Stock Exchange (except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day), have been completed.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs or the Sponsor Bank (in case of Applications under the UPI Mechanism) on the basis of the instructions issued in this regard by the Registrar to the respective SCSB or the Sponsor Bank, within six Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of this Issue or until rejection of the Application, as the case may be.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
ASBA Applications	(i) If using physical Application Form, (a) to the Designated Intermediaries at relevant Collection Centres, or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or (ii) If using electronic Application Form, to the SCSBs, electronically through internet banking facility, if available.
Applications under the UPI Mechanism	(i) Through the Designated Intermediary, physically or electronically, as applicable; or (ii) Through BSE Direct.

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an Acknowledgement Slips which will serve as a duplicate Application Form for the records of the Applicant.

Electronic Registration of Applications

(a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications (including those under the UPI Mechanism) using the on-line facilities of the Stock Exchange. **The Members of Syndicate, our Company and the Registrar to the Issue or the Lead Manager is not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, (v) any Applications accepted and uploaded and/or not uploaded by the Trading Members of the Stock Exchange or (vi) any Application made under the UPI Mechanism, accepted or uploaded or failed to be uploaded by a Designated Intermediary**

or through the app/web based interface of the Stock Exchange and the corresponding failure for blocking of funds under the UPI Mechanism.

In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the option, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for Allotment/rejection of Application.

(b) The Stock Exchange will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Designated Intermediaries and the SCSBs during the Issue Period. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on this Issue Closing Date. On the Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 48.

(c) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Option of NCDs applied for
- Number of NCDs Applied for in each option of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Location
- Application amount

(d) With respect to Applications submitted to the Designated Intermediaries, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Option of NCDs applied for
- Number of NCDs Applied for in each option of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Location
- Application amount

(e) A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**

(f) **Applications can be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect.** The permission given by the Stock Exchange to use its network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Manager are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.

(g) **Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for allocation/ Allotment**. The Designated Intermediaries and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or the Debenture Trustee thereof, reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

(a) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicants' ASBA Account maintained with an SCSB;

(c) Applications not being signed by the sole/joint Applicant(s);

(d) Investor Category in the Application Form not being ticked;

(e) Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may Allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;

(f) Applications where a registered address in India is not provided for the non-Individual Applicants;

(g) In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s);

(h) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;

(i) PAN not mentioned in the Application Form., In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;

(j) DP ID, Client ID or UPI ID (wherever applicable) not mentioned in the Application Form;

(k) GIR number furnished instead of PAN;

(l) Applications by OCBs;

(m) Applications for an amount below the minimum Application size;

(n) Submission of more than five ASBA Forms per ASBA Account;

(o) Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;

(p) Applications under power of attorney or by limited companies, corporate, trust etc. submitted without relevant documents;

(q) Applications accompanied by stockinvest/ cheque/ money order/ postal order/ cash;

(r) Signature of sole Applicant missing, or in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);

(s) Applications by persons debarred from accessing capital markets, by SEBI or any other appropriate regulatory authority;

(t) Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant;

(u) Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;

(v) Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediary, as the case may be;

(w) ASBA Applications not having details of the ASBA Account or the UPI-linked Account to be blocked;

(x) In case no corresponding record is available with the Depositories that matches the parameters namely, DP ID, Client ID, UPI ID and PAN;

(y) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;

(z) SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;

(aa) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;

(bb) Authorization to the SCSB for blocking funds in the ASBA Account not provided;

(cc) Applications by any person outside India;

(dd) Applications not uploaded on the online platform of the Stock Exchange;

(ee) Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;

(ff) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form, the Prospectus and as per the instructions in the Application Form and the Prospectus;

(gg) Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;

(hh) Applications providing an inoperative demat account number;

(ii) Applications submitted to the Designated Intermediaries other than the Collection Centres or at a Branch of a SCSB which is not a Designated Branch;

(jj) Applications submitted directly to the Public Issue Bank (except in case the ASBA Account is maintained with the said bank as a SCSB);

(kk) Investor category not ticked;

(ll) In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application

(mm) A UPI Investor applying through the UPI Mechanism, not having accepted the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the stock exchange except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day; and

(nn) A non-UPI Investor making an Application under the UPI Mechanism, i.e., an Application for an amount more than ₹5 lakhs.

For information on certain procedures to be carried out by the Registrar to the Issue for finalization of the Basis of Allotment, please see "*Information for Applicants*" below.

Information for Applicants

Upon the closure of the Issue, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID, UPI ID (where applicable) and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database and prepare list of technical rejection cases. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such Applications or treat such Applications as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

BASIS OF ALLOTMENT

Basis of Allotment for NCDs

The Registrar will aggregate the Applications, based on the applications received through an electronic book from the Stock Exchange and determine the valid Application for the purpose of drawing the basis of allocation.

Allocation Ratio

The Registrar will aggregate the Applications based on the Applications received through an electronic book from the Stock Exchange and determine the valid applications for the purpose of drawing the basis of allocation. Grouping of the application received will be then done in the following manner:

Grouping of Applications and Allocation Ratio: Applications received from various applicants shall be grouped together on the following basis:

(a) *Applications received from Category I applicants:* Applications received from Category I, shall be grouped together, **("*Institutional Portion*")**;

(b) *Applications received from Category II applicants:* Applications received from Category II, shall be grouped together, **("*Non-Institutional Portion*")**;

(c) *Applications received from Category III applicants:* Applications received from Category III, shall be grouped together, **("*Retail Individual Portion*").**

For removal of doubt, "***Institutional Portion***", "***Non-Institutional Portion***" and "***Retail Individual Portion***" are individually referred to as "***Portion*"** and collectively referred to as **"*Portions*".**

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be Allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Issue up to the Issue Limit i.e. aggregating up to ₹ 50,000 lakhs. The aggregate value of NCDs decided to be allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Issue), and/or the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as the **"*Overall Issue Size*".**

Basis of Allotment for NCDs

Allotments in the first instance:

(i) Applicants belonging to the Category I, in the first instance, will be allocated NCDs up to 5% of overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each Application duly acknowledged by the Lead Manager and their respective affiliates/SCSB (Designated Branch or online acknowledgement);

(ii) Applicants belonging to the Category II, in the first instance, will be allocated NCDs up to 35% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each Application duly acknowledged by the Members of the Syndicate/Trading Members/SCSB (Designated Branch or online acknowledgement);

(iii) Applicants belonging to the Category III, in the first instance, will be allocated NCDs up to 60% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each Application duly acknowledged by the Members of the Syndicate/Trading Members/SCSB (Designated Branch or online acknowledgement);

(iv) Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis, based on the date of upload of each Application in to the electronic book with Stock Exchange, in each Portion subject to the Allocation Ratio. However, on the date of oversubscription, the Allotments would be made to the Applicants on proportionate basis.

(a) Under Subscription:

Under subscription, if any, in any Portion, priority in Allotments will be given in the following order:

(i) Individual Portion
(ii) Non-Institutional Portion and Resident Indian individuals and Hindu undivided families through the Karta applying who apply for NCDs aggregating to a value exceeding ₹ 10 lakhs;
(iii) Institutional Portion
(iv) on a first come first serve basis.

Within each Portion, priority in Allotments will be given on a first-come-first-serve basis, based on the date of upload of each Application into the electronic system of the Stock Exchange.

For each Portion, all Applications uploaded on to the electronic book with the Stock Exchange would be treated at par with each other. Allotment would be on proportionate basis, where Applications uploaded into the Platform of the Stock Exchange on a particular date exceeds NCDs to be allotted for each Portion respectively.

Minimum allotment of 1 (one) NCD and in multiples of 1 (one) NCD thereafter would be made in case of each valid Application.

For the purpose of clarity, in case of oversubscription please see the below indicative scenarios:

(i) In case of an oversubscription in all Portions resulting in an oversubscription in the Issue Limit, Allotments to the maximum permissible limit, as possible, will be made on a first-come first serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription to respective Portion and proportionate allotment of NCDs to the Applicants on the date of oversubscription in respective Portion (based on the date of upload of each Application on the electronic platform of the Stock Exchanges in each Portion).

(ii) In case there is oversubscription in the Issue Limit, however there is under subscription in one or more Portion(s), Allotments will be made in the following order:

a. All valid Applications in the undersubscribed Portion(s) uploaded on the electronic platform of the Stock Exchanges till the end of the last day of the Issue Period, shall receive full and firm allotment.
b. In case of Portion(s) that are oversubscribed, allotment shall be made to valid Applications received on a first come first serve basis, based on the date of upload of each Application on the electronic platform of the Stock Exchanges. Priority for allocation of the remaining undersubscribed Portion(s) shall be given to day wise Applications received in the Retail Individual Portion followed by Non-Institutional Portion and lastly Institutional Portion each according to the day of upload of Applications on the electronic platform of the Stock Exchanges during the Issue Period. For the sake of clarity, the day on which the entire remaining

undersubscribed Portion is allocated to the oversubscribed Portion(s), no allocation shall be made to any oversubscribed Portion(s) on the remaining days of the Issue Period.

(b) Allotments in case of oversubscription:

In case of an oversubscription, Allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full Allotment of NCDs to the valid Applicants on a first come first serve basis for forms uploaded up to 5 pm of the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the valid Applicants on the date of oversubscription (based on the date of upload of the Application on the Stock Exchange Platform, in each Portion). In case of over subscription on date of opening of the Issue, the Allotment shall be made on a proportionate basis. Applications received for the NCDs after the date of oversubscription will not be considered for Allotment.

In view of the same, the Investors are advised to refer to the Stock Exchange website at www.bseindia.com for details in respect of subscription.

(c) Proportionate Allotments: For each Portion, on the date of oversubscription:

(i) Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer;
(ii) If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Issue Size, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference;
(iii) In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the Basis of Allotment is finalised by draw of lots in a fair and equitable manner; and
(iv) The total Allotment under Option VII of the NCDs shall not exceed a value more than ₹ 7,500 lakhs.

(d) Applicant applying for more than one Option of NCDs:

If an Applicant has applied for more than one Option of NCDs, and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for due to such Applications received on the date of oversubscription, the option-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each option, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with Lead Manager and Designated Stock Exchange.

In cases of odd proportion for Allotment made, our Company in consultation with the Lead Manager will allot the residual NCD (s) in the following order:

(i) first with monthly interest payment in order of least tenor i.e. Option I, II and III;
(ii) followed by payment on cumulative Option in order of least tenor i.e. Option IV, V, VI and VII.

All decisions pertaining to the Basis of Allotment of NCDs pursuant to the Issue shall be taken by our Company in consultation with the Lead Manager, and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Prospectus.

Our Company would Allot Option I NCDs to all valid applications, wherein the Applicants have not indicated their choice of the relevant Option of the NCDs. Therefore, instructions will be given to the Designated Intermediaries to indicate Option I NCD as the Applicant's choice of the relevant NCD Option wherein the Applicants have not indicated their choice.

Valid applications where the Application Amount received does not tally with or is less than the amount equivalent to value of number of NCDs applied for, may be considered for Allotment, to the extent of the Application Amount paid rounded down to the nearest ₹ 1,000 in accordance with the pecking order mentioned above.

All decisions pertaining to the Basis of Allotment of NCDs pursuant to the Issue shall be taken by our Company in consultation with the Lead Manager and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Prospectus.

Retention of oversubscription

Our Company shall have an option to retain over-subscription up to the Issue limit.

Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications

The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB or the Sponsor Bank (for Applications under the UPI Mechanism), as applicable, to unblock the funds in the relevant ASBA Account/UPI linked bank account, for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

ISSUANCE OF ALLOTMENT ADVICE

Our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants upon approval of Basis of Allotment. The Allotment Advice for successful Applicants will be mailed by speed post/registered post to their addresses as per the Demographic Details received from the Depositories.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 6 (six) Working Days from the Issue Closing Date.

Allotment Advices shall be issued or Application Amount shall be unblocked within 6 (six) Working Days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the Application Amount shall be unblocked in the ASBA Accounts or the UPI linked bank accounts (for Applications under the UPI Mechanism) of the Applicants forthwith.

Our Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

OTHER INFORMATION

Withdrawal of Applications during the Issue Period

Applicants can withdraw their Applications until the Issue Closing Date. In case an Applicant wishes to withdraw the Application during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite.

In case of Applications (other than under the UPI Mechanism) were submitted to the Designated Intermediaries, upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediary, as the case may be, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and intimating the Designated Branch of the SCSB to unblock of the funds blocked in the ASBA Account at the time of making the Application. In case of Applications (other than under the UPI Mechanism) submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account, directly.

Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange, by submitting a written request to the Designated Intermediary and the Designated Branch of the SCSBs, as the case may be. For Applications made under the UPI Mechanism, an Applicant shall not be allowed to add or modify the details of the Application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the Applicant may withdraw the Application and reapply.

However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/ modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by the Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries and/ or the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL. Please also see, "*Issue Procedure – Operational Instructions and Guidelines - Modification and cancellation of orders*" on page 406.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialised form. In this context:

(i) Tripartite agreement dated January 30, 2014 among our Company, the Registrar and CDSL and tripartite agreement dated February 5, 2014 among our Company, the Registrar and NSDL, respectively for offering depository option to the investors.

(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

(iii) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.

(iv) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

(v) Non-transferable Allotment Advice will be directly sent to the Applicant by the Registrar to this Issue.

(vi) It may be noted that NCDs in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange has connectivity with NSDL and CDSL.

(vii) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those Debenture Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGE SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE NCD.

Allottees will have the option to re-materialize the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue (except the Applications made through the Trading Members of the Stock Exchange) should be addressed to the Registrar to the Issue, quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for UPI Investors who make the payment of Application Amount through the UPI Mechanism), date of the Application Form, name and address of the Designated Intermediary or Designated Branch of the SCSBs, as the case may be, where the Application was submitted.

Applicants may contact our Compliance Officer and Company Secretary or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice or credit of NCDs in the respective beneficiary accounts, as the case may be.

Interest in case of delay

Our Company undertakes to pay interest, in connection with any delay in Allotment and demat credit, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

"Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of '*Risk factors*' on page 17 under the section 'General Risks'."

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/offer document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed."

Our Company undertakes that:

(a) All monies received pursuant to this Issue shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013;

(b) Details of all monies utilised out of this Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies had been utilised;

(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;

(d) Details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;

(e) Undertaking by our Company for execution of the Debenture Trust Deed;

(f) We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Prospectus and the Prospectus, on receipt of the minimum subscription of 75% of the Base Issue i.e. ₹ 18,750 lakhs and receipt of listing and trading approval from the Stock Exchange;

(g) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property business, dealing in equity of listed companies or lending/investment in group companies;

(h) The allotment letter shall be issued or application money shall be unblocked within 6 (six) Working Days from the closure of this Issue or such lesser time as may be specified by SEBI, or else the Application money shall be refunded to the Applicants forthwith;

(i) Details of all monies unutilised out of the previous issues made by way of public offer, if any, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested;

(j) we shall create a recovery expense fund in the manner as maybe specified by the Board from time to time and inform the Debenture Trustee about the same; and

(k) we undertake that the assets on which charge is created to meet the hundred percent security cover, are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditor.

Other Undertakings by our Company

Our Company undertakes that:

(a) Complaints received in respect of this Issue (except for complaints in relation to Applications submitted to Trading Members) will be attended to by our Company expeditiously and satisfactorily;

(b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;

(c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within six Working Days of this Issue Closing Date;

(d) Funds required for dispatch of Allotment Advice/NCD Certificates (only upon rematerialisation of NCDs at the specific request of the Allottee/ Holder of NCDs) will be made available by our Company to the Registrar to the Issue;

(e) Our Company will forward details of utilisation of the proceeds of this Issue, duly certified by the Joint Statutory Auditors, to the Debenture Trustee on a half-yearly basis;

(f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of this Issue as contained in this Prospectus;

(g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report; and

(h) Our Company shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time.

(i) The allotment of NCDs will be done on a first come, first serve basis. On the successful allotment of the NCDs, the issue proceeds will be released to the issuer to use in pursuance of the objects specified in this Prospectus.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

The main provisions of the Articles of Association relating to the issue and allotment of debentures and matters incidental thereto have been summarised below. Please note that each provision herein below is numbered according to the corresponding article number in the Articles of Association. Any reference to the term "Article" hereunder means the corresponding article contained in the Articles of Association.

Article 7 provides that the Company may exercise the powers of paying commission conferred by Section 76 of the Companies Act, 1956, and in such case shall comply with the requirements of the section. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

Article 40 provides that a fee not exceeding ₹2 may be charged for the registration of grant of probate, grant of administration, certificate of death or marriage, power-of-attorney or other instrument and shall, if required by the Board of Directors, be paid before the registration thereof. No fee will be charged for registration of transfers of shares and debentures.

Article 55 provides that the Board of Directors may, from time to time, at its discretion, raise or borrow and secure the payment of any sum or sums of money for the purpose of the Company.

Article 56 provides that the Board of Directors may raise or secure the repayment of such sum or sums (referred to in Article 55) in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular by the issue of bonds perpetual or redeemable debentures stock, or any mortgage or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

Article 57 provides that any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and wish any special privileges as to redemption, surrender, drawings, allotment of shares, appointment of directors and otherwise. Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same be issued, provided that debentures with the right to allotment of or conversion into shares shall not be issued except in conformity with the provisions of Section 81(3) of the Companies Act, 1956.

Article 58 provides that save as provided in Section 108 of the Companies Act, 1956, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.

Article 59 provides that if the Board of Directors refuses to register the transfer of any debentures the Company shall within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal.

Article 91 provides that subject to the provisions of Section 297 of the Companies Act, 1956, a Director shall not be disqualified from contracting with the Company either as a vendor, purchaser or otherwise for goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director, or a firm in which such Directors or relative as a partner or with any other partner in such firm or with a private company of which such Director is a member or director be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit by any such contract or arrangement by reason of such Director holding office or of the fiduciary relation thereby established.

Clause (a) of Article 99 provides that subject to the provisions of the Companies Act, 1956, and notwithstanding anything to the contrary contained in the Articles of Association, so long as any moneys remain with the Company either in the form of share capital or loan originally invested by any financing company or body or financial corporation or bank or any insurance corporation (each such financing company or body or financial corporation, credit corporation or bank or any insurance corporation is hereinafter referred to as "Financial Institution") in the Company or so long as the Financial Institution continues to hold debentures in the Company by direct subscription or private placement or so long as the Financial Institution holds share in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of the guarantee furnished by the Financial Institution on behalf of the Company remains outstanding, the Financial Institution shall have a right to appoint from time to time, its nominee/s as a Director or Director/s, which Director or Directors is/are hereinafter referred to as "Nominee Director/s" on the Board of Directors of the Company and to remove from such office the Nominee Director/s so appointed and at the time of such removal and also in the case of death or resignation of the Nominee Director/s so appointed at any time appoint any other which may occur as a result of such Director/s ceasing to hold office for any reasons whatsoever; such appointment or removal shall be made in writing on behalf of the Financial Institution appointing such Nominee Director/s and shall be delivered to the Company at its registered office.

Clau©(c) of Article 99 provides that the Nominee Director/s so appointed shall hold the office only so long as any moneys remain with the Company either in the form of share capital or loan originally invested by the Financial Institution or so long as the Financial Institution holds debentures in the Company as a result of direct subscription of private placement or so long as the Financial Institution holds shares in the Company as a result of underwriting or direct subscription or liability of the Company arising out of any guarantee, is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office, immediately the moneys owing by the Company to the Financial Institutions is paid off or on the Financial Institution ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the Financial Institution.

Article 149 provides that on any sale of the undertaking of the Company, the Board of Directors or the liquidator on a winding-up may, if authrorised by a special resolution accept fully paid-up shares, debentures or securities of any other company, whether incorporated in India or not, either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Board of Directors (if the profits of the Company permit) or the liquidators (in a winding-up) may distribute such shares or securities or any other property of the Company amongst the members without realisation, or vest the same in trustees for them, and any special resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property otherwise than in accordance with the strict legal rights of the members or contributors of the Company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation of distribution so authorised, and waive all rights in relation, thereto save only in case the Company is proposed to be or in the course of being wound up, such statutory rights, if any, under Section 494 of the Companies Act, 1956, as are incapable of being varied or excluded by the Articles of Association.

Article 152 provides that every Director, manager, secretary, trustee for the Company, its members or debenture holders, members of a committee, officer, servant, agent, accountant or other person employed in or about the business of the Company shall, if so required by the Board of Directors before entering upon his duties sign a declaration pledging himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board of Directors or by any general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions of the Articles of Association.

SECTION IX: MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by the Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office of the Company situated at Muthoot Centre, TC No 27/3022, Punnen Road, Trivandrum 695 001, India, from 10.00 a.m. to 4.00 p.m., from the date of the Prospectus until the date of closure of the Issue.

I. Material Contracts

1. Issue Agreement dated July 16, 2022 between the Company and the Lead Manager.

2. Registrar Agreement dated June 30, 2022, between the Company and the Registrar to the Issue.

3. Debenture Trustee Agreement dated July 18, 2022, between the Company and the Debenture Trustee for the NCD Holders.

4. Public Issue Account and Sponsor Bank Agreement dated July 29, 2022 amongst the Company, the Lead Manager, the Registrar, the Public Issue Account Bank, Sponsor Bank and the Refund Bank.

5. Lead Broker Agreement dated July 28, 2022, between the Company and the Lead Brokers.

6. Tripartite Agreement dated May 3, 2011, between CDSL, the Company and the Registrar to the Issue.

7. Tripartite Agreement dated October 6, 2009, between NSDL, the Company and the Registrar to the Issue.

II. Material Documents

1. Certificate of incorporation of the Company dated June 10, 1997, issued by the RoC.

2. Certificate of incorporation dated March 19, 2002, issued by the RoC.

3. Certificate of commencement of business dated June 10, 1997.

4. Memorandum and Articles of Association of the Company.

5. The certificate of registration No. 16.00170 dated July 23, 2002 issued by the RBI under Section 45 IA of the RBI Act.

6. Credit rating letter datedFebruary 25, 2022 issued by CRISIL assigning a rating of “CRISIL A+/Stable” for an amount of ₹ 40,000 lakhs of NCDs, June 17, 2022 issued by CRISIL assigning a rating of “CRISIL A+/Stable” for an amount of ₹ 10,000 lakhs of NCDs, revalidated *vide* letter dated June 20, 2022, further revalidated *vide* letter dated July 20, 2022.

7. Board resolution dated April 26, 2022 approving the Issue and related matters including authorised signatories.

8. Shareholders’ resolution dated June 3, 2014 pursuant to Section 180 of the Companies Act, 2013.

9. Copy of the resolutions of the Stock Allotment Committee dated June 29, 2022 approving the Issue and dated July 25, 2022 approving the Prospectus.

10. Copy of the resolutions of the Stock Allotment Committee dated August 3, 2022 approving the Prospectus.

11. Consents of each of the Directors, Compliance Officer, Joint Statutory Auditors, Lead Manager, Legal Advisors to the Issue, Registrar to the Issue, Public Issue Account Bank(s), Sponsor Bank, Refund Bank, Bankers to the Issue, Bankers to the Company, the Debenture Trustee, Registrar to the Issue, Experts and

the Credit Rating Agency to act in their respective capacities.

12. Consent of the Joint Statutory Auditors, for inclusion of their name as the Joint Statutory Auditors of the Company and reports on the Reformatted Ind AS Financial Statements including the annexures and notes thereto, in the form and context in which they appear in the Prospectus mentioned herein.

13. Consent of ICRA Analytics Limited dated June 21, 2022 with respect to the industry report titled 'Gold Loan Market in India – 2021'.

14. Annual Reports of the Company for the three Fiscals.

15. Audited Standalone Financial Results of the Company as of period ended March 31, 2022.

16. In-principle listing approval from BSE, through letter no. DCS/BM/PI-BOND/008/22-23 dated August 1, 2022.

17. Due Diligence Certificate dated August 2, 2022 filed by the Lead Manager with SEBI.

18. Due Diligence Certificate dated August 2, 2022, from the Debenture Trustee to the Issue.

19. In case of debt securities, an undertaking that no objection certificate from the prior creditor for a second or pari passu charge being created, wherever applicable, in favour of the debenture trustee to the proposed issue has been obtained.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements in this Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements. Furthermore, all the monies received under the offer shall be used only for the purposes and objects indicated in this Prospectus.

Signed by the Board of Directors of the Company

____

Mr. Thomas John Muthoot, Managing Director

____

Mr. Thomas George Muthoot, Director

____

Mr. Thomas Muthoot, Executive Director and Chief Financial Officer

____

Mr. Arrattukkulam Peter Kurian, Director

____

Ms. Preethi John Muthoot, Director

____

Mr. Vikraman Ampalakkat, Director

Date: August 3, 2022

Place: Trivandrum

ANNEXURE A – CREDIT RATING LETTER, RATING RATIONALE AND PRESS RELEASE

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Ratings

CRISIL
An S&P Global Company

CONFIDENTIAL

RL/MUFILT/288627/NCD/0321/04689/92003555
February 25, 2022

Mr. Thomas John Muthoot
Managing Director
Muthoot Fincorp Limited
Muthoot Centre,
Punnen Road,
Thiruvananthapuram - 695034
Tel - 9773378717

Dear Mr. Thomas John Muthoot,

Re: CRISIL Ratings on the Rs. 400 Crore Non Convertible Debentures of Muthoot Fincorp Limited

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned its "**CRISIL A+/Stable**" (pronounced as CRISIL A plus rating with Stable outlook) rating to the captioned debt instrument. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

For the purpose of issuance of the captioned debt instrument, this letter is valid for 180 calendar days from the date of the letter. In the event of your company not placing the above instrument within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid throughout the life of the captioned debt instrument.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL Ratings believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

Yours sincerely,

Ajit Velonie
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com.CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301

Details of the Rs.400 Crore Non-Convertible Debenture of
Muthoot Fincorp Limited

	1st tranche		*2nd tranche*		*3rd tranche*	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

Ratings

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RL/MUFILT/296169/NCD/0622/36533/112297819
June 17, 2022

Mr. R. Nadanasabapathy
Vice President
Muthoot Fincorp Limited
Muthoot Centre, Punnen Road
Thiruvananthapuram - 695034
9447362222

Dear Mr. R. Nadanasabapathy,

Re: CRISIL Rating on the Rs.100 Crore Non Convertible Debentures of Muthoot Fincorp Limited

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a CRISIL A+/Stable (pronounced as CRISIL A plus rating with Stable outlook) rating to the captioned Debt instrument. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

Further, in view of your decision to accept the CRISIL Ratings, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Prashant Pratap Mane
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

CRISIL

Details of the Rs.100 Crore Non Convertible Debentures of Muthoot Fincorp Limited

	1st tranche		*2nd tranche*		*3rd tranche*	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

Ratings

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RL/MUFILT/296169/NCD/0622/36549/92003526/1
June 20, 2022

Mr. R. Nadanasabapathy
Vice President
Muthoot Fincorp Limited
Muthoot Centre, Punnen Road
Thiruvananthapuram - 695034
9447362222

Dear Mr. R. Nadanasabapathy,

Re: CRISIL Rating on the Rs.500 Crore Non Convertible Debentures of Muthoot Fincorp Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.
Please refer to our rating letter dated June 17, 2022 bearing Ref. no: RL/MUFILT/296169/NCD/0622/36549/92003526 and RL/MUFILT/296169/NCD/0622/36533/112297819

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	100	CRISIL A+/Stable
2	Non-Convertible Debentures	400	CRISIL A+/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

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Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Prashant Pratap Mane
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

Ratings

CRISIL
An S&P Global Company

CONFIDENTIAL

RL/MUFILT/296169/NCD/0622/36549/92003526/2
July 20, 2022

Mr. R. Nadanasabapathy
Vice President
Muthoot Fincorp Limited
Muthoot Centre, Punnen Road
Thiruvananthapuram - 695034
9447362222

Dear Mr. R. Nadanasabapathy,

Re: CRISIL Rating on the Rs.500 Crore Non Convertible Debentures of Muthoot Fincorp Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.
Please refer to our rating letter dated June 20, 2022 bearing Ref. no: RL/MUFILT/296169/NCD/0622/36549/92003526/1

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	100	CRISIL A+/Stable
2	Non-Convertible Debentures	400	CRISIL A+/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

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With warm regards,

Yours sincerely,

Prashant Pratap Mane
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

Ratings
CRISIL Ratings Limited (A subsidiary of CRISIL Limited)

CRISIL
An S&P Global Company

Rating Rationale

June 17, 2022 | Mumbai

Muthoot Fincorp Limited

'CRISIL A+/Stable' assigned to Debt Instruments; rated amount enhanced for Bank Debt

Rating Action

Total Bank Loan Facilities Rated	**Rs.12100 Crore (Enhanced from Rs.11650 Crore)**
Long Term Rating	**CRISIL A+/Stable (Reaffirmed)**

Rs.100 Crore Non Convertible Debentures	**CRISIL A+/Stable (Assigned)**
Rs.100 Crore Subordinated Debt	**CRISIL A+/Stable (Assigned)**
Rs.200 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD A+ r /Stable (Reaffirmed)**
Rs.400 Crore Non Convertible Debentures	**CRISIL A+/Stable (Reaffirmed)**
Rs.143.73 Crore Non Convertible Debentures	**CRISIL A+/Stable (Reaffirmed)**
Rs.300 Crore Non Convertible Debentures	**CRISIL A+/Stable (Reaffirmed)**
Rs.500 Crore Non Convertible Debentures	**CRISIL A+/Stable (Reaffirmed)**
Rs.300 Crore Non Convertible Debentures	**CRISIL A+/Stable (Reaffirmed)**
Rs.500 Crore Non Convertible Debentures	**CRISIL A+/Stable (Reaffirmed)**
Rs.400 Crore Non Convertible Debentures	**CRISIL A+/Stable (Reaffirmed)**
Rs.400 Crore Non Convertible Debentures	**CRISIL A+/Stable (Reaffirmed)**
Rs.500 Crore Non Convertible Debentures	**CRISIL A+/Stable (Reaffirmed)**
Rs.374.4 Crore Non Convertible Debentures	**CRISIL A+/Stable (Reaffirmed)**
Rs.400 Crore Non Convertible Debentures	**CRISIL A+/Stable (Reaffirmed)**
Rs.300 Crore Non Convertible Debentures	**CRISIL A+/Stable (Reaffirmed)**
Rs.400 Crore Non Convertible Debentures	**CRISIL A+/Stable (Reaffirmed)**
Rs.50 Crore Subordinated Debt	**CRISIL A+/Stable (Reaffirmed)**
Rs.50 Crore Subordinated Debt	**CRISIL A+/Stable (Reaffirmed)**
Rs.50 Crore Perpetual Bonds	**CRISIL A-/Stable (Reaffirmed)**
Rs.60 Crore Perpetual Bonds	**CRISIL A-/Stable (Reaffirmed)**
Rs.50 Crore Perpetual Bonds	**CRISIL A-/Stable (Reaffirmed)**
Rs.144 Crore Perpetual Bonds	**CRISIL A-/Stable (Reaffirmed)**
Rs.500 Crore (Reduced from Rs.900 Crore) Commercial Paper	**CRISIL A1+ (Reaffirmed)**

1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its **'CRISIL A+/Stable'** rating to Rs 100 crore Subordinated Debt, Rs 100 crore of NCD of Muthoot Fincorp Limited (MFL; flagship company of Muthoot Pappachan group [MPG]). The rating on other debt instruments and bank facilities has been reaffirmed at 'CRISIL A+/CRISIL A-/Stable/CRISIL A1+'.

The rating continues to reflect MFL's healthy performance in the core gold loan portfolio, as indicated by steady growth in assets under management (AUM), sound asset quality (despite the challenges created by the Covid-19 pandemic) and improving earnings profile. Gold loan portfolio accounts for around two third of the group's overall AUM as on March 31, 2022 and stood at Rs 18,125 crore (including co-lending of Rs 1362 crore).

The non-gold loan portfolio accounted for around 36% of the total MPG portfolio as on March 31, 2022. Out of this, the microfinance business accounted for Rs 6,238 crore AUM as on March 31, 2022, while the AUM of vehicle and housing finance stood at Rs 2,050 crore and Rs 1,335 crore, respectively. The non-gold portfolio has faced increased asset quality challenges especially in the aftermath of the second wave of pandemic. The management remains cautious to improve the same with continued focus on increasing collection efficiency.

The ratings are further strengthened by promoters' extensive experience in the loan-against-gold jewellery business, its established market position in the gold business and diversified product profile of MPG, healthy asset quality and improving earnings profile in the gold loan segment. These strengths are partially offset by moderate capitalisation, geographical concentration in portfolio and potential challenges associated with non-gold loan segments.

Analytical Approach

For arriving at the ratings, CRISIL Ratings has combined the business and financial risk profiles of MFL (engaged in businesses of financing against gold jewellery, financing micro and small and medium enterprises [MSMEs]), MML (microfinance), MCSL (two-wheeler finance and MSME loans), and MHFCL (housing finance). This is because all the companies, collectively referred to as the MPG, have significant financial, managerial and operational linkages. MML and MHFCL are subsidiaries of MFL whose promoters hold a 62.5% stake in MCSL. Furthermore, MFL has exposure to real estate assets which stood at Rs 540 crore (2.2% of total assets as of March 31, 2022). CRISIL Ratings notionally allocates a part of networth towards such asset acquisition so as to simulate a funding model for these assets, with low gearing (debt:equity) of 0.5 time.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Established market position in gold financing, supported by extensive experience of the promoters**

  MFL is the third largest gold loan non-banking financial company (NBFC). The promoters have spent over seven decades in the business of lending against gold jewellery. Over the years, the group has established a strong reputation and brand in South India and has an appropriate assessment and underwriting methodology.

  MFL's gold loan business grew at steady rate of 22% compound annual growth rate (CAGR) over fiscals 2018 to 2020 and 21% in previous fiscal despite increase in competition from banks and having a regulatory loan-to-value (LTV) disadvantage during last fiscal. However, in the current fiscal owing to higher volatility in gold prices between January and April 2021 followed by localised lockdown impose by states to curb the impact of the second wave of covid-19 impacted the branch operations and disbursements during first half of current fiscal. This coupled with higher auctions in Q3 of current fiscal, MFL's gold loan AUM stood at Rs 18,125 crore as of March 2022 as compared to Rs 18,701 crore as of March 2021.

  The total gold holding stood at around 54 tonnes on of March 31, 2022 (51 tonnes as on March 31, 2020). During fiscal 2022, the company disbursed Rs 35,154 crore as compared to Rs 38,744 crore in previous fiscal. The AUM per branch stood at Rs ~5.1 crore as on March 31, 2022, as compared to Rs ~4.9 crore a year ago. With the recent pick-up in disbursements, MFL's AUM is expected to rise further by March 2022.

- **Diversified product profile of the MPG group**

  MPG has diversified its product profile over the past few years. Currently, the group operates in five major segments: loan against gold jewellery, two-wheeler finance, microfinance, housing finance and small business loans. Overall managed AUM of MPG is around Rs 28,308 crore as on March 31, 2022 (Rs 27,371 crore as on March 31, 2021). The proportion of gold loans has remained high at 64% in fiscal 2022 as compared to 67% in March 2021. The microfinance portfolio is the second largest with around 22% of overall portfolio of the group as on March 31, 2022. Going forward, as the demand for gold loans during this period is expected to remain high and, as a result, the proportion of gold loans is expected to be maintained in the near term.

- **Healthy asset quality in the gold loan segment to support overall group asset quality**

  The gross NPAs for MFL stood at 2.88% as on March 31, 2022, against 1.92% as on March 31, 2021. The rise in NPAs are primarily due to accumulation of auctionable gold loan portfolio and the SME portfolio wherein the performance was affected due to slowdown in the sector. Further there is a negligible impact of the Reserve Bank of India (RBI) clarification released in November 2021 on the NPAs as Gold loans are demand loans where the interest and principle amount are due for payment at the end of tenor. However, CRISIL Ratings notes that due to asset quality issues and the pandemic, the company, incrementally, has reduced its exposure to the SME segment and has started focusing primarily on gold loan products. The proportion of SME loans has reduced further to around 3% of the overall group's AUM as on March 31, 2022, from 8% as on March 31, 2018. Additionally, company is doing regular auctions of gold loans which would help in maintaining GNPA around 1%. In the gold loan segment, MFL has maintained healthy asset quality over the years, backed by strong collection efficiency, as reflected in GNPAs of 1.0-2.0% over the last five fiscals. Asset quality, as better measured by credit costs, has also been under control within 0.5% during this period for gold loans. In fiscal 2022, credit cost stood at 0.3%. Post second wave of covid, company has been doing regular auctions since June 2021 and the NPAs in the gold segment are likely to reduce in the coming period. Furthermore, company is focusing on short tenure (6-month) gold loan product compared to average 9-month product in the previous fiscal. This should help MFL de-risk the portfolio from any sharp movements in gold prices in the near term.

- **Improving earnings profile for gold loan business**

MFL's profitability, on standalone basis, has improved in fiscal 2021 on account of higher returns from the gold business during the pandemic, steady reduction in overall opex cost over the years and overall low credit costs. RoMA improved significantly to 1.7% in fiscal 2021 compared to just 1.2% and 1.0% in fiscal 2020 and 2018, respectively. In fiscal 2022, MFL reported slight reduction in RoMA to 1.5% owing to rise in operating cost associated with core banking migration and rise in employee benefit expense. MFL has maintained its focus on regular interest collection which may reduce loss on interest income, if any, on auction of pledged jewellery. Furthermore, with the current trend in gold prices, the company is not expecting any issues with respect to interest losses. On a consolidated level, MFL’s profitability is expected to support the group’s profitability. Therefore, profitability of MPG is expected to improve steadily over the medium term. However, the group’s ability to manage earnings primarily within non-gold segments will be monitored.

Weakness:

- **Moderate capitalisation**
  MFL’s networth, at standalone level, stood at Rs 3,607 crore (including CCCPS) as on March 31, 2022 as against Rs 3,201 crore as on March 31, 2021. Additionally, adjusted gearing (including securitisation [assignments or PTCs] treated as borrowings) stood at 5.3 times as on March 31, 2022 (5.9 times as on March 31, 2021). On a consolidated level, networth stood at Rs 3,595 crore as on March 31, 2021, against Rs 3,160 crore as on March 31, 2020 and adjusted gearing of the group stood at 7.2 times as on March 31, 2021, as compared with 7.6% as on March 31, 2020. Capitalisation is further supported by low asset-side risks (security of gold jewellery, which is liquid and in the lender’s possession).

  Furthermore, MFL’s exposure to real estate assets stood at Rs 540 crore (2.2% of total assets) as on March 31, 2022 down from Rs 876 crore as on March 31, 2017 (6.5% of total assets). CRISIL Ratings also understands that the company has raised funds by placing around 55% of these assets as security and utilised those funds for core business operations. CRISIL Ratings notionally allocates a part of networth towards such asset acquisition so as to simulate a funding model for these assets, with low gearing (debt: equity) of 0.5 time. Post adjusting the MFL’s real estate exposure of Rs 540 crore, the adjusted gearing at standalone and consolidated levels stands at 6.3 times and 7.7 times, respectively, as on March 31, 2021. Additionally, the company has received Rs. 150 crore of cumulative compulsory convertible preference shares on private placement basis in first quarter of fiscal 2022. The management is expected to maintain gearing at current level over the medium term. Any material increase in gearing beyond current thresholds will be a key rating sensitivity factor.

- **Geographical concentration in portfolio**
  High geographical concentration persists, with South India accounting for around 62% of the gold loan portfolio as on March 31, 2022 (as compared to 70% as on March 31, 2019). This was achieved by increase in per branch business from branches other than southern branches, opening of new branches in North, East and South and closure or merger of non-viable branches in South India. At the MPG level, around 80% of AUM is concentrated in South Indian states. While the level of concentration has been declining, it is higher than that of its peers. Presently, the demand for gold loans has been high in the region. Therefore, the proportion of AUM from the South region may not decline further in the current fiscal.

- **Potential challenges associated with non-gold loan segments**
  The non-gold segments accounted for less than 35% of the overall portfolio as on March 31, 2022. While MPG has managed to grow these businesses and increase the segmental share over the last 2-3 years, potential challenges linked to seasoning of the loan book and asset quality remain. The microfinance portfolio registered no growth in fiscal 2021 whereas the vehicle loan portfolio has registered decline of 21% in fiscal 2021. On the other hand, housing finance business has grown 7.3% over the same period. In fiscal 2022, microfinance portfolio and housing finance portfolio has registered a growth of 26% and 6.3% respectively whereas vehicle loan portfolio declined by 1.8%.

  However, asset quality in both microfinance and vehicle finance segments has witnessed deterioration. The 90+ dpd level for MML stood at 6.8% as on March 31, 2022 (8.0% as on March 31, 2021). The gross NPAs in case of MCSL have increased to 25.8% as on March 31, 2022 (after considering the impact of RBI circular dated November 12, 2021), against 11.1% as on March 31, 2021. The 90+ dpd for MHFL stood at 3.9% as on March 31, 2022 (3.5% as on March 31, 2021).

  The microfinance and vehicle finance businesses are more prone to risks arising due to the pandemic. Nevertheless, post September 2020, CRISIL Ratings has observed substantial improvement in the collection efficiency within the vehicle finance segment. The microfinance segment has also witnessed improvement in its collections consistently during the last quarter of fiscal 2021. However, due to the second wave of Covid 19, collection efficiency dropped in the month of April 2021 and further in the month of May 2021. However, it has picked up from June 2021 onwards. CRISIL Ratings believes that the consolidated credit profile will be able to absorb asset quality risks in the microfinance, vehicle or housing finance businesses in the near term. Furthermore, the non-gold segment is expected to recover over the next 2-3 quarters. Nevertheless, CRISIL Ratings will continue to closely monitor the delinquency trend and collection efficiencies in the non-gold loan segments in the near term. Additionally, sufficiency of capital buffers to withstand asset-side shocks remains a key rating sensitivity factor.

Liquidity: Strong
As per Asset Liability Management (ALM) statement of December 31, 2021, MFL has cumulative positive gaps in the upto 1 year bucket. As on March 31, 2022, MFL had liquidity of Rs 2,823 crore (Rs 2023 crore of cash and equivalent and Rs 800 crore of unutilised bank lines). Against this, they have total debt repayments (including operating expense) of Rs 1,490 crore in the next three months. The total debt repayments exclude CC / WCDL limits which are typically rolled over. CRISIL Ratings notes that MFL has been able to rollover the CC/WCDL limits during the previous three months and expects to be able to rollover the balance limits falling due in coming months.

In terms of collections, the company had average collections of around Rs 3,000 crore on monthly basis during the Q4 2022. In terms of additional funding, MFL has been able to raise Rs 3365 crore in the form of term loans from public and private sector banks in fiscal 2022. The company also mobilised Rs 380 crore through Commercial paper and Rs 555 crore as CC/WCDL during the same period. While a larger proportion of borrowing has been sourced as funding lines from banks and financial institutions such as term loans (24.2%) and CC/WCDL (42.2), the company's resource profile remained diversified across avenues, such as NCDs (22.0%) and subordinated debt (11.6%) as on March 31, 2022

Outlook: Stable
CRISIL Ratings believes MFL's business profile will continue to be supported by its established market position in the gold loan segment.

Rating Sensitivity factors
Upward factors
- Improvement in capital position with reduction in adjusted gearing at MFL (standalone) resulting in similar reduction in adjusted gearing at MPG group
- Improvement in consolidated profitability with RoMA increasing to 2.5% or higher
- Improvement in asset quality of non-gold loan segment

Downward factors
- Deterioration in asset quality with GNPAs increasing and remaining above 5%
- Adjusted gearing at the group level remaining over 8 times
- Declining surplus liquidity in the near to short term (six months)

About the Company
MFL, set up in 1997, is a non-deposit-taking, systemically-important NBFC, engaged in lending against gold jewellery. It is the flagship company of the MPG, which has diverse business interests such as hospitality, real estate and power generation. The company also distributes mutual funds, and general and life insurance products, and operates in the money-transfer segment.

MFL (on standalone basis) had AUM of Rs 18,685 crore. MML had AUM of Rs 6,238 crore, MCSL has Rs 2,050 crore and Muthoot Housing (Rs 1,335 crore) as on March 31, 2022.

Key Financial Indicators of MFL – Standalone

As on/ for the period ended March 31		2022^	2021^	2020^	2019^
Total managed assets #	Rs crore	24,275	22,969	19,453	17,267
Total income	Rs crore	3,328	3,233	2,726	2,485
Profit after tax	Rs crore	346	370	219	155
Gross NPA	%	2.9	1.9	1.9	2.6
Gearing #	Times	5.3	5.9	5.3	4.8
Return on managed assets #	%	1.5	1.7	1.2	1.0

^as per Ind-AS reporting
 # including off balance sheet assets and co-lending

Key financials for MPG

As on/ for the period ended March 31		2021^	2020^	2019^
Total managed assets	Rs crore	30,355	28,130	26,415
Total assets under management	Rs crore	26,753	24,103	21,569
Total income	Rs crore	4,606	4,345	3,915
Profit after tax	Rs crore	449	318	464
Gross NPA	%	3.6	3.3	2.9
Gearing #	Times	7.7**	8.0**	7.2
Return on managed assets #	%	1.5	1.2	2.0

^as per Ind-AS reporting
 # including off balance sheet assets and adjustment for real estate exposure,
***7.2 as of March 31, 2021 and 7.6 times as of March 31, 2020 post adjusting real estate assets which were monetised to avail borrowings*

Any other information: Not applicable

Note on complexity levels of the rated instrument:
CRISIL Ratings' complexity levels are assigned to various types of financial instruments. The CRISIL Ratings' complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL Ratings' complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Cr)	Complexity Level	Rating Assigned with Outlook
NA	Subordinated Debt#	NA	NA	NA	100	Complex	CRISIL A+/Stable

NA	Subordinated Debt#	NA	NA	NA	50	Complex	CRISIL A+/Stable
INE549K08327	Subordinated Debt	04-Mar-22	10.26%	31-Dec-27	50	Complex	CRISIL A+/Stable
NA	Non Convertible Debentures#	NA	NA	NA	100	Simple	CRISIL A+/Stable
INE549K07AZ1	Non Convertible Debentures	02-Feb-22	8.00%	02-May-24	66.35	Simple	CRISIL A+/Stable
INE549K07BA2	Non Convertible Debentures	02-Feb-22	8.25%	03-Apr-25	39.15	Simple	CRISIL A+/Stable
INE549K07BB0	Non Convertible Debentures	02-Feb-22	8.50%	02-Feb-27	28.03	Simple	CRISIL A+/Stable
INE549K07BC8	Non Convertible Debentures	02-Feb-22	8.75%	02-Feb-28	19.57	Simple	CRISIL A+/Stable
INE549K07BD6	Non Convertible Debentures	02-Feb-22	9.00%	02-Feb-30	56.39	Simple	CRISIL A+/Stable
INE549K07BE4	Non Convertible Debentures	02-Feb-22	0.00%	02-May-24	98.25	Simple	CRISIL A+/Stable
INE549K07BF1	Non Convertible Debentures	02-Feb-22	0.00%	03-Apr-25	30.39	Simple	CRISIL A+/Stable
INE549K07BG9	Non Convertible Debentures	02-Feb-22	0.00%	02-Feb-27	12.71	Simple	CRISIL A+/Stable
INE549K07BH7	Non Convertible Debentures	02-Feb-22	0.00%	02-Feb-28	8.26	Simple	CRISIL A+/Stable
INE549K07BI5	Non Convertible Debentures	02-Feb-22	0.00%	02-Feb-30	40.9	Simple	CRISIL A+/Stable
INE549K08319	Perpetual Bonds	20-Dec-21	NA	Perpetual	25	Highly complex	CRISIL A-/Stable
NA	Perpetual Bonds#	NA	NA	NA	25	Highly complex	CRISIL A-/Stable
NA	Non Convertible Debentures#	NA	NA	NA	400	Simple	CRISIL A+/Stable
INE549K07AY4	Long Term Principal Protected Market Linked Debentures	15-Dec-21	GSEC LINKED	15-Sep-23	200	Highly complex	CRISIL A+/Stable
INE549K08335	Subordinated Debt	17-Mar-22	10.26%	30-Dec-27	50	Simple	CRISIL A+/Stable
INE549K07AS6	Non Convertible Debentures	29-Oct-21	8.25%	28-Jan-24	52.48	Simple	CRISIL A+/Stable
INE549K07AT4	Non Convertible Debentures	29-Oct-21	8.50%	28-Dec-24	39.4	Simple	CRISIL A+/Stable
INE549K07AU2	Non Convertible Debentures	29-Oct-21	8.80%	29-Oct-26	34.71	Simple	CRISIL A+/Stable
INE549K07AV0	Non Convertible Debentures	29-Oct-21	0	28-Jan-24	73.46	Simple	CRISIL A+/Stable
INE549K07AW8	Non Convertible Debentures	29-Oct-21	0	28-Dec-24	30.36	Simple	CRISIL A+/Stable
INE549K07AX6	Non Convertible Debentures	29-Oct-21	0	29-Oct-26	19.17	Simple	CRISIL A+/Stable
INE549K08285	Non Convertible Debentures	29-Oct-21	9.50%	29-Oct-27	32.27	Simple	CRISIL A+/Stable
INE549K08293	Non Convertible Debentures	29-Oct-21	9.80%	29-Jan-29	57.48	Simple	CRISIL A+/Stable
INE549K08301	Non Convertible Debentures	29-Oct-21	0	29-Jan-29	60.67	Simple	CRISIL A+/Stable
INE549K07AH9	Non Convertible Debentures	07-May-21	8.25%	05-Aug-23	39.16	Simple	CRISIL A+/Stable
INE549K07AI7	Non Convertible Debentures	07-May-21	8.50%	06-Jul-24	24.83	Simple	CRISIL A+/Stable
INE549K07AJ5	Non Convertible Debentures	07-May-21	8.75%	07-May-26	21.22	Simple	CRISIL A+/Stable
INE549K07AM9	Non Convertible Debentures	07-May-21	N.A	05-Aug-23	59.12	Simple	CRISIL A+/Stable
INE549K07AN7	Non Convertible Debentures	07-May-21	N.A	06-Jul-24	18.48	Simple	CRISIL A+/Stable
INE549K07AO5	Non Convertible Debentures	07-May-21	N.A	07-May-26	13.06	Simple	CRISIL A+/Stable

INE549K08236	Non Convertible Debentures	07-May-21	10%	07-May-27	20.18	Simple	CRISIL A+/Stable
INE549K08244	Non Convertible Debentures	07-May-21	10%	07-Aug-28	30.23	Simple	CRISIL A+/Stable
INE549K08251	Non Convertible Debentures	07-May-21	N.A	07-Aug-28	38.85	Simple	CRISIL A+/Stable
INE549K07998	Non Convertible Debentures	15-Mar-21	8%	13-Jun-23	32.69	Simple	CRISIL A+/Stable
INE549K07AA4	Non Convertible Debentures	15-Mar-21	9%	13-May-24	25.61	Simple	CRISIL A+/Stable
INE549K07AB2	Non Convertible Debentures	15-Mar-21	9%	15-Mar-26	22.43	Simple	CRISIL A+/Stable
INE549K07AC0	Non Convertible Debentures	15-Mar-21	N.A	13-Jun-23	51.95	Simple	CRISIL A+/Stable
INE549K07AD8	Non Convertible Debentures	15-Mar-21	N.A	13-May-24	25.23	Simple	CRISIL A+/Stable
INE549K07AE6	Non Convertible Debentures	15-Mar-21	N.A	15-Mar-26	11.74	Simple	CRISIL A+/Stable
INE549K08202	Non Convertible Debentures	15-Mar-21	9%	15-Mar-27	26.89	Simple	CRISIL A+/Stable
INE549K08210	Non Convertible Debentures	15-Mar-21	9%	15-Mar-27	7.65	Simple	CRISIL A+/Stable
INE549K08228	Non Convertible Debentures	15-Mar-21	N.A	15-Mar-27	24.62	Simple	CRISIL A+/Stable
INE549K07931	Non Convertible Debentures	29-Jan-21	8.50%	29-Mar-24	37.41	Simple	CRISIL A+/Stable
INE549K07923	Non Convertible Debentures	29-Jan-21	8.25%	29-Apr-23	52.34	Simple	CRISIL A+/Stable
INE549K07949	Non Convertible Debentures	29-Jan-21	8.75%	29-Jan-26	29.12	Simple	CRISIL A+/Stable
INE549K07956	Non Convertible Debentures	29-Jan-21	N.A	29-Apr-23	89.32	Simple	CRISIL A+/Stable
INE549K07964	Non Convertible Debentures	29-Jan-21	N.A	29-Mar-24	35.95	Simple	CRISIL A+/Stable
INE549K07972	Non Convertible Debentures	29-Jan-21	N.A	29-Jan-26	22.84	Simple	CRISIL A+/Stable
INE549K08178	Non Convertible Debentures	29-Jan-21	9%	29-Jan-27	32.02	Simple	CRISIL A+/Stable
INE549K08186	Non Convertible Debentures	29-Jan-21	9.40%	29-Jan-27	11.78	Simple	CRISIL A+/Stable
INE549K08194	Non Convertible Debentures	29-Jan-21	N.A	29-Jan-27	41.87	Simple	CRISIL A+/Stable
INE549K07808	Non Convertible Debentures	29-Oct-20	8.85%	28-Jan-23	51.12	Simple	CRISIL A+/Stable
INE549K07816	Non Convertible Debentures	29-Oct-20	9%	28-Dec-23	54.45	Simple	CRISIL A+/Stable
INE549K07824	Non Convertible Debentures	29-Oct-20	9.15%	29-Oct-25	47.85	Simple	CRISIL A+/Stable
INE549K07832	Non Convertible Debentures	29-Oct-20	9.25%	28-Jan-23	24.26	Simple	CRISIL A+/Stable
INE549K07840	Non Convertible Debentures	29-Oct-20	9.45%	28-Dec-23	20.3	Simple	CRISIL A+/Stable
INE549K07857	Non Convertible Debentures	29-Oct-20	9.60%	29-Oct-25	19.01	Simple	CRISIL A+/Stable
INE549K07865	Non Convertible Debentures	29-Oct-20	NA	28-Jan-23	70.47	Simple	CRISIL A+/Stable
INE549K07873	Non Convertible Debentures	29-Oct-20	NA	28-Dec-23	60.25	Simple	CRISIL A+/Stable
INE549K07881	Non Convertible Debentures	29-Oct-20	NA	29-Oct-25	49.43	Simple	CRISIL A+/Stable
INE549K07667	Non Convertible Debentures	17-Jul-20	9%	17-Jul-22	23.01	Simple	CRISIL A+/Stable
INE549K07675	Non Convertible Debentures	17-Jul-20	9.15%	16-Sep-23	10.62	Simple	CRISIL A+/Stable
INE549K07683	Non Convertible Debentures	17-Jul-20	9.25%	17-Jul-25	13.96	Simple	CRISIL A+/Stable
INE549K07691	Non Convertible Debentures	17-Jul-20	9.40%	17-Jul-22	7.3	Simple	CRISIL

							A+/Stable
INE549K07709	Non Convertible Debentures	17-Jul-20	9.65%	16-Sep-23	6.93	Simple	CRISIL A+/Stable
INE549K07717	Non Convertible Debentures	17-Jul-20	9.75%	17-Jul-25	5.81	Simple	CRISIL A+/Stable
INE549K07725	Non Convertible Debentures	17-Jul-20	N.A.	17-Jul-22	46.38	Simple	CRISIL A+/Stable
INE549K07733	Non Convertible Debentures	17-Jul-20	N.A.	16-Sep-23	17.92	Simple	CRISIL A+/Stable
INE549K07741	Non Convertible Debentures	17-Jul-20	N.A.	17-Jul-25	28.07	Simple	CRISIL A+/Stable
INE549K07642	Non Convertible Debentures	28-May-20	10%	28-May-23	100	Simple	CRISIL A+/Stable
INE549K07535	Non Convertible Debentures	07-Feb-20	9%	09-Apr-23	31.24	Simple	CRISIL A+/Stable
INE549K07543	Non Convertible Debentures	07-Feb-20	10%	07-Feb-25	26.32	Simple	CRISIL A+/Stable
INE549K07568	Non Convertible Debentures	07-Feb-20	10%	08-Apr-23	10.44	Simple	CRISIL A+/Stable
INE549K07576	Non Convertible Debentures	07-Feb-20	10%	07-Feb-25	8.91	Simple	CRISIL A+/Stable
INE549K07600	Non Convertible Debentures	07-Feb-20	N.A	08-Apr-23	41.24	Simple	CRISIL A+/Stable
INE549K07618	Non Convertible Debentures	07-Feb-20	N.A	07-Feb-25	55.6	Simple	CRISIL A+/Stable
NA	Non Convertible Debentures#	NA	NA	NA	50	Simple	CRISIL A+/Stable
INE549K08277	Perpetual Bonds	18-Aug-21	12%	Perpetual	60	Highly complex	CRISIL A-/Stable
INE549K08269	Perpetual Bonds	28-Jun-21	12%	Perpetual	50	Highly complex	CRISIL A-/Stable
INE549K08046	Perpetual Bonds	10-Aug-09	12.00%	Perpetual	26	Highly complex	CRISIL A-/Stable
INE549K08053	Perpetual Bonds	21-Dec-09	12.00%	Perpetual	54	Highly complex	CRISIL A-/Stable
INE549K08061	Perpetual Bonds	30-Nov-08	12.00%	Perpetual	50	Highly complex	CRISIL A-/Stable
INE549K08079	Perpetual Bonds	30-Sep-10	12.00%	Perpetual	14	Highly complex	CRISIL A-/Stable
NA	Commercial Paper	NA	NA	7-365 Days	500	Simple	CRISIL A1+
NA	Cash Credit & Working Capital Demand Loan	NA	NA	NA	7665	NA	CRISIL A+/Stable
NA	Working Capital Term Loan	NA	NA	30-Jun-22	325	NA	CRISIL A+/Stable
NA	Working Capital Term Loan	NA	NA	Sep-22	90	NA	CRISIL A+/Stable
NA	Working Capital Term Loan	NA	NA	30-Jun-22	220	NA	CRISIL A+/Stable
NA	Working Capital Term Loan	NA	NA	Sep-22	19.5	NA	CRISIL A+/Stable
NA	Working Capital Term Loan	NA	NA	Aug-22	90	NA	CRISIL A+/Stable
NA	Working Capital Term Loan	NA	NA	Jul-25	419.93	NA	CRISIL A+/Stable
NA	Term Loan	NA	NA	30-Jun-22	366.68	NA	CRISIL A+/Stable
NA	Term Loan	NA	NA	Aug-22	423.29	NA	CRISIL A+/Stable
NA	Term Loan	NA	NA	30-Jun-22	515.9	NA	CRISIL A+/Stable
NA	Term Loan	NA	NA	Sep-22	66.7	NA	CRISIL A+/Stable
NA	Term Loan	NA	NA	Dec-22	210	NA	CRISIL A+/Stable
NA	Term Loan	NA	NA	Mar-24	275	NA	CRISIL A+/Stable

NA	Term Loan	NA	NA	Mar-26	200	NA	CRISIL A+/Stable
NA	Term Loan	NA	NA	Mar-25	160	NA	CRISIL A+/Stable
NA	Term Loan	NA	NA	Mar-25	500	NA	CRISIL A+/Stable
NA	Term Loan	NA	NA	Mar-26	200	NA	CRISIL A+/Stable
NA	Term Loan	NA	NA	Mar-24	200	NA	CRISIL A+/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	153	NA	CRISIL A+/Stable

#yet to be issued

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Muthoot Microfin Ltd	Full	Subsidiary
Muthoot Capital Services Ltd	Full	Group company
Muthoot Housing Finance Company Ltd	Full	Subsidiary

Annexure - Rating History for last 3 Years

	Current			2022 (History)		2021		2020		2019		Start of 2019
Instrument	**Type**	**Outstanding Amount**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Rating**
Fund Based Facilities	LT	12100.0	CRISIL A+/Stable	15-03-22	CRISIL A+/Stable	13-12-21	CRISIL A+/Stable	04-12-20	CRISIL A/Stable	21-11-19	CRISIL A/Stable	CRISIL A/Stable
			--	02-03-22	CRISIL A+/Stable	04-08-21	CRISIL A+/Stable	02-09-20	CRISIL A/Stable	09-10-19	CRISIL A/Stable	--
			--	25-02-22	CRISIL A+/Stable	03-08-21	CRISIL A+/Stable	17-08-20	CRISIL A/Stable	29-03-19	CRISIL A/Stable	--
			--		--	19-07-21	CRISIL A+/Stable	11-08-20	CRISIL A/Stable		--	--
			--		--	01-06-21	CRISIL A+/Stable	25-06-20	CRISIL A/Stable		--	--
			--		--	18-03-21	CRISIL A+/Stable	17-06-20	CRISIL A/Stable		--	--
			--		--	16-03-21	CRISIL A+/Stable	20-05-20	CRISIL A/Stable		--	--
			--		--	03-02-21	CRISIL A/Stable	06-05-20	CRISIL A/Stable		--	--
Commercial Paper	ST	500.0	CRISIL A1+	15-03-22	CRISIL A1+	13-12-21	CRISIL A1+	04-12-20	CRISIL A1	21-11-19	CRISIL A1	CRISIL A1
			--	02-03-22	CRISIL A1+	04-08-21	CRISIL A1+	02-09-20	CRISIL A1	09-10-19	CRISIL A1	--
			--	25-02-22	CRISIL A1+	03-08-21	CRISIL A1+	17-08-20	CRISIL A1	29-03-19	CRISIL A1	--
			--		--	19-07-21	CRISIL A1+	11-08-20	CRISIL A1		--	--
			--		--	01-06-21	CRISIL A1+	25-06-20	CRISIL A1		--	--
			--		--	18-03-21	CRISIL A1+	17-06-20	CRISIL A1		--	--
			--		--	16-03-21	CRISIL A1+	20-05-20	CRISIL A1		--	--
			--		--	03-02-21	CRISIL A1	06-05-20	CRISIL A1		--	--
Non Convertible Debentures	LT	5018.13	CRISIL A+/Stable	15-03-22	CRISIL A+/Stable	13-12-21	CRISIL A+/Stable	04-12-20	CRISIL A/Stable	21-11-19	CRISIL A/Stable	CRISIL A/Stable
			--	02-03-22	CRISIL A+/Stable	04-08-21	CRISIL A+/Stable	02-09-20	CRISIL A/Stable	09-10-19	CRISIL A/Stable	--
			--	25-02-22	CRISIL A+/Stable	03-08-21	CRISIL A+/Stable	17-08-20	CRISIL A/Stable	29-03-19	CRISIL A/Stable	--
			--		--	19-07-21	CRISIL A+/Stable	11-08-20	CRISIL A/Stable		--	--
			--		--	01-06-21	CRISIL A+/Stable	25-06-20	CRISIL A/Stable		--	--
			--		--	18-03-21	CRISIL A+/Stable	17-06-20	CRISIL A/Stable		--	--
			--		--	16-03-21	CRISIL A+/Stable	20-05-20	CRISIL A/Stable		--	--
			--		--	03-02-21	CRISIL	06-05-20	CRISIL		--	--

							A/Stable		A/Stable			
Perpetual Bonds	LT	304.0	CRISIL A-/Stable	15-03-22	CRISIL A-/Stable	13-12-21	CRISIL A-/Stable	04-12-20	CRISIL BBB+/Stable	21-11-19	CRISIL BBB+/Stable	CRISIL BBB+/Stable
			--	02-03-22	CRISIL A-/Stable	04-08-21	CRISIL A-/Stable	02-09-20	CRISIL BBB+/Stable	09-10-19	CRISIL BBB+/Stable	--
			--	25-02-22	CRISIL A-/Stable	03-08-21	CRISIL A-/Stable	17-08-20	CRISIL BBB+/Stable	29-03-19	CRISIL BBB+/Stable	--
			--		--	19-07-21	CRISIL A-/Stable	11-08-20	CRISIL BBB+/Stable		--	--
			--		--	01-06-21	CRISIL A-/Stable	25-06-20	CRISIL BBB+/Stable		--	--
			--		--	18-03-21	CRISIL A-/Stable	17-06-20	CRISIL BBB+/Stable		--	--
			--		--	16-03-21	CRISIL A-/Stable	20-05-20	CRISIL BBB+/Stable		--	--
			--		--	03-02-21	CRISIL BBB+/Stable	06-05-20	CRISIL BBB+/Stable		--	--
Short Term Non Convertible Debenture	ST		--		--		--		--	29-03-19	Withdrawn	CRISIL A1
Subordinated Debt	LT	200.0	CRISIL A+/Stable	15-03-22	CRISIL A+/Stable	18-03-21	Withdrawn	04-12-20	CRISIL A/Stable	21-11-19	CRISIL A/Stable	CRISIL A/Stable
			--	02-03-22	CRISIL A+/Stable	16-03-21	CRISIL A+/Stable	02-09-20	CRISIL A/Stable	09-10-19	CRISIL A/Stable	--
			--	25-02-22	CRISIL A+/Stable	03-02-21	CRISIL A/Stable	17-08-20	CRISIL A/Stable	29-03-19	CRISIL A/Stable	--
			--		--		--	11-08-20	CRISIL A/Stable		--	--
			--		--		--	25-06-20	CRISIL A/Stable		--	--
			--		--		--	17-06-20	CRISIL A/Stable		--	--
			--		--		--	20-05-20	CRISIL A/Stable		--	--
			--		--		--	06-05-20	CRISIL A/Stable		--	--
Subordinated Debt Bond	LT		--		--		--		--	29-03-19	Withdrawn	CRISIL A/Stable
Long Term Principal Protected Market Linked Debentures	LT	200.0	CRISIL PPMLD A+ r /Stable	15-03-22	CRISIL PPMLD A+ r /Stable	13-12-21	CRISIL PPMLD A+ r /Stable	23-10-20	Provisional CRISIL PPMLD AA+ r (CE) /Stable		--	--
			--	02-03-22	CRISIL PPMLD A+ r /Stable		--		--		--	--
			--	25-02-22	CRISIL PPMLD A+ r /Stable		--		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit & Working Capital Demand Loan	**450**	**IndusInd Bank Limited**	**CRISIL A+/Stable**
Cash Credit & Working Capital Demand Loan	**300**	**Indian Overseas Bank**	**CRISIL A+/Stable**
Cash Credit & Working Capital Demand Loan	**225**	**Axis Bank Limited**	**CRISIL A+/Stable**
Cash Credit & Working Capital Demand Loan	**1450**	**Union Bank of India**	**CRISIL A+/Stable**
Cash Credit & Working Capital Demand Loan	**550**	**Indian Bank**	**CRISIL A+/Stable**

Cash Credit & Working Capital Demand Loan	225	The South Indian Bank Limited	CRISIL A+/Stable
Cash Credit & Working Capital Demand Loan	1400	State Bank of India	CRISIL A+/Stable
Cash Credit & Working Capital Demand Loan	125	Bank of Maharashtra	CRISIL A+/Stable
Cash Credit & Working Capital Demand Loan	25	Canara Bank	CRISIL A+/Stable
Cash Credit & Working Capital Demand Loan	50	Tamilnad Mercantile Bank Limited	CRISIL A+/Stable
Cash Credit & Working Capital Demand Loan	25	City Union Bank Limited	CRISIL A+/Stable
Cash Credit & Working Capital Demand Loan	200	Bank of India	CRISIL A+/Stable
Cash Credit & Working Capital Demand Loan	1400	Punjab National Bank	CRISIL A+/Stable
Cash Credit & Working Capital Demand Loan	350	IDBI Bank Limited	CRISIL A+/Stable
Cash Credit & Working Capital Demand Loan	150	The Federal Bank Limited	CRISIL A+/Stable
Cash Credit & Working Capital Demand Loan	300	Central Bank Of India	CRISIL A+/Stable
Cash Credit & Working Capital Demand Loan	200	HDFC Bank Limited	CRISIL A+/Stable
Cash Credit & Working Capital Demand Loan	50	The Karnataka Bank Limited	CRISIL A+/Stable
Cash Credit & Working Capital Demand Loan	65	DCB Bank Limited	CRISIL A+/Stable
Cash Credit & Working Capital Demand Loan	125	The Karur Vysya Bank Limited	CRISIL A+/Stable
Proposed Long Term Bank Loan Facility	103	Not Applicable	CRISIL A+/Stable
Proposed Long Term Bank Loan Facility	50	Not Applicable	CRISIL A+/Stable
Term Loan	366.68	Indian Bank	CRISIL A+/Stable
Term Loan	423.29	Central Bank Of India	CRISIL A+/Stable
Term Loan	515.9	Canara Bank	CRISIL A+/Stable
Term Loan	66.7	Bank of Maharashtra	CRISIL A+/Stable
Term Loan	210	State Bank of India	CRISIL A+/Stable
Term Loan	275	Axis Bank Limited	CRISIL A+/Stable
Term Loan	200	Indian Bank	CRISIL A+/Stable
Term Loan	200	DBS Bank Limited	CRISIL A+/Stable
Term Loan	200	UCO Bank	CRISIL A+/Stable
Term Loan	160	Punjab and Sind Bank	CRISIL A+/Stable
Term Loan	500	Punjab National Bank	CRISIL A+/Stable
Working Capital Term Loan	325	State Bank of India	CRISIL A+/Stable
Working Capital Term Loan	90	Bank of Maharashtra	CRISIL A+/Stable
Working Capital Term Loan	220	Punjab and Sind Bank	CRISIL A+/Stable
Working Capital Term Loan	19.5	Punjab National Bank	CRISIL A+/Stable
Working Capital Term Loan	90	Bank of India	CRISIL A+/Stable
Working Capital Term Loan	419.93	UCO Bank	CRISIL A+/Stable

This Annexure has been updated on 17-Jun-2022 in line with the lender-wise facility details as on 20-Dec-2021 received from the rated entity.

Criteria Details

Links to related criteria
[CRISILs Bank Loan Ratings - process, scale and default recognition]
[Rating Criteria for Finance Companies]
[CRISILs Criteria for rating short term debt]
[CRISILs Criteria for Consolidation]

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ANNEXURE B – CONSENT FROM THE DEBENTURE TRUSTEE

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VARDHMAN TRUSTEESHIP PVT LTD
Nurturing & Protecting Your Trust
(Formerly known as Ativir Stock Broking Pvt. Ltd.)

CONSENT LETTER FROM THE DEBENTURE TRUSTEE TO THE ISSUE

Ref: 113/OPR/VTPL/2022-23
Date: 17th June, 2022

Muthoot Fincorp Limited
Muthoot Centre,
TC No 27.3022 Punnen Road
Trivandrum,
Kerala – 695001

Dear Ma'am/Sir,

Sub: Proposed public offering of secured redeemable non-convertible debentures of face value of ₹1,000 each ("Secured NCDs/NCDs") for an amount aggregating to ₹ 25,000 lakhs with a green shoe option of up to ₹25,000 lakhs aggregating to ₹50,000 lakhs (the "Issue") of Muthoot Fincorp Limited ("Company").

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the Draft Prospectus to be filed with the BSE Limited ("**Stock Exchange**") and to be forwarded to Securities and Exchange Board of India ("**SEBI**") and the Prospectus to be filed with the Registrar of Companies, Kerala and Lakshadweep ("**RoC**"), Stock Exchange and to be forwarded to SEBI in respect of the Issue and also in all related advertisements and communications sent pursuant to the Issue. The following details with respect to us may be disclosed:

Name:	Vardhman Trusteeship Private Limited
Address:	The Capital, 412 A, 4th Floor, A-Wing, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051
Tel:	022 – 4264 8335
Email:	corporate@vardhmantrustee.com
Website:	www.vardhmantrustee.com
Contact Person:	Mr. Nilesh Palav
SEBI Registration No:	IND000000611

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B**.

We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues.

We hereby authorise you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory/statutory authorities as required by law.

Vardhman Trusteeship Pvt. Ltd.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company.

We confirm that we will immediately inform you and the Lead Manager of any change to the above information until the date when the NCDs commence trading on the Stock Exchange. In the absence of any such communication from us, the above information should be taken as updated information until the NCDs commence trading.

This letter may be relied upon by you, the Lead Manager and the legal advisors to the Issue in respect of the Issue.

Sincerely

For Vardhman Trusteeship Private Limited

Name: Mr. Nilesh Palav
Designation: Director

Vardhman Trusteeship Pvt. Ltd.

CC:

SMC Capitals Limited
A 401/402, Lotus Corporate Park, Jai Coach Junction,
Off Western Express Highway,
Goregaon (East), Mumbai – 400063

Khaitan & Co
One World Center
13th Floor, Tower 1,
Senapati Bapat Marg,
Mumbai 400 013
Maharashtra, India

Annexure A

डिबेंचर न्यासी

प्ररूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA
(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000274

(विनियम 8)
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

VARDHMAN TRUSTEESHIP PRIVATE LIMITED
Unit No. 15, Turner Morrison Building
6 Lyons Range
KOLKATA
700001
WEST BENGAL
INDIA

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is **IND000000611**

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from to

This certificate of Registration shall be valid from 15/12/2020 to null, unless Suspended or cancelled by the Board

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : **Mumbai**

तारीख Date : **May 20, 2021**

ARADHANA VERMA
प्राधिकृत हस्ताक्षरकर्ता Authorised Signat

Annexure B

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

1.	Registration Number	IND000000611
2.	Date of registration/ Renewal of registration	15th December, 2020
3.	Date of expiry of registration	Unless Suspended or Cancelled by Board
4.	If applied for renewal, date of application	NO
5.	Any communication from SEBI prohibiting the entity from acting as an intermediary	NO
6.	Any enquiry/ investigation being conducted by SEBI	NO
7.	Details of any penalty imposed by SEBI	NO

Vardhman Trusteeship Pvt. Ltd.

ANNEXURE C - DAY COUNT CONVENTION

ILLUSTRATION FOR GUIDANCE IN RESPECT OF THE DAY COUNT CONVENTION AND EFFECT OF HOLIDAYS ON PAYMENTS

Investors should note that the below examples are solely for illustrative purposes and is not specific to the Issue.

Set forth below is an illustration for guidance in respect of the day count convention and effect of holidays on payments. For the purpose of this illustration, we have considered effect of holidays on cash flows only for Option I and Option IV. The effect of holidays on cash flows for the other Options of NCDs shall be similar.

Company	Muthoot Fincorp Limited
Face Value	₹ 1,000
Day and date of Allotment (assumed)	Tuesday, 06 September 2022
Day Count Convention	Actual/Actual

Option	**Option I (Secured)**
Coupon (%) for NCD Holders in Category I, II and III	8.00%
Tenure	27 Months
No. of NCDs held (assumed)	1
Frequency of the Interest Payment	Monthly
Redemption Date/Maturity Date	05 December 2024

Cash flow	**Due Date of payment**	**No. of days for Coupon period**	**Amount (in `)**
Initial Payment			` -1000
1st coupon	01 October 2022	25	5.48
2nd coupon	01 November 2022	31	6.79
3rd coupon	01 December 2022	30	6.58
4th coupon	02 January 2023	31	6.79
5th coupon	01 February 2023	31	6.79
6th coupon	01 March 2023	28	6.14
7th coupon	01 April 2023	31	6.79
8th coupon	01 May 2023	30	6.58
9th coupon	01 June 2023	31	6.79
10th coupon	01 July 2023	30	6.58
11th coupon	01 August 2023	31	6.79
12th coupon	01 September 2023	31	6.79
13th coupon	02 October 2023	30	6.58
14th coupon	01 November 2023	31	6.79
15th coupon	01 December 2023	30	6.58
16th coupon	01 January 2024	31	6.78
17th coupon	01 February 2024	31	6.78
18th coupon	01 March 2024	29	6.34
19th coupon	01 April 2024	31	6.78
20th coupon	01 May 2024	30	6.56
21th coupon	01 June 2024	31	6.78
22th coupon	01 July 2024	30	6.56
23th coupon	01 August 2024	31	6.78
24th coupon	02 September 2024	31	6.78
25th coupon	01 October 2024	30	6.56
26th coupon	01 November 2024	31	6.78
27th coupon	05 December 2024	34	7.43
Redemption of Principal	05 December 2024		1000

Option	Option IV (Secured)
Coupon (%) for NCD Holders in Category I, II and III	Not Applicable
Tenure	27 Months
Effective Yield (p.a.)	8.29%
No. of NCDs held (assumed)	1
Frequency of the Interest Payment	On Maturity (Cumulative)
Redemption Date/Maturity Date	05 December 2024

Cash flow	Due Date of payment	No. of days for Coupon period	Amount (in ₹)
Principal Amount	1000		
Redemption of Principal	05 December 2024	Not Applicable	**1196**

Assumptions:

1. The Deemed Date of Allotment is assumed to be 06 September 2022. If the Deemed Date of Allotment undergoes a change, the coupon payment dates, redemption dates, redemption amount and other cash flow working shall be changed accordingly.
2. Interest payable during the FY 2024 and FY 2028, being leap year, have been calculated for 366 days.
3. In the event the interest / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration, if the redemption amount is Rs. 1196.70, then the amount shall be rounded off to Rs. 1197. However, this rounding off to nearest integer at the time of payment of interest and/or redemption amount will be done per NCD Holder.
4. For the purpose of illustration, it is assumed that only Sundays are non-Working Days.

Note:

The Coupon/ Interest Payments are rounded-off to nearest rupee as per FIMMDA 'Handbook on market practices'.