MFL/SEC/BSE/23-24/77

September 26, 2023

Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001
Scrip Code - 948016
Company Code - 10054

Dear Sir/Madam,

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

Ref: 26th AGM Notice and Annual Report of Muthoot Fincorp Limited for the FY 2022-23

We enclosed herewith a copy of the Notice of the 26th AGM and Annual Report of the Company for the FY 2022-23.

Request you to kindly take the above information on records.

Thanking you,

For **Muthoot Fincorp Limited**

MUTHOOT FINCORP LIMITED
TRIVANDRUM
PUNNEN ROAD

Sachu Sivas
Company Secretary
ICSI Membership No. ACS: 60475

#MuthootBlue

136 Years OF TRANSFORMING LIVES

26th ANNUAL REPORT
2022-23

Unlocking Golden Opportunities for the Common Man

PAPPACHAN muthoot FINCORP

Jab zindagi badalni ho

#MuthootBlue

"The Real progress of a country is in the transformation of the life of its common man"

Founder

Pappachan Muthoot

(1927 - 2004)

Shri. Pappachan Muthoot was a simple and devout man, who espoused a nine point formula that stood by him in realising his goals. These points are: love, happiness, peace, patience, kindness, goodness, faithfulness, humility and self-control. At Muthoot Pappachan Group, these values are quintessential to our being and act as a source of constant guidance.

PAPPACHAN muthoot

Blue is Belief

Financial Services // Hospitality // Automotive // Real Estate

IT Services // Precious Metals // Alternate Energy

#MuthootBlue

Muthoot FinCorp ONE

In today's era the banking and finance sector is undergoing a significant transformation, traditional methods are being replaced by innovative technologies for more accessible, faster, and convenient delivery of financial services to the customer.

Muthoot FinCorp Limited, the flagship Company of Muthoot Pappachan Group (MPG), a trusted name in the financial industry, has embraced this wave of digitization by introducing the Muthoot FinCorp ONE platform.

Muthoot FinCorp ONE, a Strategic Business Unit (SBU), is a digital platform, to provide lending, investments, protection, and payments services at the tap of an app.

Muthoot FinCorp ONE offers an array of financial services which includes MSME and Gold Loans (from home or at Muthoot FinCorp Ltd. branches). Furthermore, Muthoot FinCorp ONE offers investment products like Digital Gold and NCDs. The app also supports utility and loan payments for multiple use cases while the Forex services encompass multi-currency cards, cash transactions, and 24x7 international transfers. Soon, the platform will also help users in accessing insurance for all kinds of General and Medical insurance needs.

The Muthoot FinCorp ONE platform's main highlights are its simplicity and ease of use. With its intuitive interface, it enables even novice users to navigate and transact easily using the app. Whether it's applying for a gold loan, paying bills, or initiating money transfers, the app will ensure a hassle-free experience for the user.

Muthoot FinCorp ONE app is not only an app for financial services delivery, but also acts as a repository of articles and content for making the users financially literate, working as a knowledge hub also. It provides a lot of insights on various investment options, financial planning, savings strategy for the users, with an objective to empower them to take informed financial decisions.

While putting forward world class digital financial services, Muthoot FinCorp ONE gives topmost priority to security. By employing encryption protocols and multi-factor authentication to ensure confidentiality and integrity of user information, the platform deploys robust data security measures.

The Muthoot FinCorp ONE App facilitates repayment of Gold Loan and Vyapar Mitra Loan (Business Loan) . Very soon we will enable options to repay different loans like vehicle loans, housing loans and other services across Muthoot Pappachan Group companies.

Muthoot FinCorp ONE is not just a digital platform for financial services; it is a super app which embodies a greater vision to improve the quality of life of the customers by offering the finest financial services through cutting edge technology. It stands as a testament to Muthoot Pappachan Group's commitment to providing best-in-class financial services and contributing to the well-being and prosperity of its customers.

Apply, repay or get a Gold Loan from your home / nearest branch.

Buy, sell and grow your investments with Digital Gold.

From instant recharge to bill payments, manage all your payments on your phone.

Forex, personal loans and more coming soon.

4 REASONS TO USE THE MUTHOOT FINCORP ONE APP

100% convenience | 100% trust | 0 wait time | 24x7 availability

www.muthootfincorp.com I www.muthoot.com I /muthootindia

READ INSIDE

VISION

To be the most trusted financial service provider, at the doorstep of the common man, satisfying him immediately with easy and simple products.

MISSION

To provide timely small credit to millions of ordinary people, and also provide them with simple options to save their hard earnings.

VALUES

We will do everything to gain and maintain the trust of all the stakeholders and will not do anything to lose their trust.

OUR CORE VALUES

- INTEGRITY
- COLLABORATION
- EXCELLENCE

CULTURE CODES

- HONESTY
- EMPOWERMENT
- FRESH THINKING & CONTINUOUS RENEWAL
- HUMILITY
- AGILITY
- INCLUSION
- EMPATHY
- OWNERSHIP
- WORK-LIFE BALANCE

About Muthoot FinCorp Limited

Muthoot FinCorp Limited, the flagship Company of 136-year-old business conglomerate Muthoot Pappachan Group, is India's leading Non-Banking Financial Company (NBFC) with an aim to transform the lives of common man by ensuring their financial wellbeing through an array of varied products and services. With over 3600 branches across the country, we aspire to serve the underbanked, to be their most trusted financial partner, and ensure financial inclusion of every household in India. Muthoot FinCorp's long-standing experience, expertise and stronghold in the semi urban and rural areas has enabled the Company to provide quick and customized finance options to the public.

Highlights - Fiscal 2023

Total Disbursements

₹ **40,039.83** Crores

Total Customers

19.72 Lakhs+

BRANCH

Number of Branches

3,619

Total Employees

17,899

Major **Milestones** at a glance

1887
Started by Shri. Ninan Mathai with wholesale trade of grains

1979
Opened 1st office at Trivandrum as a partnership entity in the name of Muthoot Bankers

1997
Incorporation of Muthoot Debt Management Services Limited (MDMSL)

2002
Change of name from MDMSL to Muthoot FinCorp Limited (MFL) and Registration of MFL with RBI as a non deposit taking NBFC

2005
Expanded its presence to other states in South and West

2012
Opened 1000+ branches

2013

Recognised as one among the Global Growth Companies by World Economic Forum

NCD

2014

Launched the 1st NCD Public Issue

2020

Title Sponsor for IPL Team Royal Challengers Bangalore (RCB)

150 Crores

2021

Company issued CCPS of ₹ 150 Crores

muthoot FINCORP one

2022

Launched Muthoot FinCorp ONE, a Strategic Business Unit

2023

Highest ever gold loan disbursement of over ₹ 39,000 Crores since inception and started Secured and Unsecured Lending Business (SULB)

Unlocking **Golden** Opportunities for the **Common Man**

Every common man yearns for opportunities to make their dreams a reality. At Muthoot FinCorp, we put forth effort to enable every citizen to 'Unlock' new prospects, which is an attempt we believe would be beneficial for the whole nation. This opens doors and gives people a chance to realize their aspirations, leading to societal enrichment and advancement. We are an entity with a purpose-driven spirit; proudly fulfilling the 136+ years legacy of the Muthoot Pappachan Group and serving those at the lower echelons of society.

We are deeply committed to our customers, and Gold Loan is at the heart

of that commitment. We take pride in being India's one of the leading provider for this service, empowering millions of families to overcome the financial difficulties.

We believe that our financial services can act as a spark, providing golden chances to a big section of society. Our endeavour reflects this goal: 'Jab Zindagi Badalni Ho'.

We are humbled by the faith the Nation has bestowed upon us, making us one of the pre-eminent NBFCs in India. Our dedication to our principles has ensured that our offerings are modernized and our services conform to today's environment.

3,619

branches as on March 31, 2023

83,00,000 +

disbursements during FY 2023

Unlocking Accessibility

TO SERVE THE LAST MILE, WE WALK THE DISTANCE

Muthoot FinCorp is a people-oriented Company. With extensive coverage spanning the entire country, we strive to make our services easily accessible for all those who require hassle-free financial solutions.

We have a wide network of touch points in the form of branches spread across various cities in different states in India, ensuring our services are accessible to customers easily. Moreover, our digital platform makes us reachable across the world. In FY 2023, we served more than **37,00,600+** customers.

Unlocking **Parity**

SERVING EVERY INDIVIDUAL, FAIRLY

In the financial services industry, individuals come under two distinct categories: the formal sector, and the informal sector which is significantly deprived of loan access to help them reach their dreams.

At Muthoot FinCorp, we are building an ecosystem which blurs the line between the two segments. Our financial services accept and assist all customers equally.

1,25,000+

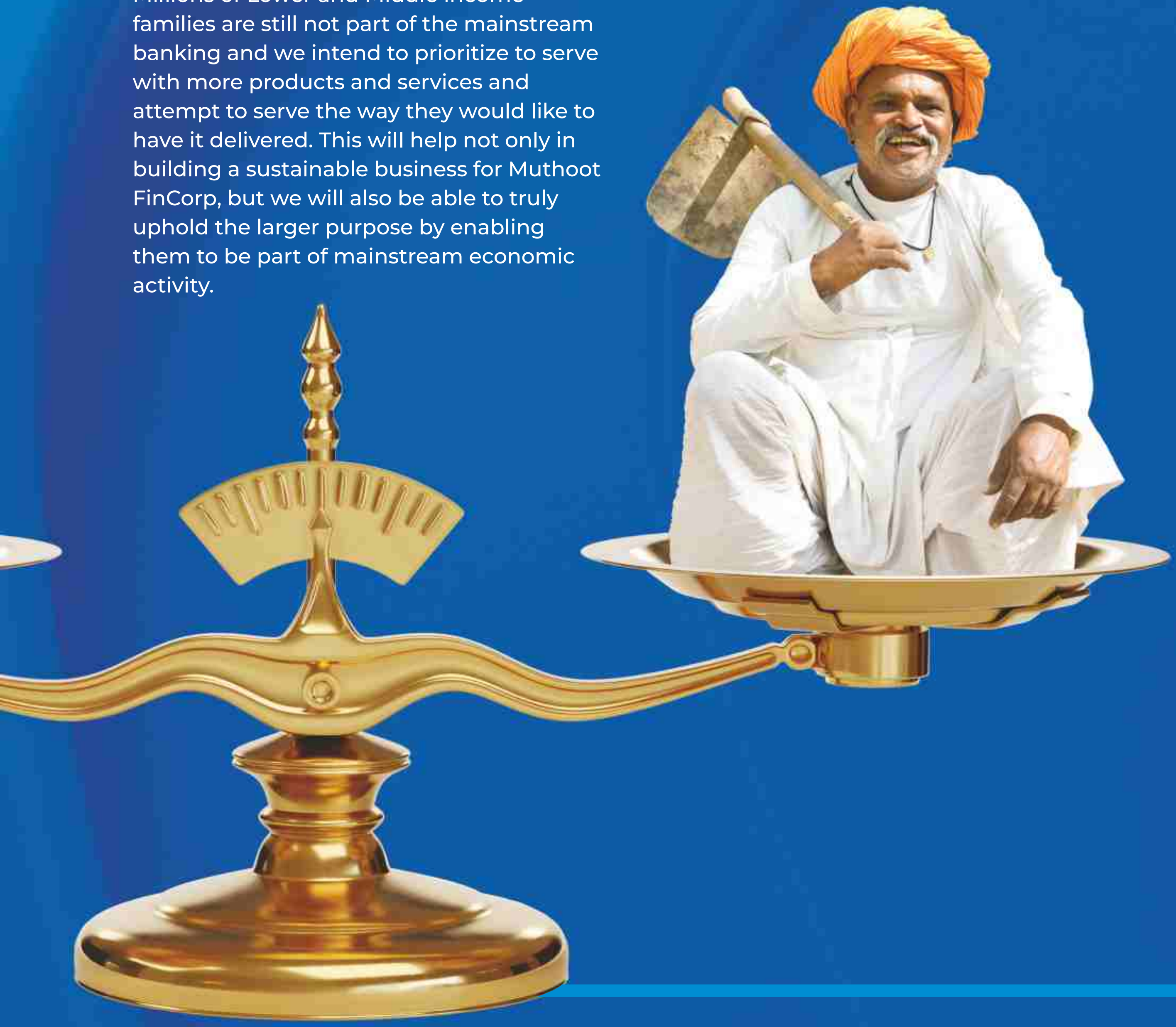
customer interactions per day

(₹ in Crores)

Product	FY2022-23
Gold Loan	39,104.09
Business Loan	775.42
Other Loans	160.31
Net Disbursement Total	**40,039.83**

It is this parity that makes us one of the most preferred NBFC in the country.

Millions of Lower and Middle income families are still not part of the mainstream banking and we intend to prioritize to serve with more products and services and attempt to serve the way they would like to have it delivered. This will help not only in building a sustainable business for Muthoot FinCorp, but we will also be able to truly uphold the larger purpose by enabling them to be part of mainstream economic activity.



Unlocking Women Empowerment

GENDER IS A SPECTRUM, NOT SETS OF OPPOSING IDEALS

The times have certainly changed, and with it, the role of women. They are no longer limited to the confines of home - instead, they take on leading positions in a variety of fields including education, business, politics, aerospace, sports and entertainment. Muthoot FinCorp is at the forefront when it comes to providing women with the resources they need to be empowered, and to help them succeed both professionally and personally.

We take pride in having served over **9,52,000** women customers in FY 2023 and we have more than **8000+** women employees working with us.

9.5 Lakhs +

Women Customers Served till March 31st 2023

48%

of Muthoot Fincorp employees are women

Unlocking Technology

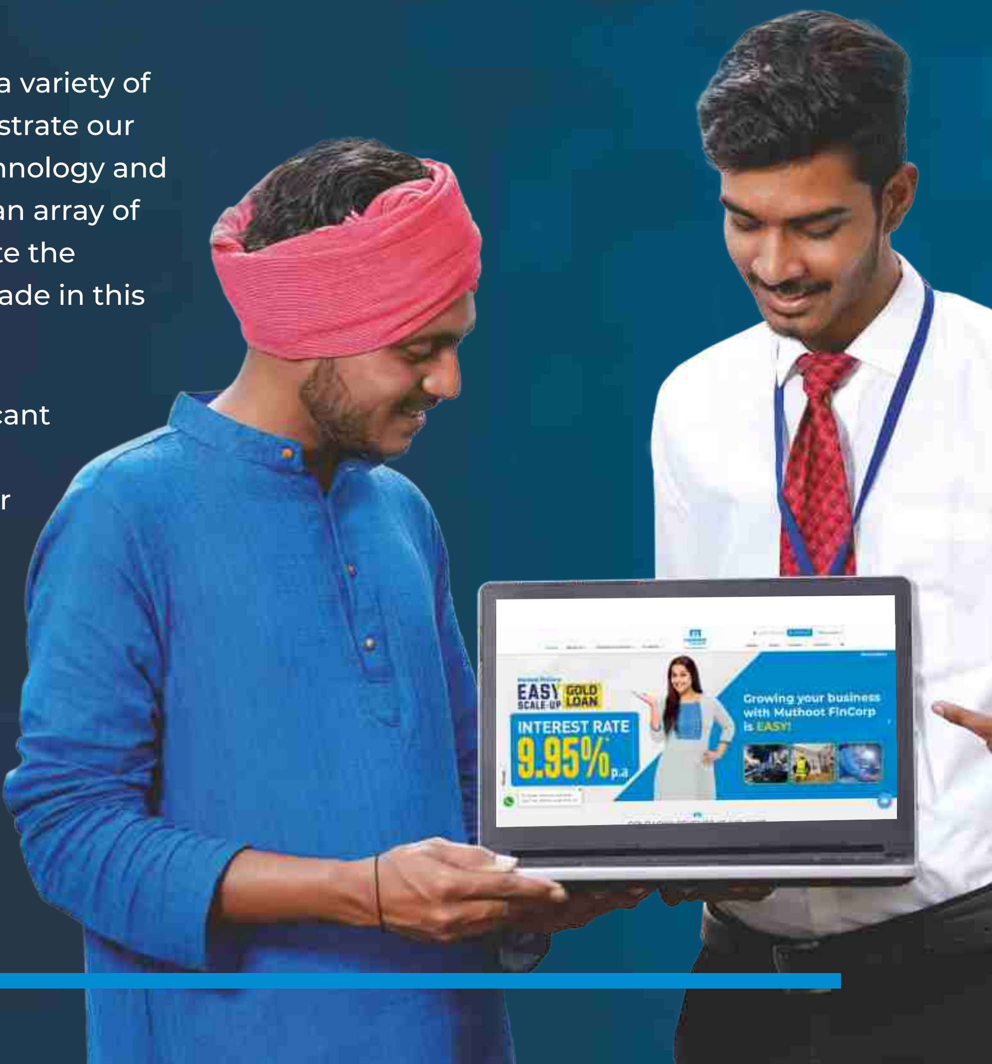
TECHNOLOGY IS BEST WHEN IT BRINGS PEOPLE TOGETHER

Muthoot FinCorp boasts a rich history of over **136 years**, but is still just as nimble and modern as any other Non-Banking Financial Company worldwide. Our adoption of up-to-date, technology-based systems have enabled us to remain cutting edge.

We have embraced a variety of measures to demonstrate our development in technology and have implemented an array of strategies to illustrate the progress we have made in this field.

We have put significant emphasis on 'Phygitisation', rather than digitalisation, because we understand that a considerable part of our customers are not tech savvy.

We have achieved the perfect combination of digital and physical interfaces. This affords us speediness, as well as the essential 'human touch', creating a productive environment.



We have embarked on a journey of providing digital experience to our customers and enable them to transact at the click of a button. NCD, Mutual Fund, Forex, Online Credit Score Facility are few of the product offerings which will be completely digitalised to improve overall experience.

Unlocking

Performance

NUMBERS SPEAK A THOUSAND WORDS

In FY2023 our growth and fiscal performance remain resilient. Despite the worldwide chaos, we have been able to sustain a consistent trajectory. Our sound fundamentals place us at the forefront of the financial services industry, which is evident in these strong figures.


25,752
30,967
38,048
35,111
39,104
18-19
19-20
20-21
21-22
22-23
Gold Loan Disbursement (in crores)

Unlocking The Future

IN ORDER TO MAINTAIN A LONG-TERM PRESENCE, ONE MUST ADAPT AND GROW

We strongly hold to the above statement and are constantly attempting to give our patrons something more. Our Gold loans remain a highly popular product, although we look forward to transforming from a product-centred entity to a sector specific one.

We have diligently tested the waters and are now confident that we can be equally effective in serving a broader market segment.

Muthoot FinCorp is aiming for a future that shall see :

Strengthening of MSME offerings by going deeper with identified segments.

Reinforcing Mortgage offerings with emphasis on retail business.

Introducing wallet size Group Insurance cover across health, life and general.

CORPORATE OVERVIEW

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Thomas John Muthoot
Managing Director

Mr. Thomas George Muthoot
Director

Mr. Thomas Muthoot
Executive Director and
Chief Financial Officer

Mrs. Preethi John Muthoot
Director

Mr. A. P Kurian
Independent Director

Mr. A. Vikraman
Independent Director

Mr. Badal Chandra Das
Independent Director
(w.e.f 01.12.2022)

Mr. Ravi Ramchandran
Independent Director
(w.e.f 28.02.2023)

LEADERSHIP TEAM

Shaji Varghese
Chief Executive Officer
(w.e.f 01.07.2022)

Mr. Chandan Khaitan
Chief Executive Officer-
Muthoot FinCorp One

Mr. Suresh Kumar Sivaraj
Chief Human Resources
Officer

Mr. Joseph Oommen
Head - Finance &
Accounts

Mr. Ajay Kanal
Head - Operations &
Change Management

Mr. Vinodkumar Kola
Head - Branch Business
(Territory 1)

Mr. Nihar Malde
Head - Branch Business
(Territory 2)

Mr. Vinod Reddy
Head - Secured &
Unsecured Lending
Business

Mr. K. Hariharan
Head - Need Based
Products & Services

Mrs. Devika R.
Chief Compliance Officer
(w.e.f 01.06.2023)

Mrs. G. K Maya
Chief Risk Officer
(w.e.f 02.06.2023)

Mr. Sachu Sivas
Company Secretary &
Compliance Officer
(w.e.f 02.06.2022)

Mr. Prashant Kumar
Head - Legal
(w.e.f 06.03.2023)

Mr. Nadanasabapathy R.
Head - Treasury

Mr. Ankush Sambhoo
Head - Infrastructure &
Procurement

Mr. Nishit Shrivastava
Head – Technologies
(w.e.f 10.04.2023)

Mr. Rajesh Balachandran
Chief Marketing Officer
(w.e.f 19.04.2023)

Statutory Auditors

Joint Statutory Auditor 1

M/s Krishnan Retna & Associates
Chartered Accountants

201 Block A, Nandini Gardens, Fort,
Thiruvananthapuram, Kerala - 695023

Joint Statutory Auditor 2

M/s Rangamani & Co.
Chartered Accountants

Rose Gardens, North of Iron Bridge,
Alappuzha, Kerala - 688011

Secretarial Auditors

M/s SEP & Associates
Company Secretaries

Internal Auditors

M/s Thomas Jacob and Company
Chartered Accountants

Lawyers for Debt Issues

Khaitan & Co, Advocates

Legal Advisors

Wadia Ghandy and Company, Advocates

Security Advisor

Mr. Raman Srivastava IPS (Rtd)

Debenture Trustees

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

Catalyst Trusteeship Limited
GDA House, Plot No 85, Bhusari Colony (Right)
Paud Road, Pune - 411 038, Maharashtra

CA Mathew Philip, FCA
Second Floor, PTC Towers,
Thampanoor, Trivandrum - 695001

SBI CAP Trustee Company Limited
Mistry Bhavan, 4th Floor, 122 Dinshaw Vachha Road,
Churchgate, Mumbai - 400 020

Vardhman Trusteeship Private Limited
The Capital, A Wing, 412A, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051

Registrar & Transfer Agent

Integrated Registry Management Services Private Limited
IInd Floor, Kences Tower, No:1 Ramakrishna Street,
North Usman Road, T Nagar, Chennai - 600017

Bankers

1 State Bank of India (IFB Chennai)
2 Punjab National Bank
3 Union Bank of India
4 Central Bank of India
5 Bank of Baroda
6 Bank of India
7 Canara Bank
8 Indian Bank
9 Bank of Maharashtra
10 UCO Bank
11 Indian Overseas Bank
12 Punjab & Sind Bank
13 IndusInd Bank Ltd.
14 IDBI Bank Ltd.
15 Axis Bank Ltd.
16 The South Indian Bank Ltd.
17 Yes Bank Ltd.
18 Karur Vysya Bank Ltd.
19 The Federal Bank Ltd.
20 Tamilnad Mercantile Bank Ltd.
21 Karnataka Bank Ltd.
22 DhanLaxmi Bank Ltd.
23 City Union Bank Ltd.
24 DBS Bank India Ltd.
25 HDFC Bank Ltd.
26 Ujjivan Small Finance Bank Ltd.
27 Bajaj Finance Ltd.
28 DCB Bank Ltd.

Registered Office

Muthoot Centre, TC No 27/3022, Punnen Road, Thiruvananthapuram - 695 001
Ph: + 91 471 2331427 / 4911400 | Fax: + 91 471 2331560
Email: muthoot@muthoot.com | Website: www.muthoot.com
CIN: U65929KL1997PLC011518

MESSAGE FROM THE MANAGING DIRECTOR

Mr. Thomas John Muthoot
Managing Director

Dear Esteemed Stakeholders,

With profound gratitude for the Grace of the Almighty and with utmost humility, we present to you the 26th Annual Report for the fiscal year 2022-23.

In the aftermath of the COVID-19 pandemic, the year 2023, has proven to be a resurgence period for Non-Banking Financial Companies (NBFCs). Their journey has been marked by a striking combination of innovation and unwavering resilience, as demonstrated by their seamless adaptation during the pandemic to navigate the intricate credit landscape effectively.

Against the backdrop of the year's unfolding events, the global economy confronted a diverse array of challenges, spanning from complex geopolitical tensions to a pronounced escalation in inflation rates. In a strategic maneuver, aimed at mitigating the effects of inflation, a majority of Central Banks opted to hike interest rates, setting in motion a series of impactful disruptions that reverberated across economic activities throughout the year. In the face of this difficult array of challenges, policymakers exhibited their adeptness by orchestrating a multifaceted gamut of measures, adroitly navigating the complex terrain with prudence and foresight.

In the Indian economic landscape, a noteworthy development unfolded as a series of six interest rate hikes, cumulatively amounting to 250 basis points, took place since May 2022. These steps were in direct response to mounting inflationary pressures, compelling the Reserve Bank of India to opt for interest rate increases. This trend mirrored the approach taken by other major economies.

Amidst the global turbulence triggered by the conflict in Ukraine, the Indian economy showcased a remarkable display of potency during the fiscal year 2022-23. It achieved an impressive growth rate of 7%, the highest among major economies worldwide. Despite an initial scare from the Omicron variant in 2022, COVID-19 remained relatively subdued for a significant portion of the year, contributing to the restoration of both consumer and business confidence. As the months unfolded, activities that heavily relied on close physical interactions gradually regained momentum, fueled by the release of pent-up demand. This resurgence was underpinned by several key factors, including robust macroeconomic fundamentals, the tenacity of the financial system exemplified by strong balance sheets of banks and NBFCs, and a corporate sector that had judiciously deleveraged. These factors collectively equipped the Indian economy with the necessary strength to effectively counter the adverse spillover effects from the global stage.

As you are undoubtedly aware, NBFCs have notably risen as the principal source of financing for a vast section of the population, encompassing small and medium-scale enterprises, as well as economically underserved individuals. These financial institutions have adeptly catered to the varied needs of borrowers, through a skillful and expedient service, leveraging their extensive geographical reach, keen understanding of individuals' financial requirements, and impressively swift processing capabilities. Consequently, non-bank lenders have played a pivotal role in advancing the cause of financial inclusion, fostering the growth of myriad MSMEs and self-employed individuals. Beyond this, NBFCs have also been instrumental in contributing to the development of the nation's critical infrastructure.

Presently, NBFCs stand fortified and more resilient, occupying a superior position across a plethora of operationally vital parameters. The augmentation in provisioning levels, witnessed in recent years, stands as a testament to the sector's proactive approach in preparing for pandemic-induced uncertainties, through the establishment of management overlays. As a collective outcome, the sector's balance sheets now exude a significantly heightened robustness.

Following a challenging period spanning three fiscal years, compounded by the ramifications of the Covid-19 pandemic, fiscal year 2023 has rejuvenated growth prospects for NBFCs. This rejuvenation is anticipated to extend into fiscal year 2024, with Assets Under Management (AUM) projected to surge by 13-14%, a noteworthy increase in comparison to the single-digit growth observed over the preceding three fiscal years (2020-22). This projected acceleration is poised to ride on the back of improving economic activities, reinforced balance sheet resilience, and enhanced asset quality metrics.

During the fiscal year 2022-23, NBFCs sustained a robust trajectory of credit growth, propelled by the broad-based resurgence in economic activities. This period also saw the implementation of a scale-based regulatory framework by the RBI for NBFCs, aimed at enhancing the sector's operational supervision.

A significant realm of potential has emerged within gold loan disbursements, evident through the participation of banks in this domain, intensifying competition for NBFCs. The growth potential has been accentuated by the integration of digital technology, a trend witnessed over the past years, which has brought about advantageous outcomes for both consumers and service providers.

This surge in digitalization, coupled with the assimilation of advanced technologies within the financial ecosystem, has ushered in an evolutionary phase for the gold loan market. The adoption of digital technologies has enabled banks and NBFCs to streamline their processes, thereby facilitating quicker loan disbursements to borrowers. This technological leap is driving a transformative shift in the gold loan market, promising a more efficient and accelerated lending landscape.

Our dedication is unwavering towards our Vision: "To be the Most Trusted Financial Service Provider, at the Doorstep of the Common Man, Satisfying him Immediately with Easy and Simple products".

Here are some key standalone financial numbers:

- Disbursement during the year is ₹ 40,039.83 crores, as compared to ₹ 35,240.54 crores in the previous year.
- The Total Loan Assets is ₹ 17,615.07 crores, as compared to ₹ 17,323.13 crores in the previous year.
- The Total income stands at ₹ 3,491.26 crores, as compared to ₹ 3,327.92 crores in the previous year.
- The Net Interest Income (NII) is ₹ 1,823.19 crores, up by 14.03% as compared to last year.
- Profit Before Tax (PBT) is ₹ 622.43 crores, up by 32.96% as compared to last year.
- Profit After Tax (PAT): ₹ 459.81 crores, increased by 32.57% as compared to last year.
- During fiscal 23, the GNPA reduced to 2.11% from 2.88%, as compared to the previous year.
- The NNPA reduced to 0.58% from 1.57%, as compared to the previous year.
- Capital adequacy ratio as on 31st March 2023 is 21.34%, inclusive of Tier 1 Capital at 16.48%.
- Return on Average Assets (ROA) is at 1.97% in fiscal 23 and 1.53% in fiscal 22.
- Return on Average Equity (ROE) is at 17.28% in fiscal 23 and 15.59% in fiscal 22.

In the current fiscal year, the Company has taken significant strides in its digital venture, known as 'Muthoot FinCorp ONE'. This innovative platform, enables customers to apply for loans online, streamlining the process and making it more convenient. This strategic move is poised to resonate particularly well with a younger, tech-savvy customer base. Moreover, the Company has emerged as a key player in financial intermediation, not only complementing and competing with banks, but also infusing the financial ecosystem with heightened efficiency and greater diversity of offerings.

Key Initiatives & Accomplishments

Our impactful initiatives encompass:

1. Transformation of our Gold Loan portfolio through innovative offerings, ensuring a consistent customer experience, leading to increased disbursements and engagement.
2. Introduction of a pioneering digital app,

'Muthoot FinCorp ONE', an all-inclusive digital financial platform, enabling customers to access our services effortlessly from the comfort of their homes. This initiative complements our physical infrastructure, reinforcing our channel-agnostic approach, prioritizing a seamless customer journey and experience. Muthoot FinCorp One will spearhead research and design of new products for end-to-end digital availability.

3. Establishment of the administrative head office in Chennai for the Secured & Unsecured Business Loans (SULB) vertical, coupled with the expansion of our mortgage loan business across ten states in India.

4. Title sponsorship for the Royal Challengers Bangalore (RCB) for three consecutive IPL seasons until February 01, 2023. Our comprehensive advertising campaigns across multiple channels significantly heightened our brand visibility.

5. Launch of "Gold Loan From Home" (GLFH) service, catering to customers seeking a product from the convenience of their homes. Coupled with ease, convenience, and changing customer behavior patterns post-COVID, we anticipate strong demand for this service.

6. Our analytics platform, implemented in 2021-22, is transforming into a driver for our branches, utilizing data to introduce new products tailored to specific segments.

7. Initiation of the adoption and implementation of the 'Core Financial Services Solution' (CFSS), as mandated by RBI, to facilitate smooth customer interactions for digital offerings and transactions related to our products and services. We have taken the initial steps, by implementing Core Gold Loan, encompassing the pledge and repayment of Gold Loans by our customers.

Recognising that our journey extends far beyond our financial achievements, our commitment to societal well-being and environmental stewardship is vividly reflected through our Corporate Social Responsibility (CSR) initiatives. These endeavours come to life through the Muthoot Pappachan Foundation, through which we direct our efforts to create impactful and meaningful change.

Within the chronicles of our journey, the appointment of Mr. Shaji Varghese as CEO stands as a defining testament to the profound transformative changes that await us. The inclusion of Sri. Badal Chandra Das and Sri. Ravi Ramchandran as Independent Directors, further underscores our unyielding commitment to a foundation of robust governance.

As we draw this chapter to a close, our heartfelt gratitude extends far and wide. To the regulatory authorities, your invaluable guidance has served as the keystone of our progress; to our esteemed board members, your sagacious counsel has deftly steered our path; and to our dedicated team, your unwavering dedication has remained our propelling force. To every stakeholder who has entrusted us with their belief, we extend our profound appreciation.

Moving forward, we acknowledge that our journey is guided by the collaborative efforts of our team. We recognise the Divine Grace that has illuminated our achievements and invoke it to light up our future endeavours.

With sincere modesty and heartfelt gratitude, we stride confidently into a future, abounding with boundless possibilities.

Yours sincerely,

Thomas John Muthoot
Managing Director

MESSAGE FROM THE EXECUTIVE DIRECTOR & CHIEF FINANCIAL OFFICER

Mr. Thomas Muthoot

Executive Director & Chief Financial Officer

Dear Esteemed Stakeholders,

It is with immense pleasure and a sense of honor that I address you as the Executive Director & Chief Financial Officer of the Company, presenting the annual report for the fiscal 23. As we reflect on this journey, I am filled with pride as we recount the remarkable achievements and significant milestones that we, together, have accomplished.

The global economy, having started its recovery from the successive waves of the COVID-19 pandemic by early 2022, encountered an unexpected hurdle with the eruption of the war in Ukraine. Despite the substantial progress achieved through policy stimuli and expanding vaccination coverage, the impact of this geopolitical upheaval could not be ignored. A surge in global inflation prompted central banks to respond with consecutive interest rate hikes and liquidity contraction, leading to tightened financial conditions and, consequently, a slowdown in global growth from 6.2% in 2021 to 3.4% in 2022. Projections by the International Monetary Fund anticipate global growth to reach 2.8% in 2023, with a further ascent to 3% in 2024.

Amidst this backdrop of volatility, both the banking and non-banking financial service sectors in India demonstrated resilience, maintaining healthy conditions and orderly financial markets. While the prolonged tension between Russia and Ukraine cast a shadow over global trade and crude oil prices, leading to heightened inflationary pressures, the Reserve Bank of India's Monetary Policy Committee responded by increasing the policy repo rate under the Liquidity Adjustment Facility (LAF) by 225 basis points between May and December 2022.

In the realm of India's economy, the fiscal 23 stood as a testament to its exceptional performance. Boasting a GDP growth rate of 7%, driven by private sector consumption and intensified government focus on infrastructure development, India emerged as one of the fastest-growing major economies worldwide. Notably, the gold industry's contribution of 1.3% to the nation's GDP underscores the enduring popularity of gold loans as a secure and flexible means of addressing short-term financial needs.

The Non-Banking Financial sector, an instrumental player in bridging credit gaps and supporting sectors like MSMEs, agriculture, and affordable housing, continued its impressive growth trajectory. With the sector's credit growth over the last five years reaching 17.3% and bolstered by enhanced asset quality and record disbursals, it stands as a testament to its vital role in fueling economic expansion.

Gold loans, particularly for rural areas where unorganized players dominate, have emerged as a preferred option for managing working capital needs. The digital transformation sweeping through the financial landscape, coupled with a wider branch network, simplified documentation, faster processing times, and increased post-pandemic demand, positions the gold loan market for sustained growth. The MSME sector, a cornerstone of India's employment landscape and GDP contribution, presents an untapped opportunity for NBFCs to cater to its credit needs through customized products and digital solutions.

In the quest to evolve with industry trends, our focus during FY 2022-23 centered on fortifying our digital platform. Substantial investments were made to enhance our lending services through digitalization, offering a seamless and user-centric experience. Collaborations with tech and fintech partners have enabled the creation of innovative lending solutions, further elevating our customer offerings.

Financial Performance

Coming to Muthoot Fincorp Limited, despite the challenging economic landscape, we have delivered exceptional financial results. Our total revenue for the year reached an impressive amount of ₹ 3,491.26 crores, representing a 4.91% increase compared to the previous year. This growth can be attributed to our focused efforts in expanding our customer base and diversifying our revenue streams. Net profit also witnessed a substantial increase, with a growth rate of 32.57% over the previous year. Our relentless commitment to operational efficiency and prudent cost management has contributed significantly to this achievement. It is worth noting that our profit margins remained robust throughout the year, underscoring the strength and resilience of our business model.

Our asset quality continues to be strong, with a healthy portfolio of loans and investments. The Non-Performing Assets (NPAs) remained well within acceptable limits, reflecting our diligent credit risk management practices. We have maintained a prudent provisioning, ensuring adequate coverage for any potential credit losses.

Customer-Centric Approach: Our unwavering commitment to customer satisfaction has been a driving force behind our success. We have continued to innovate and offer tailored financial products and services that cater to the evolving needs of our customers. By embracing technology and digital platforms, we have enhanced the accessibility and convenience of our services to the customers.

Risk Management: We remain steadfast in our commitment to maintaining a robust risk management framework. Our dedicated team has been diligent in identifying, assessing, and mitigating risks across various dimensions. Through proactive risk monitoring and management, we have successfully navigated through volatile market conditions. Our focus on maintaining a healthy balance between risk and reward has ensured the long-term sustainability of our business.

Corporate Governance: At Muthoot Fincorp Limited, we strongly believe in upholding the highest standards of corporate governance and transparency. Our Board of Directors continues to provide strategic guidance, ensuring the implementation of best practices throughout the organization. We have strengthened our governance mechanisms, fostering a culture of integrity, accountability, and ethical conduct etc. This will enable us to build an enduring trust among our stakeholders.

Updates about subsidiaries

Muthoot Microfin Limited (MML) is the microfinance arm of Muthoot Pappachan Group and a subsidiary of Muthoot FinCorp Limited. MML is one of the leading and fast-growing microfinance institutions (NBFC-MFI) in India. MML is focused on providing micro-loans to women entrepreneurs with a focus on rural regions of India. Our microfinance operations are designed to promote entrepreneurship among women and inclusive growth. We provide financial assistance through micro loans such as income generating loans to women engaged in small businesses.

This was a year of remarkable milestones for MML. As of March 31, 2023, the gross loan portfolio of MML amounted to ₹ 92,082.96 million. We believe that our business model helps in driving financial inclusion, as we serve customers who belong to low-income groups. As of March 31, 2023, we have 2.77 million active customers, who are serviced by 10,227 employees across 1,172 branches in 321 districts in 18 states and union territories in India. We have built our branch network with an emphasis on under-served rural markets with growth potential, to ensure ease of access to customers.

One of the other Group Company, Muthoot Housing Finance Company Limited (MHFCL), is a subsidiary of Muthoot FinCorp Limited. MHFCL caters mainly to the housing finance requirements of customers in the middle and lower-income category. MHFCL has a distribution network of 97 Branches and has been operating in 11 States and 1 UT of India. MHFCL offers housing loans to the unorganised and informal sector, and hence, the services are designed to make it easy to buy, renovate or construct home.

During the fiscal 2023, MHFCL has witnessed 13373 logins leading to ₹ 480.72 crores disbursals as compared to ₹ 308.57 crores during the FY 2021-22 which accounted for 56% growth over the previous year. The loan book of MHFCL grew to ₹ 1483.41 crores compared to ₹ 1284.99 crores in the previous fiscal, with PAT of ₹ 25.53 crores.

The mortgage loan industry in India is sized approximately ₹ 25,00,000 crore and is expected to double in the next five years mirroring the overall trend in the country's aspirations to become a $ 5 trillion economy by then.

Affordable housing finance to middle and lower-income category is a fast-growing segment in India. The government is committed to provide housing to every Indian and there is huge thrust of government in affordable housing segment.

As we embark on our journey forward, a sense of cautious optimism accompanies us. Amid evolving regulatory dynamics and shifting macroeconomic landscapes, our confidence in adapting and thriving remains steadfast. Our commitment to cutting-edge technology, innovation, and fostering talent positions us to not only stay ahead in a competitive environment but also to deliver sustainable growth.

In closing, I extend heartfelt gratitude to our dedicated employees whose pursuit of excellence propels our success. I extend appreciation to our valued customers, regulatory authorities, and business partners for their enduring support. On behalf of the management team, I assure you of our unwavering commitment to creating lasting value for our shareholders and stakeholders. Our mission remains steadfast: to provide exceptional financial solutions and contribute to the economic progress of the communities we serve.

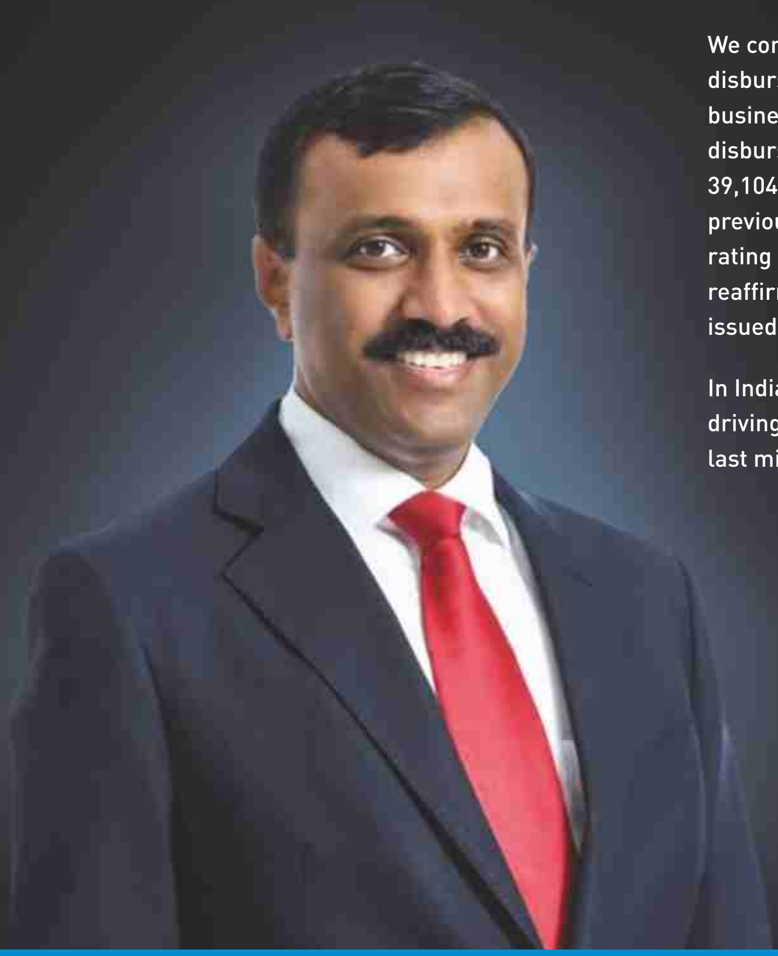
Your unwavering trust and confidence in our organization serve as the bedrock of our endeavours. We embark on this journey with gratitude and determination.

Warm regards,

Thomas Muthoot
Executive Director & Chief Financial Officer

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Mr. Shaji Varghese
Chief Executive Officer



Dear Stakeholders,

2022-2023 was an exciting year for Muthoot Fincorp Limited (MFL) and I'm thrilled to share with you the incredible initiatives undertaken, and the progress we made during the year. Though the macro-economic conditions and geopolitical issues posed as significant challenges, it is with immense pride I say that we have collectively overcome many of these obstacles and continued our efforts in ensuring financial inclusion of the unbanked across the country. We have strengthened our foundation further through significant initiatives propelling sustainable growth ensuring a positive impact in the future of the company.

We completed over 8 million number of total disbursements during the fiscal year. Our leading business, Gold Loan witnessed the highest yearly disbursement in the history of the Company at Rs. 39,104.09 crores, which is 11.37% higher than previous year. During the mid-year we received a rating upgrade to AA-/ Stable from CRISIL, which reaffirms the robust health of our Company. We also issued two NCDs successfully during the fiscal.

In India, the NBFC sector played a decisive role in driving sustainable fiscal growth with their strong last mile connectivity and ability to adapt to digital economy swiftly. According to ICRA, the retail Assets Under Management of NBFCs are expected to grow 12-14% in the current fiscal year. Extension of credit, strong capital levels, declining GNPA (Gross Non-Performing Assets) ratio, improved operating environment, and digitalisation of borrower onboarding are contributors to the strong growth of the sector in the Indian economy.

During the fiscal 23, it is significant to note that we have made progress across our product offerings ensuring to meet the requirements of a customer along his/her lifecycle.

Few significant highlights of our journey include:

- Company made foray into retail mortgages business with its headquarters at Chennai. We intent to go deeper with identified segments, especially lower and middle-income groups, MSMEs, retailers and many more.
- The scaling up of Data Analytics platform with Artificial Intelligence (AI) & Machine Learning (ML) capabilities will aid in providing quick insight into the potential opportunities and risks. As part of implementing Core Financial Services Solution (CFSS) directed by RBI, we have completed implementation of Core Gold Loan (CGL) application in 500 branches and aims to implement it across rest of the 3000+ branches in the next 18 months.
- The Company's digital arm named 'Muthoot FinCorp ONE' was launched this year where customers can avail the services within the click of a button. Offering both digital and phygital modes of interacting and conducting business with customers through the contemporary mobile app, Muthoot Fincorp ONE will address the diverse financial needs of consumers pan-India ensuring convenience and accessibility.
- Muthoot FinCorp ONE launched Gold Loan From Home (GLFH) where the focus is on Customer Service at the Door Step of Common Man' which includes less process and quick disbursal in minutes. Muthoot FinCorp One will offer GLFH facility which will improve the customer's ease of doing business with us and help us in tapping the customers who are looking to avail services at the comfort of their homes.
- We joined hands with IME India Private Limited to expand our money remittance services between Indo-Nepal corridor.
- Company has also launched Vyapar Mitra Business Loans, a one of its kind offering for retailers and MSMEs without the requirement of additional collateral. While providing working capital and business loans to micro and small businesses, including traders, business owners and self-employed individuals, this also offers benefits like no pre-payment charges, loan renewals up to three times a year, simple and fast documentation, and quick disbursal of loans.
- In the Human Capital front, we have introduced new state-of-the-art tech platform - People Strong- which will automate significant time-consuming manual processes ensuring to drive efficiency and robustness. During the fiscal, we introduced Employee Stock Option Plans (ESOPs) enabling the employees to participate in the ownership of the Company.
- Irrespective of the gender, everyone must have equal rights and opportunities of growth in any organisation, and it's an

immense matter of pride to share that around 48% of our employees are women. We have women employees who have been part of the Company for more than two decades, and we are fortunate to have the next generation too who are choosing Muthoot Fincorp as their employer of choice. In FY 23, more than 9.5 lakh women customers across the country have chosen Muthoot Fincorp to fulfil their needs and aspirations by utilising our various products and services.

Way Forward

There are millions of Indians who still have no access to formal financial services and going forward, we plan to strengthen our offerings and ensure they are onboarding the pavilion. Financial inclusion is our core, and we will roll out new offerings to cater to the needs of the underserved sector in a more convenient, innovative, and effective ways. Our target segment customers (LMI – Low & Middle Income) are rapidly moving up the ladder in the economic pyramid and this will give us new opportunity to focus on products and solutions, which will continue to cater to their life cycle needs, and thereby continuing to serve these families. A closer look at the macroeconomic and demographic factors uncovers a huge opportunity to spread our wings to new customers and categories too.

Muthoot FinCorp ONE, the one of its kind all in one mobile app of the Company will provide easy access to our products and superior experience to the customers at the comfort of their homes.

Manpower is significant for growth and as we are preparing to strengthen our offering, we look forward to creating more employment opportunities across the country and we project more hirings in this fiscal especially at the branches. To strengthen the forex division and build the business, the Company plans to upgrade the tech stack and strengthen capacity exclusively for the division. We are keen and look forward to building a People First Organisation, including participating in Great Place To Work in near future.

Our new initiatives are expected to support the growth plan we have proposed and alongside, we will invest in new businesses, and improve the business efficiencies.

Our team of more than 17800 people are driven by one definite purpose – to transform the life of a common man by being his most trusted financial service provider helping him/her shape a brighter & a better tomorrow.

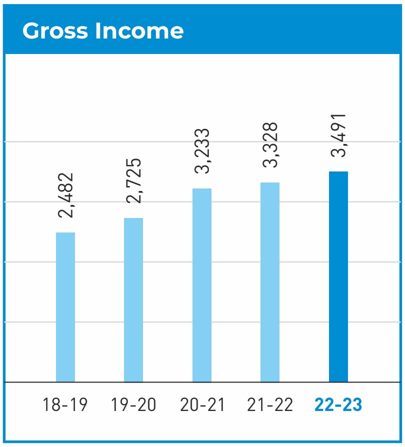
I'm proud of being a Muthootian and our accomplishments, and above all, I'm happy to be part of such an extraordinary team. As we look forward to yet another successful year which comes with boundless possibilities, I'm sure we will grow and thrive, and continue to play contributing role to all our stakeholders.

Thank you,
Warm regards,

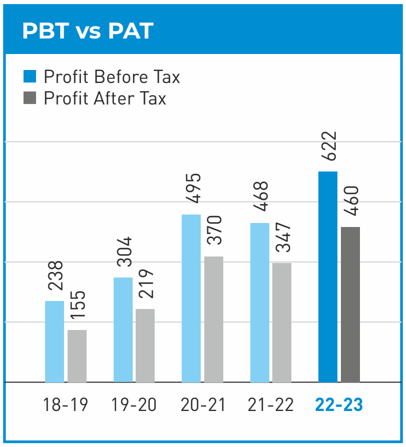
Shaji Varghese
Chief Executive Officer

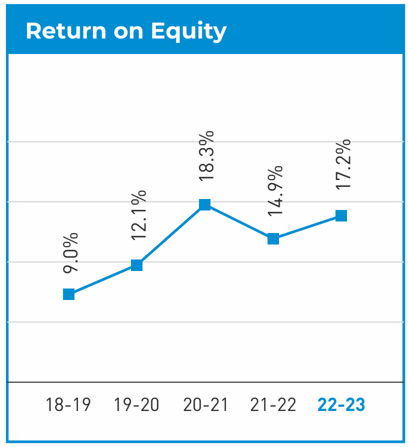
FINANCIAL HIGHLIGHTS FOR THE FY2022-23

(in crores)

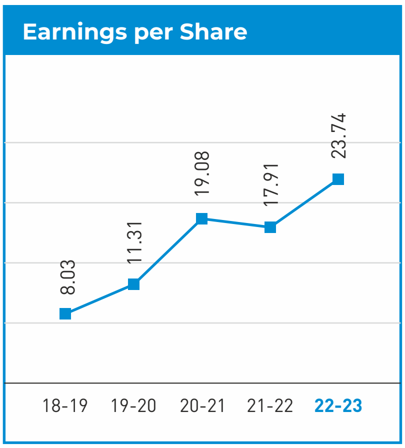


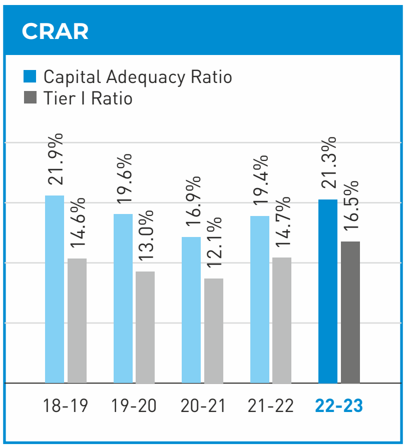
(in crores)



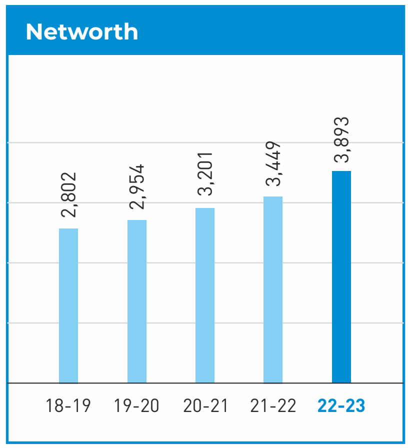


(times)

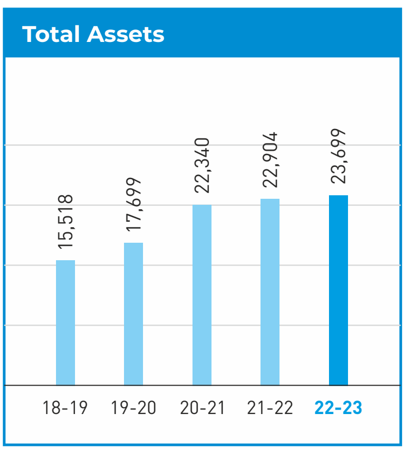




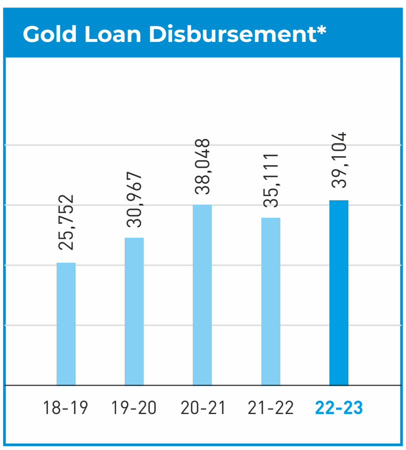
(in crores)



(in crores)

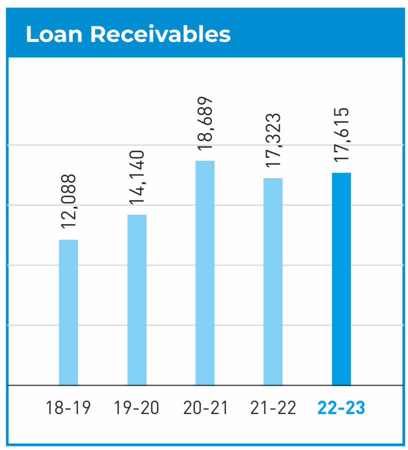


(in crores)



Net of Co-Lending

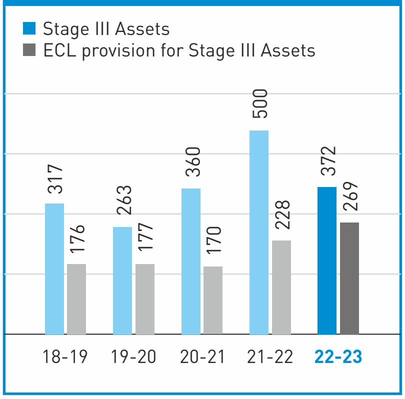
(in crores)



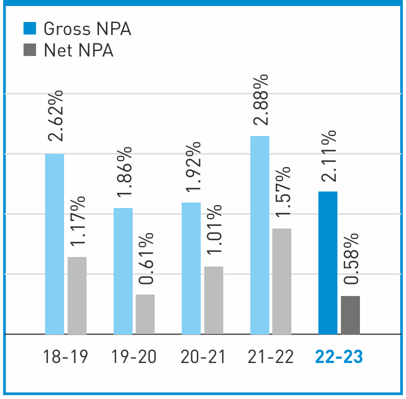
FINANCIAL HIGHLIGHTS FOR THE FY2022-23

(in crores)

Stage III Assets

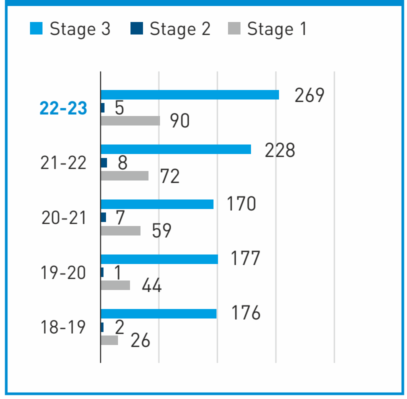


NPA Ratios

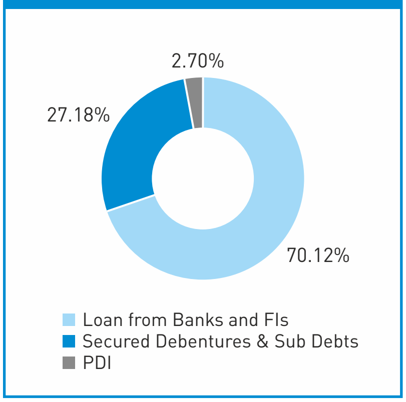


(in crores)

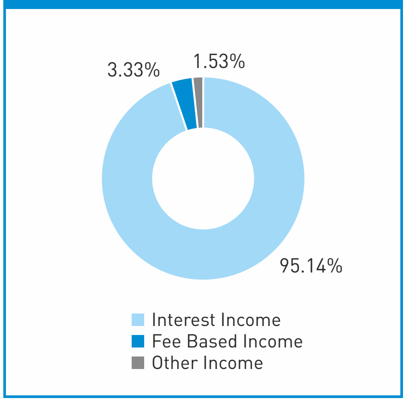
ECL Provision



Sources of Fund

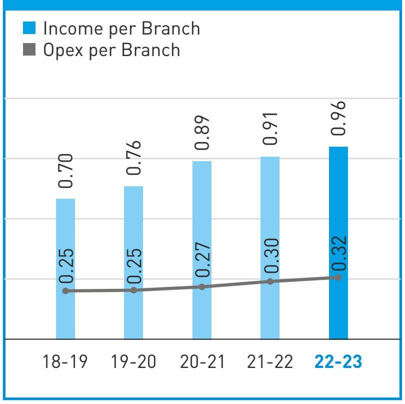


Sources of Income



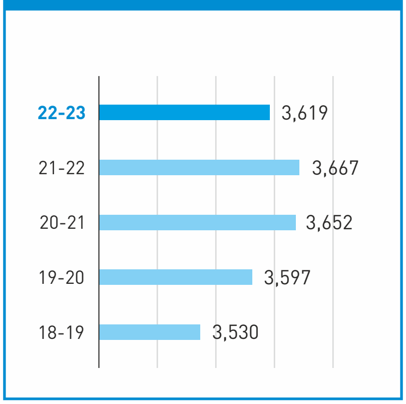
(in crores)

Income Per Branch



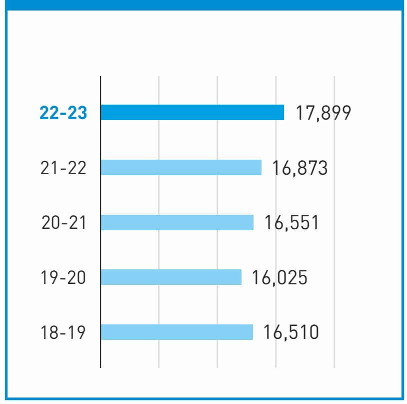
(nos)

Pan India Reach



(nos)

Talent Pool



STATUTORY REPORTS

MUTHOOT FINCORP LIMITED

(CIN: U65929KL1997PLC011518)

Registered Office: Muthoot Centre, TC No. 27/3022, Punnen Road, Trivandrum, Kerala - 695 001
Tel: +91 471- 2331427, 4911400, Fax: +91 471 2331560, Email: cs@muthoot.com, Website: www.muthootfincorp.com

Notice to Members

Notice is hereby given pursuant to Section 96 and 101 of the Companies Act, 2013 ("Act") the 26th Annual General Meeting ("AGM") of the members of Muthoot Fincorp Limited ("the Company") will be held on Friday, September 29, 2023, at 10.30 A.M. (IST) at the Registered Office of the Company at Muthoot Centre, TC No 27/ 3022, Punnen Road, Thiruvananthapuram, Kerala, India - 695 001 to transact the following businesses: -

ORDINARY BUSINESS:

Item No. 1: Adoption of financial statements

To receive, consider and adopt:

a) The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon; and

b) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the Report of the Auditors thereon.

Item No. 2: Confirmation of Interim Dividend

To confirm the interim dividend of ₹ 10.78 per equity share of face value of ₹ 10 each declared by the Company and consider the same as final dividend for the financial year ended March 31, 2023.

Item No. 3: Appointment of Mrs. Preethi John Muthoot as a director, liable to retire by rotation

To appoint a director in place of Mrs. Preethi John Muthoot (holding DIN: 00483799), who retires by rotation at the Annual General Meeting and being eligible, offers herself for re-appointment: -

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

"**RESOLVED THAT** Mrs. Preethi John Muthoot (holding DIN: 00483799), who retires by rotation at this meeting, pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, and being eligible, has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

Item No. 4: To approve the adoption of new set of Articles of Association of Company

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

"**RESOLVED THAT** pursuant to the provisions of Section 5 and 14 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") including any statutory modification(s) or re-enactment(s) thereof for the time being in force and the rules made thereunder and subject to such other requisite approvals, if any, in this regard from appropriate authorities and in order to align it with the requirements of the provisions of the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended (the "SEBI Regulations") and other applicable provisions, if any, and in supersession of the earlier resolution passed in this regard at the Extra-Ordinary General Meeting held on January 27, 2021, the new set of Articles of Association of the Company be and is hereby adopted in the manner and to the extent as hereunder:

i) the existing rules and regulations, as contained in the Articles of Association of the Company be and are hereby deleted;

ii) the new set of Articles of Association as per the provisions of Companies Act, 2013 be and are hereby approved and adopted as the new set of Articles of Association of the Company and shall substitute in its entirety the existing Articles of Association of the Company; and

iii) Insertion of new clause in the Article as provided below:

"70. The Board of Directors shall appoint the person nominated by the Debenture Trustee(s) in terms of clause (e) of Regulation 15(1) of the SEBI (Debenture Trustees) Regulations, 1993 as a Director on the Board. Such appointment of a Director shall be subject to the provisions of Debenture Trust Deed, Companies Act, 2013, Reserve Bank of India ('RBI') Regulations, SEBI Regulations and all other applicable provisions of law. Such nominee director shall not be liable to retire by rotation.".

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such actions and steps for the purpose of making all such filings and registration(s) as may be required in relation to the aforesaid adoption of new set of Articles of Association and further to do all such acts and deeds, matters and things as may be deemed necessary to give effect to this resolution."

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

Sd/-
Sachu Sivas
Company Secretary
ACS: 60475

Place: Trivandrum
Date: September 14, 2023

NOTES:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. Proxies, in order to be valid, must be duly filled in, signed and deposited at the Registered Office of the Company at least 48 hours before the commencement of the Meeting. A proxy form (Form MGT - 11) is annexed to this notice.

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

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send the Company a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the Meeting.

3. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts relating to the business under Item Number 4 to be transacted at the meeting, is annexed hereto and forms part of this Notice.

4. Members/Proxies are requested to bring the attendance slip (annexed to this notice) duly filled in for attending the meeting.

5. Members holding shares in dematerialized form are requested to write their client ID and DP ID Numbers in attendance slip and in all their correspondence with the Company. Those who hold shares in physical form are requested to write their folio number in the attendance slip.

6. Members are requested to intimate changes, if any, in the registered addresses to the Company in case of shares held in physical form and to their respective Depository Participant (DP) for the shares held in dematerialized form.

7. Members may kindly update regularly the changes in bank account with the following information in your DP account for the shares held in dematerialized form and with the Company in case of shares held in physical form:

   - Bank account Number in full,
   - MICR Code,
   - IFS Code,
   - Full name of the Bank and address of the branch,
   - email address.

   The correct and complete particulars will help us to serve you better by timely credit of your future dividends immediately on payment by means of electronic credit.

8. The Register of Directors and their shareholding, maintained u/s 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested maintained u/s 189 of the Companies Act, 2013 and all other documents referred to in the notice and explanatory statement, will be available for inspection by the members of the Company at Registered office of the Company during business hours 10:00 A.M. to 06:00 P.M. (except Saturday and Sunday) up to the date of Annual General Meeting and will also be available during the Annual General Meeting.

9. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

10. Members who would like to ask questions on Accounts are requested to send their questions to the Registered Office of the Company at least 10 days before the date of Annual General Meeting to enable the Company to prepare suitable replies to such questions.

11. Electronic copy of the Annual Report for the FY 2022-23 and Notice of the 26th AGM of the Company along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participant (s) for communication purposes unless any member has requested for a hard copy of the same.
12. Members may also note that the notice of the 26th AGM and the Annual Report for the FY 2022-23 will be available on the Company's website, www.muthootfincorp.com. Members who require physical copy of the same, may write to us at cs@muthoot.com.
13. The route map and prominent landmark of the venue of the meeting is provided in this Notice.
14. The Annual General Meeting is called at a shorter notice, hence the consent form may be filled and returned for calling the Annual General Meeting at shorter notice under Section 101(1) of the Companies Act, 2013.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

The following statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice:

The Companies Act, 2013 ("the Act") is now largely in force and most of the sections has been notified. The existing Articles of Association ("AoA") of the Company is based on Companies Act, 1956 and not only do several regulations of the existing Articles of Association contains references to the specific sections of the Companies Act, 1956, but also some regulations are no longer in conformity with the Act.

Further, Securities and Exchange Board of India ("SEBI") vide its Notification No. SEBI/LAD-NRO/GN/2023/119 dated February 02, 2023 ("SEBI Notification") had amended SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 by inserting sub-regulation (6) in Regulation 23 which mandates an issuer to ensure that its AoA enables its Board of Directors to appoint a person nominated by the Debenture Trustee ("DT") upon occurrence of any of the following event of default as per Regulation 15(1)(e) of the SEBI (Debenture Trustees) Regulations, 1993 ("DT Regulations") viz.,

(i) Two consecutive defaults in payment of interest to the debenture holders; or

(ii) Default in creation of security for debentures; or

(iii) Default in redemption of debentures.

Further, the issuer whose debt securities are listed as on the date of amendment to the Regulations, shall amend its AoA to comply with this provision, on or before September 30, 2023.

It may be noted that the Company had obtained the approval of the Members by way of a Special Resolution for the Adoption of Memorandum of Association ("MoA") and Articles of Association in accordance with the Companies Act, 2013, subject to the approval of Reserve Bank of India ("RBI"), in the Extra-Ordinary General Meeting held on January 27, 2021. Further to the approval of Members, the Company had approached RBI seeking approval for the same. Since the Company has not received the approval from RBI for the adoption of MoA & AoA, the resolution was not acted upon.

In order to comply with the amendments in SEBI Regulations, it is proposed to amend the AoA of the Company to enable DT to appoint their Nominee on the Board upon occurrence of any of the event specified in Regulation 15(1)(e) of the said DT Regulations.

In this regard, the Members are requested to consider and approve the adoption of new set of AoA of the Company, in order to align it with the requirements of the provisions of the Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended (the "SEBI Regulations") and other applicable provisions, if any.

The new set of AoA of the Company may be adopted in the manner and to the extent as hereunder:

i) the existing rules and regulations, as contained in the Articles of Association of the Company be and are hereby deleted;

ii) the new set of Articles of Association of the Company, be and are hereby approved and adopted as the new set of Articles of Association of the Company and shall substitute in its entirety the existing Articles of Association of the Company; and

iii) Insertion of new clause in the Article as provided below:

"70. The Board of Directors shall appoint the person nominated by the debenture trustee(s) in terms of clause (e) of regulation 15(1) of the SEBI (Debenture Trustees) Regulations, 1993 as a Director on the Board. Such appointment of a Director shall be subject to the provisions of Debenture Trust Deed, Companies Act, 2013, Reserve Bank of India ('RBI') Regulations, SEBI Regulations and all other applicable provisions of law. Such nominee director shall not be liable to retire by rotation."

The Board of Directors of the Company has proposed to restate and adopt the new set of AoA of the Company as required under the above said requirement in its meeting held on September 14, 2023.

It is therefore considered expedient to adopt an entirely new set of AoA drawn in conformity with the requirements of the Act and SEBI Regulations. The draft of the new set of the AoA are made available for inspection by the members of the Company at the registered office of the Company on all working days during the office hours up to the date of the Annual General Meeting.

Pursuant to Section 14 of the Companies Act, 2013, alteration/adoption of the AoA requires approval of the members of the Company by way of Special Resolution.

None of the Directors, Key Managerial Personnel and their relatives, if any, are concerned / interested (financially or otherwise) in the aforesaid resolution except to the extent of their shareholding in the Company.

The Board recommends the Special Resolution as set forth in Item No. 4 of the Notice for the approval of the Members of the Company.

DIRECTORS' REPORT

Dear Shareholders,

Your directors are pleased to present the 26th Annual Report of your Company, together with the audited financial statements for the year ended on March 31, 2023.

1. Financial Results

(₹ in lakhs)

	Standalone		Consolidated	
Particulars	Current year ended 31.03.2023	Previous year ended 31.03.2022	Current year ended 31.03.2023	Previous year ended 31.03.2022
Total Income	3,49,126.36	3,32,791.64	5,15,132.53	4,35,513.34
Less: Total Expenses	2,86,883.20	2,85,978.01	4,27,901.99	3,79,827.13
Profit Before Tax	62,243.16	46,813.64	87,230.54	55,686.22
Less: Tax Expenses	16,262.08	12,128.51	22,588.22	14,431.10
Profit After Tax	45,981.08	34,685.13	64,642.33	41,255.11
Earnings Per Share (₹) - Basic	23.74	17.91	30.40	20.22
Earnings Per Share (₹) - Diluted	22.85	17.36	29.26	19.60
Reserves & Surplus	3,89,303.45	3,44,949.33	4,06,347.80	3,53,745.50
Fixed Assets (Net)	40,146.08	39,853.00	48,258.59	45,345.82
Borrowings	18,30,730.47	18,25,889.15	25,64,059.72	22,89,459.31

2. Share Capital & Net Worth

During FY 2023, no new equity shares were issued.

The Authorised and Paid-up Share Capital of the Company stood at ₹ 42,500 lakhs (Equity - ₹ 22,500 lakhs and Preference Share Capital - ₹ 20,000 lakhs) and ₹ 19,370.56 lakhs (Equity Capital) and ₹ 15,000 lakhs (Preference Capital) respectively.

The net worth of the Company is ₹ 3,89,303.45 lakhs against the previous year registering an increase of 12.86%.

3. Dividend

The Board assessed the performance of the Company during the year under review and factored the exceptional performance for the year. Your Board has declared an interim dividend of ₹ 10.78 per equity share of face value of ₹ 10 each for the financial year ended March 31, 2023, on July 25, 2023.

4. Transfer to Reserve Fund

Under section 45-IC of the Reserve Bank of India Act, 1934, Non-Banking Financial Companies are required to transfer a sum not less than 20% of its net profit every year to reserve fund before declaration of any dividend. Accordingly, the Company has transferred an amount of ₹ 9,196.22 lakhs to the reserve fund of the Company.

5. Board of Directors

The Board of your Company has eight directors as on the date of this report. All the directors have varied experience and specialized knowledge in various areas of the Company.

All the directors of the Company have confirmed that they satisfy the 'Fit and Proper' criteria as prescribed under Chapter XI of Reserve Bank of India Master Direction- Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016, as amended, and that they are not disqualified from being appointed/continuing as Directors in terms of Section 164(2) of the Act.

The details on the number of Board/Committee Meetings held are provided in the Report of the Directors on Corporate Governance, which forms part of this Report.

a) Changes in Directors and Key Managerial Personnel during the FY 2022-23

Appointment

Mr. Badal Chandra Das (holding DIN: 09758076), was appointed as the Additional Independent Director on the Board of the Company w.e.f December 01, 2022. Subsequently, the members of the Company at the Extra-Ordinary General Meeting held on February 28, 2023 regularised his appointment as Independent Director for a period of three years w.e.f February 28, 2023.

Mr. Ravi Ramchandran (holding DIN: 10048011), was appointed as Independent Director on the Board of the Company for a period of three years w.e.f February 28, 2023 pursuant to the resolution passed by the members of the Company on February 28, 2023.

The following persons are the Key Managerial Personnel of the Company:

Mr. Thomas John Muthoot - Managing Director

Mr. Thomas Muthoot - Executive Director and Chief Financial Officer

Mr. Sachu Sivas - Company Secretary

Mr. Sachu Sivas was appointed as the Company Secretary and Compliance Officer of the Company w.e.f June 02, 2022, pursuant to section 203 of the Companies Act, 2013.

b) Meetings of the Board

Details of various meetings of the Board are given in the Report on Corporate Governance which forms part of this Report.

c) Directors Liable to retire by rotation

Mrs. Preethi John Muthoot (holding DIN: 00483799), Director of the Company will retire at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The Board of Directors recommends the re-appointment of Mrs. Preethi John Muthoot as director of the Company.

d) Woman Director

Pursuant to the provisions of section 149 of the Companies Act, 2013, the Company shall have at least one Woman Director in the Board. Your Company has Mrs. Preethi John Muthoot, as Woman Director on the Board.

e) Declaration by Independent Director(s) and re- appointment, if any

The Company has 4 Independent Directors on the Board. The Independent Directors have also confirmed that they satisfy the criteria of independence as provided under section 149(6) of the Companies Act, 2013. The Independent Directors have complied with the Code of Conduct as prescribed under Schedule IV of the Companies Act, 2013.

Mr. A. P. Kurian and Mr. A Vikraman were re-appointed as independent directors for a further term of 5 years with effect from November 01, 2019, as per the provisions of section 149 of the Companies Act, 2013.

Mr. Badal Chandra Das and Mr. Ravi Ramchandran were appointed for a term of three consecutive years with effect from February 28, 2023 and whose office shall not be liable to retire by rotation.

6. Resource Mobilisation

i) Perpetual Debt

During the year under review, the Company has issued Unsecured, Rated, Unlisted, Redeemable Perpetual Debt Instruments (PDI) in the nature of Debentures amounting to ₹ 100 crore. As of March 31, 2023, the outstanding PDI stood at ₹ 499 crore, which was considered as Tier I & Tier II capital under the guidelines issued by the Reserve Bank of India (RBI) for the purpose of computation of capital adequacy of the Company.

The PDI has been assigned the rating of CRISIL A/Stable by CRISIL and BWR A+/Stable by Brickwork. PDI is subordinated to the present and future senior indebtedness of the Company and is perpetual in nature with a call option after 10 years from the date of issue. The PDIs issued by the Company consists of listed and unlisted instruments.

During the year, CRISIL has upgraded the rating for the Company's PDIs from CRISIL A-/ Stable to CRISIL A/Stable.

The Company has been regular in its payment obligations towards PDI.

ii) Subordinated Debt

During the year under review, the Company has issued Unsecured, Rated, Unlisted and Redeemable, Non-Convertible Subordinated Tier II Debentures amounting to ₹ 250 crore. The total outstanding Subordinated Debt as on March 31, 2023 was ₹ 1797.45 crore (Net of Amortization), of which ₹ 730.53 crore was eligible for Tier II capital under the Non-Banking Financial Company-Systemically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

This debt is subordinated to the present and future senior indebtedness of the Company.

It has been assigned a rating of CRISIL AA-/Stable by CRISIL and BWR AA-/Stable by Brickwork. During the year, CRISIL has upgraded the rating for the Company's Subordinated Debt from CRISIL A+/Stable to CRISIL AA-/Stable.

The Company has been regular in its payment obligations towards the Subordinated Debt.

iii) Non-Convertible Debentures

Your Company has successfully completed its 15th issue of Non-Convertible Debentures (NCDs) through public issue during the FY 2022-23 and has raised an aggregate of ₹682 crore through public issue of NCDs during the year ended March 31, 2023.

The NCDs have been assigned the rating of AA-/Stable by CRISIL and BWR AA-/Stable by Brickwork. The Company's NCDs issued through public issue are listed on BSE Limited.

During the year, CRISIL has upgraded the rating for the Company's NCDs from CRISIL A+/ Stable to CRISIL AA-/Stable.

The Company has been regular in its payment obligations towards the NCDs.

iv) Bank Finance

Bank Finance remains an important source of funding for your Company. Commercial Banks continued their support to your Company during the financial year. As at March 31, 2023, the total loans outstanding from banks, net of adjustments on account of effective rate of interest amounted to ₹12,498.15 crores as compared to ₹ 11,535.67 crores as at March 31, 2022. These Bank Loans have been assigned the highest rating of CRISIL AA-/Stable by CRISIL.

v) Commercial Paper

As on March 31, 2023, there are no outstanding Commercial Papers issued by the Company.

7. Credit Rating

CRISIL Ratings Limited ('CRISIL') has upgraded its long-term ratings and stable outlook on Company's instrument(s) on October 18, 2022. The following are the credit rating obtained by the Company as on March 31, 2023:

Type of Instrument	Credit Rating Agency	Ratings
Short Term Rating - Commercial Paper	CRISIL	CRISIL A1+
	BRICKWORK	BWR A1+
Long Term Rating - Bank Facilities	CRISIL	CRISIL AA-/Stable
	BRICKWORK	BWR AA-/Stable
Perpetual Debt Instruments	CRISIL	CRISIL A/Stable
	BRICKWORK	BWR A+/Stable
Subordinate Debt	CRISIL	CRISIL AA-/Stable
	BRICKWORK	BWR AA-/Stable
Non-Convertible Debentures (NCD)	CRISIL	CRISIL AA-/Stable
	BRICKWORK	BWR AA-/Stable
MLD	CRISIL	CRISIL PPMLD AA- /Stable

8. Deposits

The Company is a Non-Deposit taking Systemically Important Non-Banking Financial Company and has not invited or accepted any deposit pursuant to the regulations of the Reserve Bank of India as on March 31, 2023. The Company has passed a Board resolution for non-acceptance of deposits from the public.

9. Employee Stock Option Scheme (ESOS)

The shareholders of the Company at their meeting held on July 13, 2018, had given their approval to introduce and implement "Employees Stock Option Plan 2018" (ESOP) and "Stock Appreciation Rights 2018" (SAR) and empowered the Nomination & Remuneration Committee of the Company for the administration of the said ESOP process. Based on the approval from the shareholders, the Nomination & Remuneration Committee at its meeting held on July 19, 2022, approved the grant of ESOP to the employees. Based on the approval from the Nomination & Remuneration Committee, the Company had issued the first grant of ESOP to the eligible employees on August 30, 2022.

The disclosure required under Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is annexed to this Report as **Annexure I**.

10. Capital Adequacy Ratio (CAR)

As of March 31, 2023, the CAR stood at 21.34%, of which Tier I capital was 16.48% and Tier II capital was 4.86%. As per regulatory norms, the minimum requirement for the CAR is 15% of its aggregate risk weighted assets on the balance sheet items and of risk adjusted value of the off-balance sheet items. For gold loan companies the minimum Tier I capital shall be 12%.

11. Subsidiaries/ Associates/ Joint Ventures

As on March 31, 2023, your Company had three subsidiaries namely Muthoot Microfin Limited, Muthoot Housing Finance Company Limited and Muthoot Pappachan Technologies Limited.

Muthoot Microfin Limited (MML) is the microfinance arm of Muthoot Pappachan Group and a subsidiary of the Company. MML is one of the leading and fast-growing microfinance institutions (NBFC-MFI) in India.

Muthoot Housing Finance Company Limited (MHFCL), is a subsidiary of the Company. MHFCL caters mainly to the housing finance requirements of customers in the middle and lower-income category.

Muthoot Pappachan Technologies Limited (MPTL) is the IT Division of the Group and a subsidiary of the Company. MPTL is providing IT support to the group companies.

Company's subsidiaries have contributed commendably to the overall growth of your Company during the year. As required under section 136 of the Companies Act, 2013 ("the Act"), the audited financial statements, including the consolidated financial statements of your Company are available on the website of the Company.

12. Financial Performance of Subsidiaries

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

The Company has no associates and joint venture companies.

The key financial numbers of the subsidiaries of the Company as on March 31, 2023, are as follows:

(₹ in lakhs)

Name of the Subsidiary	Muthoot Housing Finance Company Limited	Muthoot Microfin Limited	Muthoot Pappachan Technologies Limited
Total Operating Revenue	22,167.63	1,42,876.42	1,919.15
Non-Operating Revenue	-	1,757.99	52.00
Total Revenue	**22,167.63**	**1,44,634.41**	**1,971.15**
Total Expenses	**18,687.77**	**1,23,347.29**	**1,750.76**
Profit Before Tax	**3,479.86**	**21,287.12**	**220.39**
Tax Expenses	891.53	4,898.18	181.66
Profit After Tax	**2,588.33**	**16,388.94**	**38.73**

13. Prevention, Prohibition and Redressal of Sexual Harassment of Women at the Workplace

The Company has adopted a stringent policy on prevention, prohibition and redressal of sexual harassment of women at the workplace in line with provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

The Company has set up an Internal Complaints Committee (ICC) as required under the said Act to redress the complaints pertaining to sexual harassment. All employees (viz., permanent, contractual, temporary, trainees) are covered under this policy. Any complaint received by the ICC shall be dealt appropriately in accordance with the policy and applicable laws and regulations as provided in the Act.

The Annual Report of Internal Complaints Committee for the calendar year ended December 2022 was submitted to the office of District Collector, Trivandrum on January 07, 2023.

Details of cases reported to Internal Complaints Committee during the FY 2022-23 are as under:

Number of complaints pending at the beginning of the FY 2022-23	0
Number of complaints reported during the FY 2022-23	1
Number of complaints disposed of during the FY 2022-23	1
Number of complaints pending as on end of the FY 2022-23	0

14. Operations & Change Management

Operations are the backbone of the Company's internal and external service delivery. The Company's operations service delivery is managed out of its Head Office (HO) at Trivandrum. As the business is divided into 14 zones across the country, the business structure in each zone is supported by respective functions too, including operations with a Zonal Operations Manager.

At the HO, service delivery to branches and customers is delivered 24x7 by way of availability of team members who 'Work From Home' (WFH) or are designated as 'Anchor at HO' on days when HO is not working. This coupled with the Zonal Operations structure has resulted in a regularly active 'Business Continuity Plan' (BCP) in today's competitive and challenging environment for a disruption-free service delivery.

Operations strives to adopt an empathetic approach to drive efficiencies and best-in-class service delivery. It supports launch of new products and services with a 'project management' approach. It continuously explores opportunities to improve service delivery and cost efficiency through process improvements and technology enablement.

Quality Control is a key focus area within Operations to imbibe a culture of service delivery with quality without compromising on controls. Regular knowledge assessments and trainings are carried out within the operations unit for ensuring a consistently high level of service delivery and adherence to internal controls and guidelines.

Internal controls are reviewed continuously so that risks are well managed. End-to-end processes are regularly reviewed to reduce errors, automate manual processes, improve processing cycle times, and manage costs efficiently.

Operational risks which can result in a loss because of inadequate or failed internal processes, people or systems or normal external events are regularly reviewed to ensure an appropriate and controlled operating environment. Every new product or process, before being implemented, is subject to a rigorous process and control, and appropriate approvals are obtained where relevant risks are identified.

As on March 31, 2023, the Company had 3,619 Branches spread across 24 States/Union Territories as detailed below and serving 1,25,000+ customers a day on an average.

Sl. No.	State/ Union Territory	No. of Branches
1	Andaman & Nicobar	4
2	Andhra Pradesh	344
3	Assam	3
4	Bihar	9
5	Chattisgarh	2
6	Delhi	110
7	Goa	11
8	Gujarat	116
9	Haryana	74
10	Himachal Pradesh	2
11	Jammu & Kashmir	1
12	Jharkhand	7
13	Karnataka	549
14	Kerala	759
15	Madhya Pradesh	46
16	Maharashtra	193
17	Orissa	56
18	Punjab	78
19	Rajasthan	65
20	Tamil Nadu	784
21	Telangana	251
22	Uttar Pradesh	62
23	Uttarakhand	5
24	West Bengal	88
	Total	**3619**

The branch business structure is designed in a manner to deliver optimum results. A cluster of 12-15 branches reports to an Area Manager (AM). 4-5 such AMs in turn report to a Regional Manager who reports to a Zonal Head. The AM is responsible for all the activities of the branches, be it Business, Operations, Human Resources or Administration. Branch performance is objectively measured with a monthly Branch Score Card. This score card has become the fulcrum of the branch business performance across its hierarchy which helps the Company to monitor and measure branch performance and introduce appropriate measures for improvements. Effective from April 01, 2023, we have introduced Individual Score Card for analysing the productivity of each employee. This will help to ensure focussed approach of each employee to achieve the organisation goal.

Some of the key initiatives implemented by Operations Department in the financial year were:

i) Continuous improvement in branch business performance and profitability with simple and efficient processes;

ii) Implemented a state-of-the-art Leads and Sales Management platform as part of the Company's strategic objective of Automation and Digitization to enhance branch productivity thereby resulting in improved branch business and profitability;

iii) Implemented integrated Core Gold Loan (CGL) platform in 500 branches. This CGL is slated to empower the branches with the latest technology to deliver seamless products and service to customers, balanced with appropriate risk management controls, keeping in mind RBIs mandate to NBFCs to implement Core Financial Services Solution; and

iv) Multiple initiatives for improving the Digital offerings to customers include:

- 24x7 Express Gold Loan on Muthoot Blue App, Muthoot Website and on the Call Centre IVR.
- Implementing all modes of repayment across all the channels for ease of customer – Debit Card, Net Banking, UPI, QR Code, Wallets.

15. Policies on appointment of Directors and Remuneration

In accordance with section 178 and other applicable provisions, if any, of the Companies Act, 2013, the Company has formulated the Nomination and Remuneration Policy on March 27, 2015. The said policy is available on the website of the Company at www.muthootfincorp.com.

The said policy covering the Company's policy on appointment and remuneration of Directors, Key Managerial Personnel and other employees including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178 of the Companies Act, 2013.

The directors affirm that the remuneration paid to the Directors is as per the terms laid down in the said policy of the Company.

16. Disclosure of Remuneration

The disclosures required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing, inter-alia, the ratio of remuneration of directors to median remuneration of employees, percentage increase in the median remuneration, are annexed to this Report as **Annexure III**.

The Managing Director and Executive Director & CFO of the Company as per the terms of their appointment, do not draw any commission or remuneration from any of the subsidiaries of the Company. Hence, no disclosure as required under section 197(14) of the Act has been made.

17. Particulars of Employees

In accordance with section 136 of the Act, the financial statements are being sent to the members and others entitled thereto. The statement containing the particulars of top ten employees as prescribed under Rule 5(2) and 5(3) of the

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is available for inspection of the shareholders at the ensuing Annual General Meeting (AGM). If any member is interested in obtaining a copy, such member may send an e-mail to the Company Secretary at cs@muthoot.com.

18. Significant and Material Orders passed by the Regulators or Courts or Tribunals

During the year, no significant or material orders were passed by any regulator or court or tribunal against the Company impacting the going concern status and the Company's operations in future.

19. Frauds reported to the Audit Committee by Auditors

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

20. Particulars of Contracts or Arrangements with Related Parties

The Board of Directors of your Company has put in place a policy for related party transactions. All contracts executed by the Company during the financial year, with related parties, were on arm's length basis and in the ordinary course of business. All such related party transactions were entered into in accordance with the said policy on Related Party Transactions of the Company. All related party transactions were placed before the Audit Committee and Board for review and approval.

All transactions or arrangements with related parties referred to in Section 188 (1) of the Act, entered into during the year were on arm's length basis or were in the ordinary course of business or with approval of the Audit Committee and Board. During the year, your Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the Act. Further, there were no material related party transactions that required approval of shareholders. There were no transaction requiring disclosure under section 134(3)(h) of the Act. Hence, the prescribed Form AOC–2 does not form a part of this Report.

Details of other related party transactions are provided in the notes to the financial statements.

The Company's policy on dealing with Related Party Transactions is available on its website at www.muthootfincorp.com

21. Vigil Mechanism/ Whistle Blower Policy

The Company's Whistle Blower policy provides a mechanism under which an employee/director of the Company may report unethical behaviour, suspected or actual fraud, violation of code of conduct and personnel policies of the Company. The Vigil Mechanism ensures standards of professionalism, honesty, integrity, and ethical behaviour.

22. Fair Practices Code

The Company has framed a Fair Practices Code (FPC) as per the provisions contained in Chapter VI of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

The FPC is also reviewed at frequent intervals to ensure its adequacy and appropriateness.

23. Customer Grievance

The Company has a dedicated Customer Grievance Cell for receiving and handling customer complaints and ensuring that the customers are always treated fairly and without bias. All issues raised by customers are dealt with courtesy and resolved expeditiously.

24. Investor Education and Protection Fund

During the FY 2022-23, the Company has transferred the following unclaimed amounts to Investor Education and Protection Fund ("IEPF"):

Secured Debentures (Retail):	**Amount in ₹**
Sum of matured debentures	19,42,000
Interest on matured debentures	2,20,730
Non-Convertible Debentures (Public Issue):	
Sum of matured debentures	1,50,000
Interest on matured debentures	59,170

These amounts were unclaimed for seven consecutive years were transferred to IEPF as per the requirements of IEPF Rules. No claim will lie on Company on account of these unclaimed amount after the same is transferred to IEPF.

25. Details of gold auction conducted during the FY 2022-23

Particulars	Amount (₹ in lakhs)
Number of accounts auctioned	1,62,548
Outstanding amount:	
Principal	58,161.27
Interest and charges	19,676.56
Value fetched under auction	82,502.34

Muthoot Exim Private Limited, a sister concern participated in some of the gold auctions conducted during the FY 2022-23.

26. Particulars of Loans, Guarantees, or Investments under Section 186 of the Act

Pursuant to section 186(11)(a) of the Act read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loan made, guarantee given, or security provided in the ordinary course of business by a Non - Banking Financial Company (NBFC) registered with Reserve Bank of India are exempt from the applicability of provisions of section 186 of the Act.

The Company has not made any investments not permitted under sub section (1) of section 186 of the Companies Act, 2013.

27. Directors' Responsibility Statement

Pursuant to clause (c) of sub-section (3) of section 134 and sub-section (5) of section 134 of the Companies Act, 2013, and based on the information provided by the management, your directors state that:

a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The accounting policies selected have been applied consistently. Reasonable and prudent judgments and estimates have been made to give a true and fair view of the state of affairs of the Company as at the end of FY23 and of the profit of the Company for the said period;

c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

d) The annual accounts of the Company have been prepared on a going concern basis;

e) The Directors have laid down internal financial controls to be followed by the Company, and such internal financial controls are adequate and were operating effectively; and

f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

28. Auditors and Auditors' Report

a) Statutory Auditors

The Reserve Bank of India vide its circular RBI/2021-22/25, Ref.No.DoS.CO.ARG/ SEC.01/ 08.91.001/2021-22 dated April 27, 2021, issued guidelines for the appointment of Statutory Auditors for NBFCs made applicable from FY2021-22. The circular prescribed joint audit by a minimum of two audit firms for NBFCs with an asset size in excess of 15,000 crore. The circular further prescribed the eligibility criteria for shortlisting / appointment of the Joint Statutory Auditors.

Your Company at the Annual General Meeting held on September 28, 2022 had appointed M/s Krishna and Associates (FRN 001536S), 201 Block A, Nandini Gardens, Fort, Thiruvananthapuram, Kerala - 695 023 as Joint Auditor 1 and M/s Rangamani and Co (FRN 003052S), Rose Gardens, North of Iron Bridge, Alappuzha, Kerala - 688 011 as Joint Auditor 2 for conducting the Audit of the Company for the FY 2022-23 and FY 2023-24 and they shall hold office until the conclusion of the 27th Annual General Meeting.

The Statutory Audit Report for the year ended March 31, 2023, does not contain any qualifications, reservations, adverse remarks, or disclaimer.

b) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s SEP & Associates, Practicing Company Secretaries, as the Secretarial Auditors for the FY 2022-23 to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report issued by the Secretarial Auditors is annexed to this Report as **Annexure IV** and does not contain any qualifications, reservation or adverse remark.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the FY 2022-23 for all applicable compliances as per SEBI Regulations and Circulars/ Guidelines issued thereunder.

The Annual Secretarial Compliance Report was submitted to BSE Limited within 60 days from the end of the financial year.

c) Internal Auditors

The internal audit function provides an assurance to the Audit Committee/Board of Directors and the Senior Management on the quality and effectiveness of the Company's internal controls, risk management and governance related systems and processes.

The Audit Committee on a quarterly basis reviews the internal audit reports based on the approved plan, which includes significant audit observations, corrective and preventive actions. The Committee also reviews adequacy and effectiveness of internal controls based on such reports.

The Head of Internal Audit is responsible for the Internal Audit of the Company in compliance with the RBI's Risk Based Internal Audit (RBIA) Framework for NBFCs dated February 03, 2021.

29. RBI Guidelines

The Company has complied with the Master Direction - Non-Banking Financial Company - Systemically Important

Non-Deposit taking Company and Deposit taking (Reserve Bank) Directions, 2016 prescribed by RBI regarding accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, etc.

30. Secretarial Standards

The Company has complied with the applicable provisions of Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.

31. Cost records and Cost Audit

Maintenance of Cost Records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable for the business activities carried out by the Company.

32. Annual Return

In accordance with the provisions of Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return of FY23 of the Company is hosted on the website of the Company at www.muthootfincorp.com

33. Formal Annual Evaluation

The Company has in place a formal evaluation framework for assessing the performance of Directors comprising of the following key areas:

i) Attendance of Board and its Committee Meetings;

ii) Quality of contribution to Board deliberations, safeguarding the interest of the Company, independence of judgment, level of engagement and contribution;

iii) Strategic perspectives or inputs regarding future growth of the Company and its performance;

iv) Providing perspectives and feedback going beyond the information provided by the Management; and

v) Commitment to shareholders' and other stakeholders' interests.

The evaluation involves self-evaluation by each board member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his/her evaluation.

34. Internal Financial Control

The Company has adequate system of internal control to safeguard and protect from loss, unauthorised use, or disposition of its assets. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with corporate policies.

All the transactions are properly authorised, recorded, and reported to the Management. Internal Audit is carried out in a programmed way and follow up actions are taken to rectify all audit observations. Statutory Auditors of the Company have confirmed the adequacy of the internal control procedures, in their report.

35. Risk Management

Effective risk management is of primary importance to Company's overall operations and is integral to the governance of the Organization. Accordingly, the Company's risk management process has been designed to identify, measure, and mitigate risks in conducting its activities. Risk management is built on a foundation of Company's mission & vision and value proposition. Company strives to serve its customers and all other stakeholders as a trusted partner by responsibly providing financial services that enable growth and economic progress while earning and maintaining the public's trust by constantly adhering to the highest ethical & governance standards.

Company's risk governance framework consists of the policies, standards, procedures and processes through which it identifies, assesses, measures, manages, monitors, reports and controls risks across the Company. It also propagates Company's risk culture and lays out standards, procedures and programs that are designed and undertaken to enhance the Company's risk culture, embed this culture deeply within the Organization, and give employees tools to make sound and ethical risk decisions. Company's risk appetite, which is approved by its Board of Directors, specifies the aggregate levels and types of risk the Board and Management are willing to assume to achieve its strategic objectives and business plan, consistent with applicable capital, liquidity and other regulatory requirements.

The Risk Management in the Organization is designed to act as an independent partner of the business to manage market, credit and operational risk in a manner consistent with its risk appetite. The Enterprise Risk Management Department establishes policies and guidelines for risk assessments, risk management and contributes to controls and tools to manage, measure and mitigate risks taken by the Company. In line with the regulatory requirements, the Enterprise Risk Management Department of the Company is headed by the Chief Risk Officer (CRO).

The key elements of the Company's Risk Management includes:

i) Appropriate policies and procedures approved by the Board of Directors;

ii) Efforts to identify and measure, monitor and report different risks by Risk, Audit and Vigilance teams in ensuring a sound system of internal controls which is consistent;

iii) Identification of Key Risk Indicators (KRIs) for the Company, to assess the different thresholds for High, Medium and Low risk and compilation of the risk profile of the Company and also monitor the direction of risk; and

iv) A robust system of Risk Based Internal Audit (RBIA) as envisaged by the regulator.

36. Corporate Social Responsibility (CSR)

As on March 31, 2023, the CSR Committee of the Company comprises of four directors viz., Mr. A. Vikraman, Chairman, Mr. Thomas John Muthoot, Mr. Thomas George Muthoot and Mr. Thomas Muthoot, members.

The CSR policy of the Company reflects the Company's philosophy and mission to portray its commitment to be a responsible, corporate citizen and presents the strategies and methods for undertaking social programs for the well-being and sustainable development of the local community in which it operates.

The objective of the said policy includes:

i) Build a framework of CSR activities with a philanthropic approach in line with business unit objectives, which also benefits the organization at large;

ii) Shape sustainability for the organization by 'Engaging the Community';

iii) Build a corporate brand through CSR;

iv) For other stakeholders make it "an integral part of the Company's DNA, so much so that it has to be an organic part of the business".

All CSR initiatives are implemented in accordance with the Schedule VII of the Companies Act, 2013. The details of CSR policy of the Company are available on the website of the Company at www.muthootfincorp.com.

The Annual Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Report as **Annexure V**.

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

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

a) **Conservation of Energy:** Your Company being a Non-Banking Finance Company, has no activities involving conservation of energy.

b) **Technology Absorption:** Your Company being a Non-Banking Finance Company, has no activities involving adoption of any specific technology.

c) **Foreign Exchange Earnings and Outgo:** The Company has no foreign exchange earnings. There was an outgo of foreign exchange of ₹ 84.15 lakhs.

38. Management Discussion & Analysis Report and Report of the Directors on Corporate Governance

The Management Discussion & Analysis Report and the Report of the Directors on Corporate Governance form part of this Report.

39. Material Changes and Commitments affecting the financial position of the Company between the end of the financial year to which financial statements relate and the date of the report

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

40. Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016

The Company, in the capacity of Financial Creditor, has not filed any application with National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 during the FY 2022-23.

41. New initiatives

The Company has taken up impactful initiatives and new businesses which will help the Company to navigate into future, such as:

Mortgage business: Company made foray into retail mortgages business head quartered at Chennai.

Digital Arm: Muthoot FinCorp One (One Muthoot) has been set up, based out of Bangalore.

Vyapar Mitra: Our unique MSME offer - targeting the MSME, especially retailers relaunched with superior credit, process reengineering and technology.

Alternate sales channel: we have kickstarted an outbound channel for our Branch Business, which is an added strength for our Branch Business Model which has been built on Sales Through service model.

Focus on Forex and Money Transfer: Retail Cross Border Transactions on the rise, we have got out focus right on this fee business and backed by modern technology platform.

Technology: Core Gold Loan implementation started.

Data Platform: 1st phase of putting data together has been completed. All branches and business performance are completely data and dashboard driven.

Human capital front: New state-of-the-art tech platform People Strong implementation has been completed.

On the treasury front: We have added 4 new lending institutions during FY'23.

We strongly believe that these are decisive initiatives which will help us to navigate into future.

42. Human Resources

As on March 31, 2023, the Company had 17,899 employees on its rolls at various levels of organizational structure.

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

Disclosure pursuant to Part A of Schedule V read with Regulation 53(f) of SEBI Listing Regulations is annexed to this Report as Annexure VI.

44. Acknowledgement

Your Board is grateful for the continued guidance and cooperation extended by the Reserve Bank of India, Securities and Exchange Board of India (SEBI), the Central Government, the State Government, the Registrar of Companies, Kerala, BSE Limited and the depositories and other regulatory authorities. Your Board wishes to place on record its deep appreciation of the Independent Directors of your Company for their immense contribution by way of strategic guidance, sharing of knowledge, experience and wisdom, which help your Company take right decisions in achieving its business goals.

The Board takes this opportunity to express their sincere appreciation for the excellent patronage received from the Banks and other Financial Institutions. Your Board appreciates the relentless efforts of the employees, and the Management Team in achieving a commendable business performance despite a challenging business environment. The Board further places on record its appreciation of the valuable services rendered by M/s Krishnan Retna & Associates, M/s Rangamani & Co., Joint Statutory Auditors and M/s. SEP & Associates, Company Secretaries, Secretarial Auditors. Your Board takes this opportunity to thank all its Stakeholders including Shareholders, Debenture holders, Customers and Vendors as it considers them essential partners in progress.

For and on behalf of the Board of Directors

	Sd/-	**Sd/-**
	Thomas John Muthoot	**Thomas George Muthoot**
Place: Thiruvananthapuram	**Managing Director**	**Director**
Date: September 14, 2023	**DIN:00011618**	**DIN: 00011552**

Annexure I

Disclosure under Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014

Particulars	MFL Employee Stock Option Scheme 2018	MFL Employee SAR Scheme 2018
a) Options granted	8,64,566	12,42,793
b) Options vested	Nil	Nil
c) Options exercised	Nil	Nil
d) Total number of shares arising as a result of exercise of option	Nil	Nil
e) Options lapsed / cancelled	76,647	79,201
f) Exercise price (INR in Rs.)	100.00	225.00
g) Variation of terms of options	Nil	Nil
h) Money realized by exercise of options (INR in Rs.)	Nil	Nil
i) Total number of options in force as on March 31, 2023	7,87,919	11,63,592
j) Employee wise details of options granted to:		
(i) Key Managerial Personnel	Nil	Nil
(ii) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	Mr. Shaji Varghese, Chief Executive Officer of the Company was granted 300,000 options during the FY 2022-23	Nil
(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil	Nil

Annexure II

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part A: Subsidiaries

(₹ in lakhs)

1.	Name of the subsidiary	Muthoot Housing Finance Company Limited	Muthoot Microfin Limited	Muthoot Pappachan Technologies Limited
2.	The date since when subsidiary was acquired	08-08-2012	15-01-2014	29-05-2013
3.	Reporting period for the subsidiary concerned, if different from the Holding company's reporting period	NA	NA	NA
4.	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA	NA
5.	Share Capital	7,358.11	14,019.75	5.00
6.	Reserves & Surplus	18,929.64	1,48,565.14	23.17
7.	Total Assets	1,60,278.35	8,52,919.86	1,911.80
8.	Total Liabilities	1,60,278.35	8,52,919.86	1,911.80
9.	Investments	3,316.67	6,335.87	-
10.	Turnover	22,167.63	1,44,634.41	1,971.15
11.	Profit Before Taxation	3,479.86	21,287.12	220.39
12.	Provision for Taxation	891.53	4,898.18	181.66
13.	Profit After Taxation	2,588.33	16,338.94	38.73
14.	Proposed Dividend	NIL	NIL	NIL
15.	% of shareholding	80.66	72.36	60.00

Part B: Subsidiaries

1.	Name of the associates/ joint venture	NIL
2.	Latest audited balance sheet date	NA
3.	Date on which the associate/joint venture was associated/acquired	NA
4.	Shares of associate/joint ventures held by the Company on the year end	NA
5.	Description of how there is significant influence	NA
6.	Reason why the associate/joint venture is not consolidated	NA
7.	Net worth attributable to shareholding as per latest audited balance sheet	NA
8.	Profit / Loss for the year	NA
	i. Considered in Consolidation	NA
	ii. Not Considered in Consolidation	NA

Note:

1. Names of subsidiaries, associates or joint ventures which are yet to commence operations: NIL
2. Names of subsidiaries, associates or joint ventures which have been liquidated or sold during the year: NIL

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

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

Date: September 14, 2023

Annexure III

Remuneration details under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended for the financial year ended March 31, 2023

Sl. No.	Name of Director/Key Managerial Personnel	Category	Ratio of remuneration of each Director to median remuneration of employees	% Increase in remuneration in FY 2022-23
1.	Thomas John Muthoot	Managing Director	1,218.35	20.00
2.	Thomas Muthoot	Executive Director & Chief Financial Officer	1,218.35	20.00
3.	Thomas George Muthoot[1]	Director	244.89	19.76
4.	Preethi John Muthoot[2]	Director	1.12	10.00
5.	A. P Kurian	Independent Director[2]	1.32	(7.14)
6.	A. Vikraman	Independent Director[2]	1.32	(18.75)
7.	Badal Chandra Das[3]	Independent Director[2]	0.51	Not Comparable
8.	Ravi Ramchandran[4]	Independent Director[2]	0.10	Not Comparable
9.	Sachu Sivas[5]	Company Secretary	3.57	Not Comparable

[1] The amount of commission paid to Thomas George Muthoot is fixed at 1% of profit and sitting fee is paid to him for attending Board and/or Committee meetings.

[2] Independent directors and Preethi John Muthoot were paid sitting fees for attending Board and/or Committee meetings.

[3] Not comparable since he is appointed as an independent director w.e.f. December 01, 2022.

[4] Not comparable since he is appointed as an independent director w.e.f. February 28, 2023.

[5] Not comparable since he is appointed as the Company Secretary w.e.f. June 02, 2022.

Notes on disclosures under Rule 5(1)

i) % increase in the median remuneration of employees in the FY 2022-23: 5.75

ii) Number of permanent employees on the rolls of the Company as on March 31, 2023: 17,899

iii) For employees other than managerial personnel, the average increase made in the remuneration was 8.04%. The average increase in remuneration for managerial personnel in FY 2022-23 was 20.00%. Percentage increase in remuneration of managerial personnel has been determined based on the performance of the Company.

iv) The remuneration paid as above was as per the Remuneration Policy of the Company.

Annexure IV

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year Ended 31.03.2023

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Muthoot Fincorp Limited
Muthoot Centre, TC No. 27/ 3022,
Punnen Road, Thiruvananthapuram
Kerala 695001

We, SEP & Associates, Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Muthoot Fincorp Limited** [CIN: **U65929KL1997PLC011518**] (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **Company's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2023**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have conducted verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2023, according to the provisions of:

(i) The Companies Act, 2013 (the Act) as amended and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent applicable.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):

  a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable during the audit period)

  b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;

  d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable during the audit period)

  e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 as amended

g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

h) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009; (Not applicable during the audit period)

(vi) As informed to us, the following Regulations and Guidelines prescribed under the Reserve Bank of India Act, 1934 applicable to Non-Banking Financial Companies (Non-Deposit Accepting or Holding) are specifically applicable to the Company:

a) Non- Banking Financial Company Returns (Reserve Bank) Directions, 2016;

b) Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;

c) Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016;

d) Reserve Bank of India (Know Your Customer (KYC) Directions, 2016;

e) Reserve Bank Commercial Paper Directions, 2017;

f) Master Direction – Information Technology Framework for the NBFC sector dated June 08, 2017;

g) Scale Based Regulation (SBR): Revised Regulatory Framework for NBFCs;

h) Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)

(vii) The Prevention of Money Laundering Act, 2002 and the Regulations and Bye-laws framed thereunder;

(viii) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder;

(ix) Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Rules made thereunder;

(x) Employees' State Insurance Act, 1948 and Rules made thereunder.

We have also examined the compliance with the applicable clauses of the following:

(i) Secretarial Standard relating to Board (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

(ii) The Debt Listing agreement entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- Some delays have been noticed in the filings made to the regulatory authorities, particularly the Reserve Bank of India during the period under review. We have noticed that such delays have been sufficiently addressed by the Board by taking note of the same in the Board Meetings.
- The Company failed to submit prior intimation to BSE about the board meeting held on April 26,2022 and had to pay a fine of Rs.5000/- for the non-compliance as per Regulation 50 (1)(d) of SEBI (Listing Obligations and Disclosure Requirements 2015). We have noticed that such delays have been sufficiently addressed by the Board by taking note of the same in the Board Meetings.

In respect of other laws specifically applicable to the Company we have relied on information/ records produced by the Company during the course of our audit and the reporting is limited to that extent.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the year Mr. Badal Chandra Das and Mr. Ravi Ramchandran were appointed as Independent Non-Executive Directors as on 01.12.2022 and 28.02.2023 respectively.

Adequate notice is given to all directors to schedule the Board Meetings in compliance with the provisions of Section 173(3) of the Companies Act, 2013, agenda and detailed notes on agenda were sent at least seven days in advance. Where the same were given at Shorter Notice less than 7 (seven) days, proper consent thereof were obtained. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Further, the Company had initiated steps to put in place a Code of Practices and Procedures for Fair Disclosure of UPSI as prescribed under Regulation 8 (1) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

We further report that during the audit period, allotment of the following securities has taken place:

SL. No.	Method of Issue	Date of Allotment	Particulars
1.	Private Placement	12/07/2022	250 Rated Unlisted Perpetual Debt Instruments having face value of Rs. 10,00,000/- each amounting to a total of Rs. 25,00,00,000/- (Rupees twenty-five crores only).
2.	Private Placement	13/07/2022	2,500 Rated Unlisted Unsecured Subordinated Non- Convertible Redeemable Debentures of Rs. 1,00,000/- (Rupees one lakh) each amounting to Rs. 25,00,00,000 (Rupees twenty-five crores only).
3.	Private Placement	18/07/2022	2,500 Rated Unlisted Unsecured Subordinated Non- Convertible Debentures of Rs. 1,00,000/- (Rupees one lakh only) each amounting to Rs. 25,00,00,000/- (Rupees twenty-five crores only)
4.	Public Issue	06/09/2022	Listed Secured Redeemable Non-Convertible Debentures of Rs. 1,000 (Rupees one thousand) each amounting to Rs. 3,988,419,000/-
5.	Private Placement	20/09/2022	2,500 Rated Unlisted Unsecured Subordinated Non- Convertible Debentures of Rs. 1,00,000/- (Rupees one lakh) each amounting to Rs. 25 crores.
6.	Private Placement	23/09/2022	500 Rated Unlisted Perpetual Debt Instruments having face value of Rs. 5,00,000/- each amounting to a total of Rs. 25,00,00,000/- (Rupees twenty-five crores only).
7.	Private Placement	30/09/2022	2,500 Rated Unlisted Unsecured Subordinated Non- Convertible Debentures of Rs. 1,00,000/- (Rupees one lakh) and a further issue price of 1,00,275.07/- (Rupees one lakh two hundred and seventy-five rupees and seven paisa only) each amounting to Rs. 25,06,87,675/- (Rupees twenty-five crores six lakhs eighty-seven thousand six hundred and seventy-five only)
8.	Private Placement	05/12/2022	5,000 Rated, Unlisted, Unsecured, Subordinated Non-Convertible Debentures of Rs 1,00,000/- (Rupees one lakh) each amounting to Rs 50,00,00,000 (Rupees fifty crores only)
9.	Private Placement	15/12/2022	5,000 Rated, Unlisted, Unsecured, Redeemable, Taxable, Subordinated Non-Convertible Debentures of Rs 1,00,000/- (Rupees one lakh) each amounting to Rs 50,00,00,000 (Rupees fifty crores only)

SL. No.	Method of Issue	Date of Allotment	Particulars
10.	Public Issue	02/02/2023	28,31,638 Listed Secured Redeemable Non-Convertible Debentures of Rs. 1,000 (Rupees one thousand) each amounting to Rs. 28,31,638,000/-
11.	Private Placement	14/02/2023	5000 Rated Unlisted Unsecured Redeemable Taxable Subordinated Non- Convertible Debentures of Rs. 1,00,000/- (Rupees one lakh only) each amounting to Rs. 50,00,00,000/- (Rupees fifty crores only)
12.	Private Placement	15/03/2023	1000 Rated Unlisted Unsecured Non-Convertible Perpetual Debt Instruments having face value of Rs. 5,00,000/- each amounting to a total of Rs. 50,00,00,000/- (Rupees fifty crores only).

We further report that during the period under review, the following special resolutions were passed by the members of the Company:

Date of Resolution	Legal Provision	Resolution
23/05/2022	Section 42	Issue of Non-Convertible Debentures (NCDs) on private placement basis
23/05/2022	Section 180(1)(c)	Issue of Commercial Paper for the financial year 2022-23
28/09/2022	Section 180(1)(c)	Moneys to be borrowed including moneys already borrowed exceed sum of paid up capital and free reserves
28/09/2022	Section 180(1)(a)	Consent for creation of charge, mortgage, hypothecation on the immoveable and moveable properties of the Company under Section 180(1)(a) of the Companies Act 2013

We further report that during the period under review, the Company redeemed an aggregate of 49,94,695 Non-Convertible Debentures amounting to Rs 1,473.51 crores

We further report that during the audit period there were no instances of:

(i) Issuance of securities including Public/ Right/ Preferential issue of securities other than those mentioned above;

(ii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013 other than those mentioned above;

(iii) Redemption of securities other than those mentioned above;

(iv) Buy-back of securities

(v) Merger/amalgamation/ reconstruction;

(vi) Foreign technical collaborations.

This report is to be read with **Annexure A** of even date and the same forms an integral part of this report.

For SEP & Associates
Company Secretaries
(Peer Review Certificate no. 3693/2023)

UDIN: F003050E000715674

Sd/-
CS Puzhankara Sivakumar
Managing Partner
FCS: F3050 COP: 2210

Place: Kochi
Date: 01.08.2023

ANNEXURE A TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

To
The Members,
Muthoot Fincorp Limited
Muthoot Centre, TC No. 27/ 3022,
Punnen Road, Thiruvananthapuram,
Kerala 695001

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. We have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc., wherever required.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2023 but before issue of the Report.
7. We have considered actions carried out by the Company based on independent legal/professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

For SEP & Associates
Company Secretaries
(Peer Review Certificate no. 3693/2023)

UDIN: F003050E000715674

Sd/-
CS Puzhankara Sivakumar
Managing Partner
FCS: F3050 COP: 2210

Place: Kochi
Date: 01.08.2023

Annexure V

Annual Report on CSR activities for the financial year ended March 31, 2023

1. Brief outline of CSR Policy of the Company

The CSR programs of the Company are bound by the theme **'HEEL'**: **H**ealth, **E**ducation, **E**nvironment, **L**ivelihood. The Company is leading its CSR initiative within the HEEL framework, specifically involving their staff and its customers.

Aligning with its vision, the Company will continue to increase value creation in the community in which it operates, through its services and CSR initiatives planned and implemented by Muthoot Pappachan Foundation (MPF), so as to stimulate well-being for the community, in fulfillment of its role as a responsible corporate citizen.

The objective of the Company's CSR Policy is to:

i) Build a framework of CSR activities with a philanthropic approach in line with its business objectives, which also benefits the organization at large;

ii) Shape sustainability for the organization by 'Engaging the Community;

iii) Build a corporate brand through CSR; and

iv) Make it "an integral part of the Company's DNA, so much so that it has to be an organic part of the business", for its stakeholders.

The over-arching framework of HEEL will not only guarantee consistency but also ensures full compliance with the CSR requirements mandated by the Companies Act, 2013. HEEL will allow the Company to remain focused on selected issues while adopting a systematic and professional approach to its work.

2. Composition of CSR Committee

Sl. No.	Name of Director	Nature of the Directorship	Designation in the Committee	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	A Vikraman	Independent Director	Chairman	1	1
2.	Thomas John Muthoot	Managing Director	Member	1	1
3.	Thomas George Muthoot	Director	Member	1	1
4.	Thomas Muthoot	Executive Director	Member	1	1

3. Web-link where the composition of CSR Committee, CSR Policy and CSR Projects are disclosed on the website of the Company

a) Composition of CSR Committee: https://www.muthootfincorp.com/wp-content/uploads/2023/07/Committees-of-Board.pdf

b) CSR Policy: https://www.muthootfincorp.com/wp-content/uploads/2021/10/CSR-Policy.pdf

c) CSR Projects approved by the Board: https://www.muthootfincorp.com/wp-content/uploads/2021/10/Board-Approved-CSR-Projects-for-FY-2021-22-.pdf

4. **Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:**

   During the financial year, the Company has not carried out any impact assessment study since the average CSR obligation is less than ₹10 crores.

5.

(a) Average net profit of the Company as per sub-section (5) of section 135 (₹ in lakhs)	42,274.45
(b) Two percent of average net profit of the Company as per sub-section (5) of section 135 (₹ in lakhs)	845.49
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years (₹ in lakhs)	401.73
(d) Amount required to be set off for the financial year, if any (₹ in lakhs)	Nil
(e) Total CSR Obligation for the financial year (5e=5b+5c+5d) (₹ in lakhs)	1,247.22

6.

(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) (₹ in lakhs)	452.26
(b) Amount spent in Administrative Overheads (₹ in lakhs)	Nil
(c) Amount spent on Impact Assessment, if applicable (₹ in lakhs)	Nil
(d) Total amount spent for the financial year (6d=6a+6b+6c) (₹ in lakhs)	452.26
(e) CSR amount spent or unspent for the financial year (₹ in lakhs)	393.23

Amount Unspent

	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		**Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135**		
Total amount spent for the financial year (₹ in lakhs)	Amount (₹ in lakhs)	Date of transfer	Name of the Fund	Amount (₹ in lakhs)	Date of transfer
452.26	393.23	28-04-2023	NA	NA	NA

(f) Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (₹ in lakhs)
i.	Two percent of average net profit of the Company as per sub-section (5) of section 135	845.49
ii.	Total amount spent for the Financial Year	452.26
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	401.73
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

7. Details of Unspent CSR amount for the preceding three Financial Years

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (₹ in lakhs)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (₹ in lakhs)	Amount Spent in the Financial Year (₹ in lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (₹ in lakhs)	Deficiency, if any
					Amount (₹ in lakhs)	Date of Transfer		
1.	FY 2021-22	401.73*	401.73	Nil	NA	NA	401.73	-
2.	FY 2020-21	-	-	-	-	-	-	-
3.	FY 2019-20	-	-	-	-	-	-	-

Note: *Transferred to the Unspent CSR Account on 27-04-2022.

8. **Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year:** No

9. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135:** Due to delay in commencement of project, some part of the mandatory spend with respect to ongoing project remained unspent as on March 31, 2023.

Place: Thiruvananthapuram
Date: September 14, 2023

Sd/-
Thomas John Muthoot
Managing Director
DIN:00011618

Sd/-
A Vikraman
Chairman of CSR Committee
DIN: 01978341

Annexure VI

Disclosure pursuant to Part A of Schedule V read with Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sl. No.	Loans and Advances in the nature of loans	Amount Outstanding as at 31.03.2023	Maximum Amount Outstanding during the year
1.	To Subsidiaries	Nil	Nil
2.	To Associates	NA	NA
3.	To Firms/Companies in which Directors are interested (other than 1 and 2 above)	Nil	Nil
4.	Investments by the loanee in the shares of Parent Company and Subsidiary Company when the Company has made a loan or advance in the nature of loan	Nil	Nil

Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity:

Related Party transactions during the year:

(₹ in lakhs)

Particulars	Thomas John Muthoot	Thomas George Muthoot	Thomas Muthoot
Advance for Property refunded	536.96	536.96	514.62
Annuity Insurance	101.80	-	101.80
Commission Paid	-	600.00	-
Dividend Paid	360.19	360.19	360.19
Interest accrued on loans & advances	676.93	676.93	611.11
Interest Paid	154.20	146.04	154.80
Loan advanced from the Company	5,000.00	5,000.00	5,000.00
Purchase of shares of Muthoot Microfin Limited	5,424.85	5,423.44	5,443.41
Remuneration Paid	3,000.00	-	3,000.00
Rent Paid	12.00	18.00	78.18
Repayment of Loan advanced	7,000.00	7,000.00	5,900.00
Revenue from Travel Services	1.54	-	-
Sitting Fee Paid	-	3.00	-

Balance outstanding as at the year-end: Asset/(Liability)

(₹ in lakhs)

Particulars	Thomas John Muthoot	Thomas George Muthoot	Thomas Muthoot
Interest on Loan Receivable	258.08	258.08	258.08
Investment in Debt Instruments	-	(395.00)	-
Loans Advanced	5,000.00	5,000.00	5,000.00
PDI issued	(1,285.00)	(1,055.00)	(1,290.00)
Travel Service Receivables	1.99	-	-

For and on behalf of the Board of Directors

Sd/-
Thomas John Muthoot
Managing Director
DIN:00011618

Sd/-
Thomas George Muthoot
Director
DIN: 00011552

Place: Thiruvananthapuram
Date: September 14, 2023

CORPORATE SOCIAL RESPONSIBILITY (CSR)

HEALTH

As Muthoot Pappachan Foundation strives for the good of society touching the lives of the deserving, our main area of focus is health, where we deal with numerous projects and programmes that enhance the quality of life of common man. In the health sector, flagship projects are the nationwide comprehensive cleft lip and palate surgeries followed by nutritional support, general treatment support and Blue Butterflies project. These supports are earmarking the goodwill of the MPG in the community.

SMILE PLEASE MISSIONS

Muthoot Pappachan Foundation (MPF) started to collaborate with Mission Smile with the CSR program namely 'Smile Please' in October 2014 at Kottayam, Kerala. Ever since the project has been able to serve 2590 free surgeries which is a milestone in the field of cleft surgeries happening for the underprivileged sections of the society in large. In the FY 2022-23, 259 surgeries were successfully completed at the below mentioned locations.

	Location	Month	No of surgeries
1	Gulbarga	July 2022	54
2	Krishnagiri	Aug 2022	50
3	Kolkata	Dec 2022	52
4	Vadodara	Feb 2023	52
5	Vijayawada	March 2023	51
Total			**259**

1) The mission in Gulbarga, Karnataka was conducted in Basaveshwar Teaching and General Hospital (BTGH). There were many cases of Cleft Lip/Palate being unaddressed in the village where the parents were unable to afford surgeries since most of them who reported to us were daily wage workers. We completed 54 surgeries and the backlogs were ensured with nutritional supplements who will be considered for our upcoming missions. The state government was very much supportive towards providing the patient information from Govt Streams and for the successful completion of the project via district health units.

2) 43 surgeries were completed in the missions in Krishnagiri, Tamil Nadu and the backlogs are kept for next upcoming missions. Various government bodies extended support for the mission and in identifying the deserving population for the surgeries. The Mission was inaugurated by Sri Chellakumar MBBS, MP of Krishnagiri Loksabha Constituency. Also present were Mrs Farida Nawab, Municipality Chairman, Krishnagiri, Dr Selvi (President IMA, Krishnagiri District), Dr Sreedhar, Dr Anbalagan and Dr Saravanan (Directors of Arunachala Hospital), Dr HM Krishna, Field Medical Director (Manipal Hospital), Dr Sangram Patro (Principal, Hightech Hospital, Bhubaneswar, Odisha) and Dr Prasanthkumar Nellickal, Head CSR, Muthoot Pappachan Foundation. The MLA of Krishnagiri and other key people of the city also visited the mission during surgery days.

3) 52 surgeries were completed in the FY 2022-23 in Kolkata, West Bengal and it was ensured that the beneficiary population was the most deserving one. The backlogs of each mission will be addressed in the upcoming missions and thereby ensuring consistency in the system. The mission was inaugurated by **South Eastern Railways Chief General Manager Ms. Archana Joshi IRTS** at the SE Central Railways Hospital, Kolkata. Other key people attended includes **Jayanto Narayan Choudhury IPS (Rtd),** former DGP of Assam and Director of National Security Guard (NSG) Mr Bibil Jacob (Zonal Head East, MFL), Dr Prasanthkumar Nellickal (Head – CSR, Muthoot Pappachan Group), Dr (Col) Vijay Langer (Plastic Surgeon, New Delhi), Mr Mihir Kumar Chowdhary (Chief Medical Director, SER Hospital), Mr Conrad Dennis (CEO, Mission Smile) and Dr. Anjana Malhotra (Plastic Surgeon and Medical Director, SER Hospital).

4) 52 surgeries were completed in the Vadodara mission, Gujarat. State health department and Education department extended support in identifying the cleft beneficiaries from the grass root level via their RBSK/NHM units, Sarva Shiksha Abhiyan Mission and Community Health workers. Mr. Nihar Malde (Head- Branch Business) attended the inaugural function of the mission along with other dignitaries.

5) 51 surgeries were conducted in Vijayawada, Andhra Pradesh. Huge backlog was reported and there is a need for further missions in the location. Various govt officials are supporting the project and large number of children need cleft surgeries which was unaddressed. The mission was inaugurated by **District Collector Sri Dilli Rao IAS** in the presence of **Vijayawada Municipal Commissioner Sri Swapnil Dinakaran IAS**, Medical Superintendent of Vijayawada General Hospital Dr Soubhagya Lakshmi, Mission Smile Trustee Dr Ramkumar Venkateswaran, Sri Vinod Kola, Branch Business Head, MFL and Dr Prasanthkumar Nellickal, Head (CSR), Muthoot Pappachan Group. We have medically screened 60+ patients from which 52 received surgery.

The whole mission in a location is narrowed down into 4 significant steps such as:

- Cleft identification and mobilization (through extensive outreach by Muthoot Fincorp branches in the region)
- Medical screening and surgical scheduling
- Surgery and comprehensive care (including psychological intervention, speech therapy, nutrition support etc)
- Post – operative care, review and follow-up.

The process is further divided into various steps and after the mission it is ensured that the patients receive adequate nutritional supplements, and the children are properly taken care of. It is the responsibility of the mission team that the child is brought to normal life post the surgery.

NUTRITIONAL SUPPORT (Part of Smile Please)

As a part of Smile Please, during the follow up sessions it was observed that some of the children who have undergone surgeries are not able to be get adequate nutritional supplements because the parents were finding it difficult to manage the additional expenses. In cases where surgery cannot be done because of malnourishment, child will be provided with additional supplements and later on will be considered for next mission. It is very much important for the child to get additional supplements post-surgery for the speedy recovery and to prevent the child from being malnourished. Nutritional supplements were provided to the child and in some cases where the child is a toddler, the supplement is even provided to the mothers which helps in breast feeding as that directly impacts the child. Awareness on hygiene practices is provided to the child and the family to make sure that the child is taken good care even after the surgery. Breast feeding techniques are made aware to the mothers so that the child is served with breast milk which in sufficient quantity, ensuring that it is given in healthy way, and ensuring to avoid any incidents of choking. Diet chart is also provided in case the family is unaware of the diet to be followed. The follow-up is done every quarter to ensure that the child is progressing in terms of health and the child is getting adjusted to the society after the surgery.

GENERAL TREATMENT SUPPORT

There are a lot of medical cases around us which needs interventions and financial support so that they can lead a happy life like others. MPF takes initiatives for the people who have life threatening illnesses or people who needs financial support for the treatment purposes. The beneficiaries are found with the help of Muthoot Fincorp Branches and maximum possible support is extended to them. This marks a milestone in the speedy recovery of the underprivileged population who are really in need of support. Trauma cases and life-threatening cases are mainly supported. We receive requests from various social forums, hospitals, and other stakeholders regarding support for treatment. MPF intervenes in the life of people who cannot afford expensive treatments and necessary follow-ups.

BLUE BUTTERFLIES (Paediatric Cancer - Treatment Preparedness Support)

Paediatric Cancer is a tragic experience one could have and when it comes to own children the situation is even worse. With the support of registered charitable organisation namely 'Butterfly Cancer Care Foundation' MPF is supporting in the holistic progress of the child affected with cancer either through awareness or financial support. Illness related sufferings have many aspects apart from the actual sickness of patient. Therefore, the organization is helping the family to deal with the medical emergency that they have encountered in a better way possible. Lower middle-income families having paediatric cancer patients are supported with financial aid and provided with emotional support and mental health counselling whenever needed. Muthoot Fincorp branches are continuously in touch with these families even after the support to ensure the child is getting required treatment. There is an active staff engagement process happening in the project. In the case of paediatric cancer immediate response is very much important for the recovery process, hence MPF helps in the initiation of the treatment and follow up services, helping the family in every possible way - emotionally & financially.

KARUTHAL SCHEME - TREATMENT SUPPORT

The initiative is in line with St. Gregorious Medical Mission Hospital, Parumala, that was established in 1975 with a clear vision of providing world class health care to the people who are finding it difficult to pay for the treatment. Not less than 40% of the patient population in the hospital are provided with subsidised rate or free of cost treatments. The service Muthoot is offering through Karuthal scheme is mostly utilized by the deserving people in the locality regardless of their caste, creed, religion, etc. Approximately 1000 patients received support through this scheme during the FY 22-23.

EDUCATION

BHODHINI COUNSELLING CENTRE

The project is in collaboration with an implementing partner Bodhini Metropolis Charitable Trust. The mission of the organization is to create awareness among the women and children population towards safety, both online and offline and to extend support to the victims with special regard to their mental well-being and a life free from fear. The main activities that the organization encounter is creating short films about awareness on online safety and drug abuse. Various campaigns and counselling support were provided to the student population via colleges and schools. Helpline numbers are also circulated for 24*7 services. A total of 180 counselling services were provided with 2454 session count during the FY 22-23. Post sessions Bodhini team also follows up to ensure that the beneficiary is at ease. The services provided by Bodhini reaches out to the customers through the branches. At any time public can reach out to the helping hands of Bodhini.

OTHER EDUCATIONAL SUPPORT

Based on the need, Educational Support is extended to the student population whose parents are not able to support them in the academic purposes. There are bright students who are at the verge of dropping out since the family cannot afford higher education. A total of appox. 50 children were supported in the current FY.

LIVELIHOOD

SUPPORT FOR SPORTS TRAINING THROUGH MPCES - MUTHOOT FOOTBALL ACADEMY

The training is provided under the big umbrella of MPCES (Muthoot Pappachan Centre for Excellence in Sports) and the academy is based at Malappuram district of Kerala. The unique model of the academy is that the children are provided with a residential setting along with the academic growth. Both the academic and sports talent of the children are monitored, and the spirit of the team is maintained well. Currently the academy has 44 kids in the residential wing in various

age group. The team was provided with opportunities to play in various state and national tournaments providing a platform for the kids to showcase their talent. Some of the kids were selected in U17 Indian National Team training camp, Kerala Santosh Trophy team, Kerala U19 team, Khelo India (U18) Kerala state, U17 Kerala state team and U14 Kerala state team as well. The team is gearing up to play in National level tournaments.

MUTHOOT VOLLEYBALL ACADEMY

Muthoot Volleyball Academy is located at Ernakulam District, Kerala and the academy has four centres running in various schools which caters to Mini, Sub Junior and Junior's category. 15 players are residential in the academy and the rest are attending coaching twice on daily basis which clubs to 95 players. Based on the performance of the players they are provided with various opportunities at the state level competitions. Individual attention

is provided for each child and thereby the skill of the player is showcased. 4 centres which are running in the academy includes HMYS HSS Kottuvallikkadu, Muthoot Volleyball Academy Karimpadam, St Joseph – Muthoot Volleyball Academy Kidangoor, Angamaly and Muthoot Volleyball Academy SNV HSS Nandyattukunnam.

BLUE MUTHOOT SPORTS HUB (MPCES SPORTS INFRASTRUCTURE PALAKKAD)

Under the big umbrella of MPCES (Muthoot Pappachan Centre for Excellence in Sports) we aim to build a full-fledged facility in Palakkad District comprising of all the sports projects that we run right now. The facility will be operating in a 16 -acre land with grounds of international standard and other facilities. The facility will be a model for nurturing the sports talents of the children from the very young age.

CRICKET ASSOCIATION FOR THE BLIND IN KERALA

Cricket Association for the Blind in Kerala (CABK) is the sole Association in Kerala which promote and popularize cricket for blind. CABK is a registered association under Societies Registration Act 1860, and is affiliated to CABI which is affiliated to World Blind Cricket Council. It is the result of synergic endeavours of a group of visually challenged people. The aim of the project is to enhance the talent and ability of persons with visual impairment through cricket. Apart from cricket coaching, other activities undertaken includes fitness camp for Kerala Team Cricket players and other interstate invitational cricket tournament in various locations. The milestones set by CABK is known nationwide and still counting. MFL is glad to support CABK in the initiatives taken so far.

RAJASTHAN PROJECT WITH RRF AND JRF

Royal Rajasthan Foundation (RRF) is the CSR wing of Royal Multisport Private Limited. MPF along with Jaipur Rugs Foundation (JRF) and RRF joined for piloting a livelihood project with an aim for skill development and sustainable employment of the local community. MPF joined the venture by contributing to access to the livelihood project by opening avenues for women folk in the state of Rajasthan thereby developing skills and sustainable employment. The main initiative of the project includes financial independency, market linked value chain development, market linked livelihood at doorstep, self-employment through advanced skill development, direct domestic and international market linkages, fair and timely wages, reduction in migration and leadership skill development in weavers. Various social development activities were organized as the part of the project in which the wholehearted participation of the community was observed. We are also focussed on turning artisans into artists, (Manchaha Project) in which it taps the natural design instincts of the artisans and connects their thoughts with customers residing across the world. For the piloting study, MPF management have visited the location and is preparing to take up the initiatives at large. For the piloting study, MPF management have visited the location and is preparing to take up the initiatives at large. Based on the geography, the major challenge observed is the lack of assess to water and hence major programs are planned for reaching out to the community.

VISIT OF DIRECTORS TO SAMARPURA REGION

to meet the women engaged in Rug Weaving

ENVIRONMENTAL, SOCIAL & GOVERNANCE INITIATIVES

I. Corporate Governance

a. Director's Statement

MFL's key objective is to increase financial inclusion of weaker economic segment of society by providing timely small credit to millions of ordinary people and provide them with simple options to save their hard earnings. The bigger purpose of MFL is to contribute to Nation building. The Company's focus on ESG parameters is best reflected through core values that are imbibed in all spheres of activity. The Company is built on the bedrock of Trust and is shaped by core values of Integrity, Collaboration and Excellence.

The Company believes in meeting a critical social objective with an endeavor to provide financial solutions across all income categories. Given the huge shortage of formal lending to the marginalized section, though they contribute significantly to the country's GDP, due to their current lack of information on their credit history, the opportunity for the Company is immense.

The Company has been built on the founding principles of its Founder-Promoter Shri. Pappachan Muthoot's faith in God, Love, Respect and Duty towards humanity and resolute adherence to basic human values and principles. The Group has evolved over three decades and more into a business conglomerate that focuses on the well-being of the people at the lower levels of socio-economic strata, at the very center towards empowering the human ambition of these under-served masses in India.

The Company believes that sound principles of governance are a necessary tool for creating long-term value for all its stakeholders and to promote sustainability. MFL regards respect for human rights as one of its fundamental and core values.

During the year, the Company has increased its pool of resources for on-lending for sustainability initiatives, including financial and gender inclusiveness. In the year 1993, the Wind Farms in Tamil Nadu was established which shows the commitment of the promoters towards environment, society, green and sustainable energy.

The Company undertakes its developmental and welfare activities directly or through the Muthoot Pappachan Foundation (MPF), which is an implementing agency for the CSR activities of the Group.

The Company remains committed to increased disclosures of both, financial and non-financial parameters, which provides a holistic view.

b. Approved Policies and Committees:

The Company's conduct and governance are effectively complied committees for different organizational requirements. The Company has constituted various Committees and framed Policy documents to sustain high level of governance, ethics, and transparency. The various policies and committees comprises of:

- Code of Conduct for Directors and Senior Management,
- Related Party Transactions Policy,
- Whistle Blower Policy,
- Know Your Customer (KYC), Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) PolicyKnow Your Customer (KYC), Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) Policy,
- Social Media Policy,
- Information Security Policy,
- Operations Committee,
- Audit Committee,
- Stakeholders Relationship Committee,
- Asset Liability Committee,
- Risk Management Committee,

- IT Strategy Committee,
- Nomination and Remuneration Committee,
- Corporate Social Responsibility Committee,
- Stock Allotment Committee

c. Independent monitoring of governance

The Company has four Independent Directors on the Board. The Company has received necessary declaration from each Independent Director fulfilling the criteria of independence in compliance with existing legal requirement and the appointment of these Independent Directors are as per legal requirement. The Independent Directors are also governed by the "Code for Independent Directors" of the Company.

d. Code of Conduct for Directors and Senior Management

The Company upholds the standards of governance and is compliant with the Corporate Governance provisions as stipulated by RBI and other laws and regulations.

The Code of Conduct for Directors and Senior Management aligned with Company's core values requires the Board of Directors and Senior Management to act within the bounds of the authority conferred upon them, with a duty to make and keep themselves informed about the development in the industry in which the Company is involved and the legal requirements to be fulfilled. The Code is intended to maintain the high standards of transparency, business conduct, ethics corporate culture, and values, to exercise diligence in action and decision making, to act as a deterrent from unethical doings, to promote ethical values, exhibit strong interpersonal and communication skills, and soundness of judgment in the best interest of the shareholders, creditors, employees, and other business associates, not engage in any activity, business, or relationship in conflict with Company's interest or prejudicial to the Company's interest and not engage in activities that are dishonest or lacking in integrity. The adherence to this Code in every line of decision making has enabled the Company to build a strong foundation of good corporate governance, a standard for all operations across the Company.

II. HCMD

Gender diversity

The Company has 1 Woman Director on the Board and employee gender diversity as on March 31, 2023 is as follows:

Gender	Count	%
Male	9,360	52.30%
Female	8,539	47.70%

Employee well-being and protection of human rights:

- Prevention of Sexual Harassment Policy,
- Bereavement Policy,
- Wedding Gift Policy,
- Education Assistance Program,
- Financial Assistance for Medical Treatment,
- Medical Emergency Response,
- Muthoot Blue Bricks House Construction and Renovation,
- Employees Stock Incentive Plan,
- Policy on Employee Volunteering for CSR.

The Company through these policies offer the employees a forum to exhibit their skills, experience, and competence and facilitate diversity, equality, and inclusiveness for the employees.

Training and Awareness Programs:

All the employees of the Company undergo various training comprising – Learning and Development programs throughout the year. These training programs are provided through combination of offline, virtual classroom initiatives, e-learning module, and e-mail communication.

The training programs undertaken during the year were:

a. Prevention of Sexual Harassment at the Workplace,
b. Information and Cyber Security Awareness,
c. Code of Conduct,
d. Know Your Customer Guidelines,
e. IT protection,
f. Environmental Social and Governance along with Sustainability Development Goals.

There are regular training programs conducted for

a. Orientation and Induction programs for new recruits,
b. Growth, Self-Management and Leadership,
c. Negotiation and Interviewing skills,
d. IT and cyber security,
e. Development of Soft Skills for career progression
f. Mental and Physical well-being

Further multiple advanced workshops were also conducted for enhancing customer centric behavior, mentoring and customer relationship management. Total training man days per employee: 6

Programs acknowledging employee's talent, recognition and reward, career development and their well-being:

People and Culture function plays key role in engaging employees at all levels, keeping them motivated, upskilling and development in alignment to the values and ethos of the Company. The initiatives rolled out by the People & Culture department in 2022-23 to achieve these goals have been listed below, under the 4 sub-functions of

- Employee Experience,
- Learning & Development,
- Centre of Excellence,
- Compensation & Benefit.

The objective of Employee Experience function is to provide a highly professional and engaging experience in all the stages of an employee life cycle starting from sourcing right talent till separation by enabling a vibrant work environment with an aim to be the employer of choice (Great place to work for). The Employee Experience process comprise multiple programs towards the objectives of talent identification, recognition initiative and career development.

The Learning and Development understands requirement of aligning employee career aspirations and organizational goals. Accordingly, it organizes and conducts relevant Learning & Development and Centre of Excellence programs.

The Programs for Learning and Development and Centre of Excellence are inclusive in nature, facilitates employees to understand and align with organizational businesses and culture, providing equal opportunity for both personal well-being and career development.

Details of different programs under Learning and Development and Centre of Excellence offered to employees:

Sl. No	Program Description	Beneficiary Details - Duration Particulars	Program Content
1.	Induction Program: Gurukul	6,227 new joiners 6 days face to face classroom training and 2 weeks branch training	• Company Intro • MFL Products & Process • Group Company Products
2.	Refresher Training – twice	17,765 employees attended one day refresher training program.	• Company's Product and features, • Group Company Product and features • Competitor Landscape and Sales Methods • Customer Relationship and Engagement, • Digital Solutions, • Sales Process
3.	Soft Skills Training	• 5,705 Branch Business and C.O. employees.	
4.	Need-Based Trainings & Assessments	20 Pan-India Trainers	Perspective on Refresher training programs & Management Expectation from Trainers
		13,538 staff comprising BMs and ABMs	Product features, Branch Operations and Process, Incentive and Rewards Program.
		15, 286 staffs comprising BMs, ABMs, Branch Staffs, CSEs, DCs, MSME staff, AMs, RMs, ZHs, Zonal and H.O. employees.	New HRMS training, ESOP/SARs, MSME FinOne, CRM, Digital Champion, MSME induction and Project Arrow.
5.	Knowledge Training and Testing	• All staff – Pan India • BMs, CSEs, Trainers, AMs, RMs, ZHs and Zonal Managers • Probationers	• Information Security, Cyber Security and AML & KYC • Daily Material, 'Do You Know Series', knowledge sharing through 'Announcements' and MFL's digital initiatives - Digital Champions • Confirmation tests

Sl. No	Program Description	Beneficiary Details - Duration Particulars	Program Content
6.	Head Office – Corporate Office Employees Development, Behavioural training, Upgrade, and Engagement Activities	Behavioural trainings and various Functional Workshops were arranged based on respective functional department requirements with training conducted in collaboration with external agencies	Programme on Risk-Based Internal Audit by RBI CAB, HR 40 under FORTY by JOMBAY, MS PowerPoint Training, Session on Root Cause Analysis & Workshop on Influence of Cognitive Bias in Negotiations by CII, Programme on Prevention of Sexual Harassment by NDIM and ISO 27001:2022 Lead Auditor Program by ISACA Trivandrum Chapter
7.	E -Learning	Continuous access to all the Company staff to E-Learning module - LMS	• Product Features • Soft Skill Content • Operational process for customer engagement, support, and service • POSH Content • Legal and Compliance including Fair Practice Code • Cyber Security and Anti-Money Laundering
8.	Digital Learning Portal/ App - Self-Digital learning	Opportunity for an active and consistent learning for all the Company's employees.	• Adoption rate at 75%, more than industry average of 55%. • Monthly test on Products and Process for branch employees and field hierarchy team with an average adoption rate of 85%.
9.	Micro Learning Content	One mailer content for all active learners.	• "Do You Know" daily series based on company products and services. • Weekly mailer on "Integrity and Ethics" content. • "Monday Soch" series. • "Cyber Security" series. • "Business Buzz" mailer on NBFC industry and Indian economy.

Sl. No	Program Description	Beneficiary Details - Duration Particulars	Program Content
10.	Muthoot Blue Health Triangle (MHT)	Employees at Head Office and Business Units	A 3-dimensional framework of Intellectual, Social and Physical development of employees aligning with strategic objectives, Mental Health Awareness We have programs that cover the following topics • Nutrition • Building Emotional Intelligence • Understanding Culture & Purpose • Mindfulness & Self Energy Management • Overcoming Overthinking • Business Communication • Create work life balance • Self Therapy & Anxiety Relief • Effective time Management • Presentation skills for all
11.	Periodic health check-up through private clinics in tie-up with Muthoot		Periodic health check-ups were conducted for the employees
12.	Purpose-driven, Value and Culture-centric Organization	All Muthootians – Conducted throughout the year.	Workshops comprising series of activities as below: • Administration and management of Purpose Committees, • Culture Boot camps to drive organization purpose and values at work.

Sl. No	Program Description	Beneficiary Details - Duration Particulars	Program Content
13.	Talent Development Interventions	Muthoot Blue Varsity Multiple programs	At MFL 'Success' is putting people first. Hence employees of High Potential were Identified and Developed for leadership growth by • **Emerging Managers program:** HIPO program for ABM / CSE / RO / RM / BDE. We will be onboarding 250-300 aspiring candidates. • **Leaders Program:** HIPO program for BM / BBM / BSM. We will be onboarding 75-100 • **I am She:** This is a targeted development journey for 50 women BMs with tenure above 5 years and High-performance rating. • **Game Changers Program:** This is the development journey for AM/RM population. • **Lead X**: Our flagship HIPO journey for functional teams (Manager – AVP roles),

Programs for Learning and Development and Centre of Excellence ensure 'Competency Framework Development' for employees and facilitate an opportunity for succession planning in the organization

Competency Framework: Competency based interview is a proven approach to identify the right talent. Hence, a comprehensive competency framework designed for all levels, keeping in mind the dynamic and challenging business environment, critical roles in all the departments within the organization was framed. It was critical to identify the right talent and have a structured talent selection approach or tool. An exclusive workshop on Competency Based Interview was conducted for HOD's in Corporate Office and the AMs, RMs, and ZH of North Kerala.

Further, a three-dimensional competency development program workshop which delivers six crucial outcomes to enable key supervisory staff to deliver their demanding mandates with five key learning elements which strengthens the learning outcome and aligned to MFL's strategic objectives was also conducted.

Succession Planning: When building a strong Talent Pool, we also aim at having a diverse leadership bench for every leadership role in the organization. It's crucial that we identify individuals' readiness to perform in the role. We consider the current skills and performance, as well as the trajectory of their development, and estimating how many years it will take before they will be ready to fill the role, we have identified for them. **SPEED (Succession Planning with Efficient Employee Development) was initiated to capture the successors at all HO functions.**

Programs to ensure inclusive growth and development of employees from different segments of the society

The Company employee welfare policies play a key and significant role in ensuring that the Company can deliver on its commitments towards its employees, engaging employees at all levels and keeping them motivated, upskilling and development in alignment to the values and ethos of the Company and become an *'Employer of Choice'*. The initiatives of the Company to achieve these goals are *Employee Experience, Learning & Development, and Centre of Excellence, Compensation & Benefit.*

The objective of Employee Experience function is to provide a highly professional and engaging experience in all the stages of an employee life cycle starting from sourcing right talent till separation by enabling a vibrant work environment with an aim to be the employer of choice (Great place to work for). The programs are provided as below:

- **Blue Bricks - Employee Support Scheme for Construction of House** to all eligible employees. Company has rolled out a non-repayable scheme to provide financial assistance of maximum of ₹ 300,000/- for construction of a house in the property owned by them.
- **Employee Support Scheme for Renovation of House** provides financial assistance to eligible and deserving employees for renovation of own house property, a non-repayable scheme wherein eligible employees are entitled to an amount of ₹ 50,000/- only.
- **Financial Assistance for Medical Treatment of Employees:** Scheme to address the exigencies and emergencies arising out of medical situations and accidents applicable for treatment of critical illness and any Medical Emergency on account of critical accidents where insurance coverage is insufficient. Eligibility is restricted to ₹ 75,000/- or 30 percent of the annual CTC for the segment of employees covered which is non-repayable. During the year, an amount of ₹ 8,63,260/- was released to 14 employees.
- **Education Assistance Program:** As part of ensuring "Excellence" in career growth, an Employee Education Assistance Program covers formal and informal learning interventions to enable employees to pursue their education aspirations with financial assistance wherein, eligible employees are re-imbursed 1 month salary for pursuing studies relevant to their assignments and beneficial to the Company.
- **Introducing Employee Stock Incentive Plan (ESIP):** Introduced ESIP, ESOP and SARs to the employees of the Company whether existing or future to enable them to participate in the ownership of the Company. We have issued ESOP and SAR to 2,616 employees during Aug'22, details are as follows:
  - Issued ESOP to 301 employees allotting 8,64,566 stock options
  - Issued SAR to 2,315 employees allotting 12,42,793 stock appreciation rights
- **Blue Fitness:** To enhance the physical health of Muthootians, **Muthoot Blue Gym** became operational in Trivandrum and multiple engagement activities were organised to encourage people to make good use of the Gym for their personal fitness.

1. Mechanism available to receive and redress grievances for the employees

The Company has always believed in open and transparent communication. The employees are encouraged to share their concerns with their Departmental Heads, HR or the members of the senior management. The Company has always followed an open-door policy, wherein any employee irrespective of hierarchy has access to the senior management.

In addition, the Whistle Blower Policy provides formal platform to share grievances on various matters. The details of the grievance mechanism and Whistle Blower Policy are shared with employees through a specific module. New recruits are also sensitized on the Whistle Blower mechanism and forms part of the employee induction program.

Also, HR Help Desk enables employees to share their grievances on various issues faced by them. A total of 1,090 cases have been received during the year.

The Company has a policy on prevention, prohibition, and redressal of sexual harassment of women at the workplace and has Internal Complaints Committee in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy is placed on the Company's website. The committee comprises majority of women members who are responsible for conducting inquiries pertaining to such complaints.

Further, the Company on a regular basis sensitizes its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness program which are held on a regular basis.

2. Details of performance and career development reviews of employees

All employees of the Company undergo an annual performance appraisal process designed by the Company's People & Culture department. Further, the Nomination and Remuneration Committee and the board evaluates the performance of the whole-time directors, members of executive management (one level below the board) and the company secretary on an annual basis.

The underlying philosophy of the performance management system is to have a fair and transparent appraisal system, ensuring an objective methodology to assess each employee's potential and provide for a reward system which recognizes merit. The performance appraisal system has been designed to achieve the following objectives:

a. Review the achievement of annual targets for previous year and give constructive feedback.

b. Provide the employees an opportunity to communicate and interact between the appraiser and appraisee on both the previous year's performance and set targets for the next appraisal period.

c. Reward well performing employees according to their performance merit and for those demonstrating the ability to handle higher responsibilities with promotions/increased job responsibilities.

3. Health and safety management system for the employees

a. Occupational health and safety management system:

The Company's nature of business does not entail any occupational health and safety risks. As overall measure, the Company emphasizes the importance of maintaining a safe and healthy workplace for all employees.

The Company has a policy on health and safety for its employees. Periodic internal communication and alerts are sent out to employees and awareness sessions are conducted on safety related aspects. Employees on a PAN-India basis are given periodic training on basic and advanced fire safety, including evacuation drills. MFL has tie-ups with vendors to educate and demonstrate the use of fire-fighting equipment.

b. Employees have access to non-occupational medical and healthcare services

All the employees of the Company are covered under the Company's health insurance and personal accident policy.

c. Life insurance or any compensatory package in the case of employee's death

The Company provides statutory benefits like provident fund, gratuity, superannuation and employees' deposit linked insurance, as applicable. Further, employee stock options granted vest with the employee's immediate family member/person(s) nominated by such employee. In such circumstances, the Company assists the family in exercising such options. In addition, all employees are covered under GPI (Group Personal Accident) Insurance and the maximum sum assured is five times of Annual CTC.

4. Focal point (Individual/ Committee) responsible for addressing human rights impacts or issues

The CEO of the Company oversees the human resources function in the Company. In addition, the Chief Human Resource Officer (CHRO) under the supervision of Managing Director is responsible for addressing any human rights issues.

a. Internal mechanisms in place to redress grievances related to human rights issues

The Company respects human rights and regards it as one of its fundamental core values and strives to support, protect, and promote human rights to ensure that fair and ethical business and employment practices are followed.

The Company is committed to maintain a safe and harmonious business environment and workplace for everyone, irrespective of the ethnicity, region, sexual orientation, race, caste, gender, religion, disability, work, designation, and such other parameters.

The Company also has zero tolerance towards and prohibits all forms of slavery, coerced labor, child labor, human trafficking, violence or physical, sexual, psychological, or verbal abuse. As a matter of policy, The Company does not hire any employee or engage with any agent or vendor against their free will.

The Company believes that every workplace shall be free from violence, harassment, intimidation and/or any other unsafe or disruptive conditions, either due to external or internal threats. Accordingly, The Company has aimed to provide reasonable safeguards for the benefit of employees at the workplace, while having due regard for their privacy and dignity.

b. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The Company is committed to providing equal opportunities to all individuals and is intolerant towards discrimination and / or harassment based on race, sex, nationality, ethnicity, origin, religion, age, disability, sexual orientation, gender identification and expression (including transgender identity), political opinion, medical condition, language as protected by applicable laws.

The ICC of the Company is responsible for conducting inquiries pertaining to such complaints. The Company on a regular basis sensitizes its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness program which are held on a regular basis.

III. Infrastructure and Procurement

a. Sustainable sourcing:

The Company's business is Lending against Gold Ornament, MSME loan products and other financial services. These financial services are provided through its 3,600+ branches.

Being a Non-Banking Financial Company, the risks associated with the environmental, social and governance in manufacturing and industrial sector does not apply to the Company.

However, the Company acknowledges the importance of conserving resources through reduced resource consumption, thus ensuring better energy efficiency standards. Presently, the Company's Corporate Office has LED light fittings installed to conserve energy and conscious endeavors have been made to replace electronic equipment with high energy star ratings.

Further, at Corporate Office, the buildings are installed with Centralized Air-Conditioners with VRF system which consume less energy. It is imperative that the AC's procured by the Company are 5star inverter AC's as per the new BEE regulations.

The Company's 3600+ branches are installed with auto-switch off timer neon signboards at a pre-determined time. It is proposed to install only LED light fittings and energy saving electronic equipment at 3600+ branch offices from this financial year.

The Company is committed to effectively managing such issues within our supply chain and aims to work with suppliers who share our values, and we expect high standards of business conduct from those who represent us or do business with us. We continuously work towards improving processes and guidelines for managing sustainability issues in the supply chain and allocate the required resources in an efficient manner.

b. Health and safety management system:

The Company's nature of business does not entail any occupational health and safety risks. As overall measure, the Company emphasizes the importance of maintaining a safe and healthy workplace for all employees.

Fire Hazard:

Corporate Office: The Company has implemented latest fire safety measures for protecting Company's assets and its personnel towards potential fire hazard. At the Corporate Office, Fire Hazard Prevention System comprise of latest Fire Detection System with smoke detectors at all floors and smoke detectors connected with addressable fire alarm system. Further, all floors have been provided with fire exits having Fire rated doors with Panic Bars and integrated with Fire alarm system. Further manual call points are installed in all floors exits.

The Fire Suppression system comprise of wet risers, fire Pump and Jockey pumps, automatic Fire sprinklers and adequate DCP Fire extinguishers with sign indicators. All electrical and UPS area are provided with CO2 type Fire extinguishers, whilst pantry is provided with K type fire extinguisher. It has been ensured that staircase is adequately ventilated and provision of fire lift. There is also OHT and Underground fire water tanks. Annual fire inspection done by the officials.

In an emergency on account of fire, the designated and trained Fire floor marshals (2 each / Floor) to assist the staff to exit the floor and building. The fire marshal has been provided as public display and further there are self-illuminated fire exit signages to identify the Fire exit route even in darkness. There is also a designated fire assembly point. Further, Annual Mock evacuation Drill is being conducted with detailed Training on Fire extinguishers and handling for staff, to All Floor fire marshals on First Aids and Cardio-Pulmonary Resuscitation (CPR).

Branches and Field Offices: All Branches are provided with Addressable Smoke detectors and are monitored from Regional Control rooms, adequate number of DCP Fire extinguishers and clean agent type Fire extinguishers. Further, periodical training is being provided by MPGSG to the branch staffs on FE handling and use as part of their security training. The Fire extinguishers in branches are getting refilled / replaced on time / expiry.

As a gesture to protect the environment we have replaced Halotron type to clean agent type Fire extinguishers in Branches. All branches are in places where Fire tender access is available. This is mandatory as per Branch sourcing policy and part of checklist.

The Company is focused on both, the physical and mental well-being of its employees and has organized various workshops and discussions with well-being experts and medical practitioners.

The Company has designated first-aid marshals at offices, with minimum basic training so as to be aware of procedures to be followed in case of medical emergencies. Training programs on the safety of women employees at the workplace is mandatory for all employees. During the year, there were no accidents of any employee of the Company whilst on duty.

c. Waste management practices

Given the nature of the Company's financial service business, there is nil usage of hazardous and toxic chemicals. However, the company continuously strives to be environmentally complied, keeping in mind the environmental impact focusing on becoming responsible stewards of the environment, good corporate citizens.

The Company has various systems in place at an all-India level to manage e-waste. The focus is to establish a circular economy mode which involves sharing reusing repairing refurbishing and recycling existing materials and products if possible.

The first step in this direction is to procure refurbished laptops, refurbished furniture, and utilities. Reusing the existing paraphernalia for new branches and shifting branches have been established as a standard process with well-defined SOPs. All our SULB divisions, Muthoot Chits, Muthoot Exim are piloting this project which will bring in cost efficiency, cost optimization and above all environmental compliance. As a part of better environment management practice, we have incorporated buy back charges for the batteries of UPS and inverters and new UPS and inverters are procured after selling the scrap to the OEM itself. We have executed contract with NEMA certified vendors and OEMs like Lenovo to buy back the old IT assets like laptop.

The Company has undertaken various innovative environmental conscious initiatives such as deployment of auto switch of neon sign lights at all its 3600+ branches, enabling Company's objective of advertising physical presence at a location and same time, switching off power automatically at specified time without manual intervention.

d. Alternate Energy

Your Company is contributing to a healthier environment and meeting the energy needs of the country by joining hands with Green India Campaign in harnessing wind energy. The installed capacity of Wind Power Generation at the end of the year 2022-23 stood at 23.225 MWs from 19 Wind Turbine Generators. 300.734 lakhs net units of electrical energy were generated by the Wind Turbine Generators.

IV. IT & Digitization

a. Specific technologies improving environment including eco-friendly 'Digital' products and access to the customers having social impacts of products and related processes

The nature of Company's business i.e Financial Services, the relevance of the above is largely restricted to information technology (IT) capex for procurement of 'Hardware' and 'Software'. Enhanced adoption of IT processes not only brings in increased efficiencies of operations, but also ensures substantially reduced consumption of paper, a direct benefit in the process and indirectly energy consumption of appliances used for the purpose.

The Company is committed to developing eco-friendly digital products and processes that have a positive impact on the environment and society. The Company's emphasis on reaching customers in informal credit system to bring them into the formal credit system is the most important driver for growth. This is the fundamental basis for development of the digital platform for providing gold loans at the doorstep of the customer. The digital platform will enhance the convenience factor in the customer journey, thus improving the operational efficiency and the reduction in risk of operations.

The Company has innovated to provide digital operational process for its products in the form of Digital credit platform for customer sourcing, upload digital version of relevant documents. A process to ensure digitalizing end-to-end processing of all required documents in a product and trigger digitized communication to customer through WhatsApp, Email and SMS mode is being initiated. Different modes of digital transacting by customers have been facilitated for repayment of loan. Further, our value chain stakeholder - Channel partner and service and marketing activities are also in the process of being digitized.

Our new SBU – Muthoot FinCorp ONE, stands as a testament to our commitment to sustainability and responsible business practices, while prioritizing a customer-first approach. The Muthoot FinCorp ONE app provides our customers with utmost convenience and choice, from the comfort of their homes, reducing the need to visit our branches regularly. This not only reduces carbon emissions associated with transportation but also conserves valuable resources like paper and fuel and is in line with increasing digital transactions within our ecosystem. With Muthoot FinCorp ONE our financial services are extended to individuals not just in 4500+ branches across the country, but also in remote and unserved areas through the Muthoot FinCorp ONE app, to facilitate user-friendly, seamless, and hassle-free transactions.

Muthoot FinCorp ONE will work in parallel with all the existing businesses and will operate as a profit center with its own P&L and RoI responsibilities and help us embrace a customer-first approach while enabling individuals from a diverse range of socioeconomic backgrounds to access the digital economy and improve their financial well-being."

b. Cyber security and risks related to data privacy

Privacy Policy:

This Privacy Policy lays down the policies and guidelines governing the protection of Personal Information including Sensitive Personal Data collected, processed, and stored by the Company for providing effective products and services to users. The policy is committed to protection of privacy of personal information through online or offline and/or any personal information which may be collected by the Company, affiliated entities, subsidiaries, our representatives or agents/agencies or server from the User's browser.

Data & Cyber Security:

The purpose of this Information Security (IS) Policy is to control access to sensitive information, ensuring use only by legitimate users so that data cannot be compromised or read without proper authorization with basic tenets of the IS Policy being Confidentiality, Integrity, Availability and Authenticity. The Company has adopted ISO 27001:2013 as the standard based on which the ISMS is designed, implemented, and monitored.

The Company's Information System Security Policy defines the standards for a common level of security that is to be implemented across all information system and network resources at the Organization, and applicable to all Information/ Data/ Information Processing facilities and IT assets of the Organization which is available to or accessible by the organization's Employees, vendors, contractors, consultants, temporary staff and other individuals even if, affiliated with Third Parties and are utilizing the Organization's network. The Company has constituted the Information Security Steering Committee (ISSC) and Cyber Security Committee (CSC) as per the Information Security and the Cyber Security Policies. The ISSC and the CSC are tasked with the responsibility of monitoring and managing policy, Business Continuity Plan, Emergency Response, Incident Coordination, Risk Analysis and Cyber Crisis issues.

The policies are also aligned with the Master Direction - Information Technology Framework for the NBFC Sector, ISO 27001, and the National Institute of Standards & Technology guidelines. The company has a well-established governance structure with clear roles and responsibilities of all the stakeholders in the organization. Policies are available to internal stakeholders and is placed on the intranet of the Company.

c. Channels / platforms where information on products and services can be accessed

Information relating to all the loan products and services provided by the Company are available on the Corporation's website, www.muthootfincorp.com. In addition, the Company actively uses various social media and digital platforms to disseminate information on its loans and deposits.

V. Corporate Social Responsibility

The Company's CSR policy reflects the Company's philosophy and mission of being responsible corporate citizen with objective of undertaking social programs for well-being and sustainable development of the society in which it operates. The CSR activity will provide the Company with the philanthropic approach in line with the Company's business unit objectives, thus making it an organic part of the business to shape sustainability by engaging the community through over-arching framework of **HEEL** which is Health, Education, Environment and Livelihood.

CSR Policy encompassing activities focused on the marginalised and vulnerable sections of society, reflects the Company's philosophy and mission design to portray its commitment to be a responsible, corporate citizen. The policy presents the strategies and methods for undertaking social programs for the well-being and sustainable development of the local community in which it operates.

The objective of the Company's CSR Policy has been to build a framework of CSR activities with a philanthropic approach in line with business unit objectives, which also benefits the organization at large, shaping the sustainability for the organization by 'Engaging the Community, build a corporate branch through CSR and to make other stakeholders, "an integral part of the Company's DNA, so much so that it has to be an organic part of the business".

The CSR projects undertaken by the Company are provided below:

SL NO	CSR Project
1.	CSR projects for healthcare • Smile Please - Comprehensive Cleft Surgery Mission • Nutritional Support • General treatment support • Blue Butterflies • Karuthal Scheme - Treatment Support
2.	CSR projects for Education • Bhodhini Counselling Centre • Other Educational supports

3.	CSR projects for Livelihood
	• Support for Sports training through MPCES
	  • Muthoot Football Academy
	  • Muthoot Volleyball Academy
	• MPCES Sports Infrastructure (Palakkad)
	• Football scholarship Kovalam Football Academy
	• Cricket Association for Blind in Kerala – Training Support
	• Rajasthan Project with RRF and JRF

4.	CSR projects for Need based programs. • Emergency Support

Details of CSR project with location, beneficiaries count, amount involved and program detail.

Sl. No	Name of the Project	Item -List of activities in Schedule VII to the Act	Location of project (State/ District)	Number of Beneficiaries	Amount	Brief Note on the Program
1	Smile Please Mission	Health	Pan India - initiative started in October 2014	259	88,24,975.00	Provide free, compassion, comprehensive care surgery to kids and youngsters with congenital cleft lip or palate.
2	Nutrition Support Program	Health	Pan India	52	2,94,950.00	In support of Smile Mission children who underwent surgeries were provided with nutritional support.
3	General Treatment support	Health	Pan India	58	18,64,491.00	Provide financial support due to patients with severe ailments on account of renal, cardiac, cancer issues requiring regular medication and follow up.

Sl. No	Name of the Project	Item -List of activities in Schedule VII to the Act	Location of project (State/ District)	Number of Beneficiaries	Amount	Brief Note on the Program
4	Blue Butterflies (Paediatric Cancer - Treatment Preparedness Support	Health	Kerala	67	24,60,000.00	Partnership with BCCF registered non-profit organization for paediatric cancer care - support for treatment, related guidance, counselling and for purchasing Chemo medicines
5	Karuthal Scheme- Treatment Support	Health	Perumala Pathanamthitta	1066	40,00,000.00	The project was focussed with a with a view to offer world class heath care to the less privileged. It includes 300 bedded multi-disciplinary super speciality hospital with an intention to support underprivileged and economically backward and terminally ill patients regardless of caste/religion.
6	Bhodhini Counselling Centre	Education	Kerala	180	3,60,000.00	Focus on mental wellness of teenagers and adolescence for moulding them towards social ethics with a free psychological counselling centre
7	Other Education Support MFL	Education	Kerala	24	3,31,050.00	Scholarships for students good in studies and requires financial assistance.
8	Support for Sports training through MPCES- Muthoot Foodball Academy	Livelihood	Malappuram	45	1,63,60,690.00	These 45 kids education, training and boarding and lodging are all taken care. These kids belong to different age groups. The team participated in various competitions conducted by All India Football Federation, Kerala Football Association and Reliance Foundation
9	Muthoot Volleyball Academy	Livelihood	Angamaly Ernakulam	120	45,91,547.00	The academy at four centres caters to 120 kids who are trained everyday by professional coaches. There are 70 boys and 50 girls. Out of the 120 kids there are 30 kids who are in residential set up.

Sl. No	Name of the Project	Item -List of activities in Schedule VII to the Act	Location of project (State/ District)	Number of Beneficiaries	Amount	Brief Note on the Program
10	MPCES Sports Infrastructure (Palakkad)	Livelihood	Palakkad Kerala	Still at the construction phase	27,71,398.62	MPF will be owning and operating the facility under the auspices of MPCES with SL Benfica's guidance. An autonomous centre for excellence in sports.
11	Football Scholarship Kovalam	Livelihood	Arumanoor TVM	5	4,20,000.00	To provide platform for children to exhibit football skills, attract scouts of affluent FCs and create IPL grade team with local talents.
12	Cricket Association For the Blind in Kerala	Livelihood	Kerala	120	15,00,000.00	Promotes cause of visually challenged people through engaging talent in sports
13	Rajasthan Project with RRF and JRF	Livelihood	Rajasthan	100 skilling and 25 upskilling	29,993.00	Project initiated in October 2022. Empowering women/enhancing vocational skills among women.
14	Emergency Support	Need based program (Regional)	Kerala	22	14,17,036.00	The emergency needs of the society identified over time that falls into schedule VII of CSR policy.

All Projects are on-going and hence the data would keep changing.

Details of beneficiaries of CSR Projects:

The primary objective of the CSR projects for the Company is to reach the most vulnerable and marginalized communities which include persons with disabilities, migrant workers, women, and children from lower socio-economic backgrounds in rural, urban and the tribal populations.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW

The Management Discussion and Analysis Report (MDA) is an essential component of the Company's Annual Report, offering invaluable insights into the Company's performance in light of existing macroeconomic challenges. This section provides the stakeholders with a comprehension of a range of financial ratios and other economic indicators, as well as an insight into the management's beliefs and thought processes.

This section illustrates the strategic direction taken by the management in order to meet its long-term objectives. It emphasizes the steps taken to create value and provides information on the methods and measures used for this purpose.

GLOBAL ECONOMY

As indicated in various reports, a global recovery is anticipated, though at a diminished rate. According to the International Monetary Fund (IMF) report, the growth rate shall decline from 3.4% in 2022 to 2.8% in 2023 before stabilizing at 3% in 2024.

This year's potential growth prospects look optimistic, thanks to developments such as deregulation in China, lowering of shipping costs, and relief in global supply chain pressures. Although global trade still struggles, we can expect it to gain strength as economies are poised to grow although lingering geopolitical problems could cause bumps in the road.

The current situation calls for a range of solutions; financial regulations must be reconsidered in the context of recent banking crises. Furthermore, global collaboration is needed to accelerate the conversion to clean energy, diminish climate change, and lend a hand to countries that are struggling with debt.

INDIAN ECONOMY REMAINED RESILIENT DESPITE GLOBAL HEADWINDS

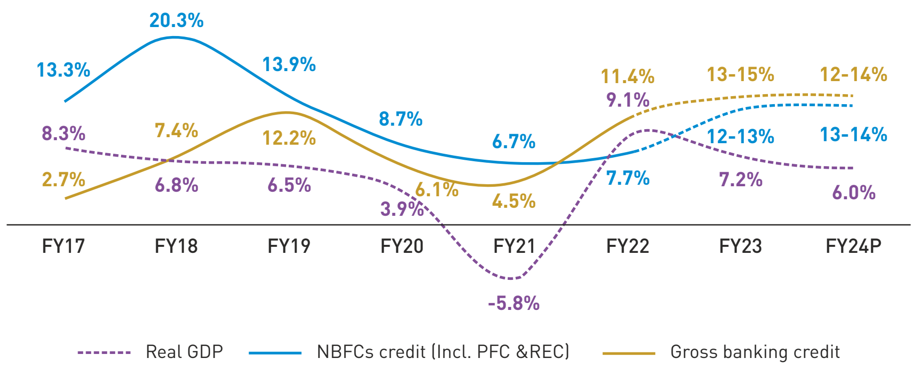
India has continued to remain one of the fastest-growing economies globally with an overall GDP growth rate of 7% in FY23. This is due to its consumer-driven expansion spurred by an enlarged, increasing share of young upper middle-class citizens coupled with more robust corporate finances. Such demand is sustained by heightened consumer assurance and higher disposable profits.

The 2023 Economic Survey predicts that the rupee will fare better than most other currencies, albeit with the risk of depreciation should the US Federal Reserve raise policy rates.

Inflation exceeded the RBI's tolerance levels, prompting the central bank to raise rates accordingly. Despite this, owing to policy reforms by the government and increase in sustained private consumption, India is expected to continue its growth trajectory with a projected growth rate of 6.5% in real terms for FY24.

INDUSTRY OVERVIEW

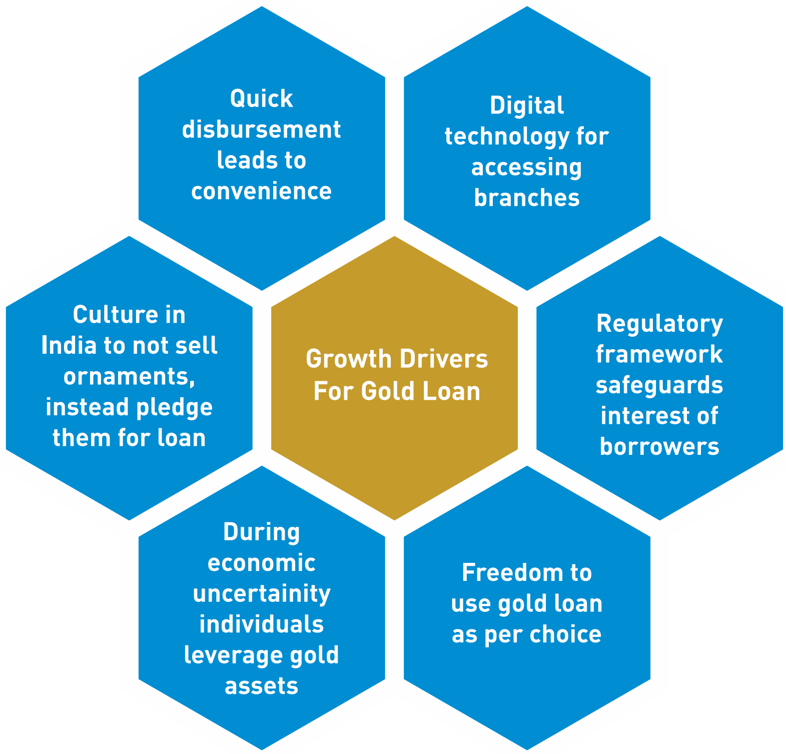
The Non-Banking Financial Companies (NBFCs) maintained robust credit growth during the FY 2022-23, supported by the broad-based revival in economic activity and targeted policy initiatives. The sector strengthened its financial soundness during the year through robust capital buffers, improved asset quality and consolidation of balance sheet.



Led by retail segments, NBFCs to grow 13-14% in fiscal 2024

Note: P: Projected
Source: RBI, National Housing Bank (NHB), Ministry of Finance, company reports, CRISIL MI&A Research

As per a recent analysis by Quadintel, the gold loan market in India was valued at INR 2,921.42 Billion in 2019 and is expected to reach INR 6,275.40 Billion by 2025, expanding at a Compound Annual Growth Rate (CAGR) of 12.75% during the 2020-2025 period.



The un-organised segment accounts for more than 60% of the gold loan market in the country, and we see a huge opportunity here where, with our offerings, we will be able to help the customers move to formal banking space ensuring financial inclusion. An untapped opportunity still exists in rural India where customers prefer NBFCs owing to easy accessibility, quick loan processing, safekeeping and personalised service. Private sector banks and other competitors are gradually entering the gold loan market with tech-driven offerings, but with our large network of branches we are confident of achieving the planned growth in the upcoming years.

ABOUT MUTHOOT PAPPACHAN GROUP

A legacy built on trust, transparency, and tradition for over 136 years, Muthoot Pappachan Group (MPG) is a significant entity in the Indian business landscape with customer centric-approach and innovation as its strong holds. "A journey of a thousand miles begins with a single step". True to this adage, the group which planted its roots in retail trading, later diversified into various sectors including Financial Services, Hospitality, Automotive, Realty, IT Services, Healthcare, Precious Metals, Global Services and Alternate Energy. Currently MPG has more than 33,000 employees serving customers across the country through the wide network of over 4900 branches. MPG's customer-centric approach and innovation in terms of new products that cater to changing customer needs, have helped in winning the loyalty of innumerable customers, as well as in attracting new ones. Adopting the latest technology and new ways to serve customers, without compromising on basic principles and ethics is what forms the backbone of MPG since inception.

ABOUT MUTHOOT FINCORP LIMITED

Muthoot Fincorp Limited, the flagship Company of the Group is India's leading NBFC with an aim to transform the lives of the common man by ensuring their financial wellbeing through an array of varied products and services. With over 3600 branches across the country, we aspire to serve the underbanked, to be their most trusted financial partner, and ensure financial inclusion of every household in India. Decades of customer-centricity, dedicated research and experience with the customers and their families have enabled the Company to provide quick and customised financing options, protection & investment schemes for millions of customers. While we have our own offerings, we collaborate with our group companies and partners too to ensure that we meet all requirements of the customer lifecycle as and when needed and some of the offerings include - Gold Loans, Small Business Loan products, Micro Loan against Property (LAP), Secured & Unsecured Business Loans, Affordable Housing Loans, Two-Wheeler Loans, Used Car Loans, Domestic & International Money Transfer, Chits, Foreign Exchange, Insurance Products & Services, Wealth Management Services, Affordable Gold Jewellery and many more.

PERFORMANCE REVIEW

After the advent of Covid-19, FY 2022-23 was looked upon as a year of hope with every business line looking towards limping back to normalcy. The Company had a positive year, and we are happy with the overall performance.

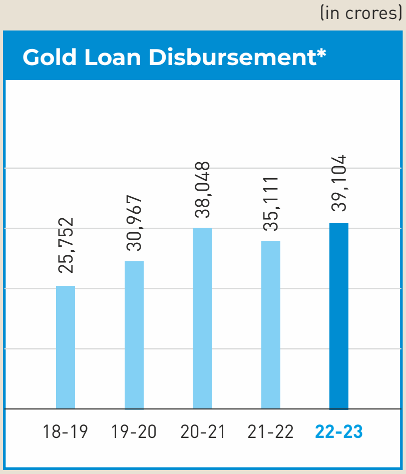
During the year, the Company sanctioned over 75 lakhs loan applications and disbursed loans amounting to ₹ 40,039.83 crores, an increase of 13.62% over the last year. The Loan Assets Under Management stood at ₹ 17,615.07 crore, registering a growth of 1.69% YoY.

The Company's performance improved during the year with its operating ratios delivering better efficiency. The Spread on Loan Assets was 10.17% vs 8.45% last year, and NIM was 10.44% vs 8.88% last year. Overall, ROA, improved to 1.97% vs 1.53% in the previous financial year. The average cost of borrowing during the year stood at 8.75%, reflecting a 43 bps decrease over FY22. Our concerted efforts in strengthening the balance sheet over the years showed positive results. During the year, the Company has further reduced the gearing and significantly improved the CRAR to 21.34%.

As on March 31, 2023, with the uncertainty in the external environment, the Company increased its cash and cash equivalents as compared to FY22. The Company had over ₹ 2,523.62 crore as cash and cash equivalents as on March 31, 2023.

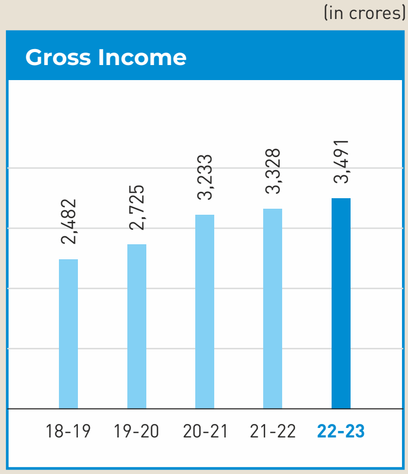
The Secured & Unsecured Business Loans (SULB) vertical opened an administrative office in Chennai. We expanded our mortgage loan business under this vertical to ten states i.e., Karnataka, Tamil Nadu, Telangana, Andhra Pradesh, Madhya Pradesh, Maharashtra, Gujarat, Delhi NCR, Rajasthan, and Uttar Pradesh with an AUM of ₹ 275 crores as of March 31, 2023. We hope to see good traction in this line of business in the coming years. The traditional branch business structure has been strengthened by way of an outbound sales channel, which will play an integral role in the Company's performance in the upcoming years. We have also launched a new, state-of-the-art Muthoot FinCorp One Mobile App which helps the customers to avail our various products and services from the comfort of their home at the click of a button.

Highlights of financial performance in 2022-23

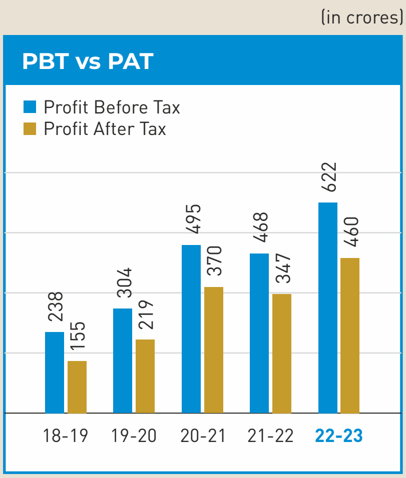


* Net of Co-Lending

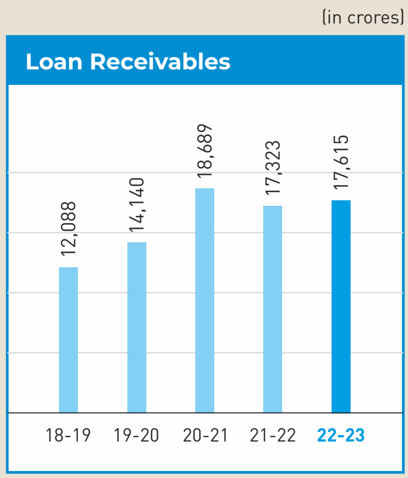
The gold loan disbursements of ₹ 39,104 crores is the highest ever in the Company's history.



The gross income of the Company was registered at ₹ 3,491 crores during the last fiscal year.

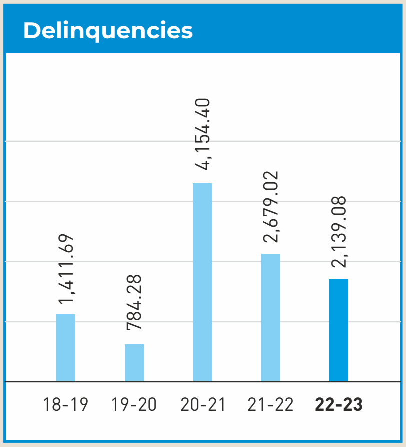


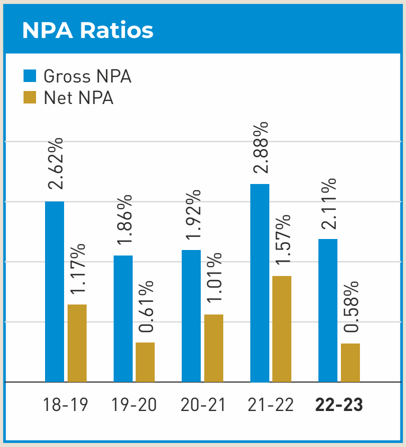
The Profit Before Tax reached 5 years high at ₹ 622 crores during fiscal 23.



The Loan Receivables was steady in comparison to last year.

(in crores)





The delinquencies are being brought under control post the sharp rise during the pandemic.

The Company contained its Gross NPAs and Net NPAs to 2.11% and 0.58% respectively, and increased the Provision Coverage Ratio (PCR), and good progress during the fiscal year.

The Phygital, (Physical + Digital) Era at MFL

In this digital era, both organizations and customer behavior have undergone significant changes. With evolving technology, the needs of the customers are constantly changing, and organizations are in the forefront to provide them with quick and smart solutions. A customer today prefers availing the services online than visiting a branch. Time is of essence for both the customer and the organization; with the new Muthoot FinCorp One Mobile App, the customer and the branch are ever closer to each other – regardless of physical, digital or phygital mode.

Technology

The Data Analytics platform which enables various business functions to create integrated management reports for timely and accurate decisions is being scaled up with Artificial Intelligence and Machine Learning capabilities to curate specific product offerings for our customers.

The Core Gold Loan (CGL) application, a significant aspect towards implementing Core Financial Service Solutions (CFSS) enabled with new technologies and features is currently active in 500 branches. In the next 18 months, we expect to implement this application across all our branches. The CFSS implementation is in progress, and we are confident of completing it much before the timeline stipulated by the Regulator. The Company is continuously investing in strengthening its data and information security postures to address modern cyber threats. The end-to-end gold loan disbursal process is being digitised and will be ready by early next financial year to transform the branch and customer experience, in addition to its paperless loan journey.

Robotic Process Automation is being gradually implemented in the Company's operations. It helps to provide immediate resolutions to the branches thus saving time and automating mundane tasks.

Customer Centric Approach

Customer satisfaction and experience is key for any organization. We have always strived to ensure a smooth customer experience while availing all our services or responding to their queries and requirements. We offer a unique proposition to customers with our branches across the country operating 6 days a week, for 8 hours every day, positioning us, as a neighborhood financial hub to meet their needs immediately.

The Customer Relationship Management (CRM) platform implemented by the Company in the previous year has scaled up as a critical business and service enabler for our branches and call centres, for both new customer acquisition as well as expanding the existing customer relationship. The CRM is also available in a Mobile App version for all the Company's employees to capture leads while 'on the go'.

The CRM platform is being enhanced with a CX, i.e., Customer Service module that will enable all service functions like branches, call centres and others to have a 360° view of the customer for delivering a superior service experience.

Our call centers have a 7-language capability to listen and speak with customers in their native language, thereby providing them a personalized service. Listen, Address, Measure, Adopt – these are the four fundamentals of our customer approach. With a commitment to provide innovative product offerings and cutting-edge technology to enhance experience, we hope to convert our branches as 'Experience Centres' for our customers and in the coming years our focus is on 'More Customers, More for Customers' driven by purpose.

Risk Management

Risk management is of the utmost importance to the Company for successful overall operations, and thus is a cornerstone of its governance. To identify, measure and control any potential risks taken in their activities, a risk management process has been established. Also entrenched in its mission and vision as well as its values, the Company aims to earn public trust through ethical and responsible practices while helping customers and other stakeholders develop economically with financial services.

Company's risk governance framework implements the policies, standards, procedures and processes through which they identify, assess, measure, manage, monitor, report and mitigate risks across the organization. It also promotes its risk-oriented culture by outlining standards, procedures and programs that will bolster such a culture in the Company and gives employees necessary resources for making smart and ethical decisions about risk. The Board of Directors has approved the firm's risk appetite to ensure they maintain suitable aggregate levels and types of dangers so as to meet their strategic objectives and business plan within legal capital requirements, liquidity demands and other regulations.

Details of Company's risk management framework has been elaborated in the Director's Report under Risk Management section.

Human Resources

People play a significant role in the growth of any organization. Our total headcount stands above 17,800+ as on March 31, 2023. The Learning and Development is a Centre of Excellence, which is inclusive in nature, facilitating employees to understand and align with the organizational objectives and culture, providing equal opportunity for both personal well-being and career development. The Muthoot Blue Health Triangle is a 3-dimensional framework of Intellectual, Social and Physical development of employees aligned with strategic objectives which covers various aspects including mental health and leadership skills. Below are some of the initiatives we undertook last year:

1. Employer of choice programs including Employee Support Scheme for construction/renovation of house, financial assistance for medical treatment of employees, education assistance program, and giving an impetus to Muthootians to join the Muthoot Blue gym ensuring their physical well-being.
2. Introduced various plans of stock ownership of the Company for employees.
3. All the employees of the Company are covered under the Company's health insurance, personal accident policy as well as statutory benefits like provident fund, gratuity, superannuation, and employees' deposit linked insurance, as applicable.

Corporate Social Responsibility (CSR)

The primary objective of the CSR initiatives of the Company is to reach the most vulnerable and marginalized communities which include persons with disabilities, migrant workers, women, and children from lower socio-economic backgrounds in rural, urban and the tribal populations. We have touched more than 3,000 lives through our CSR activities across the country during the last financial year. Some of the significant ones include Smile Please – an initiative to reach India's remote villages to perform comprehensive cleft surgeries for children who are born with cleft lips. We have extended financial support to 50 students in the last financial year who are bright in their studies but were unable to pursue due to financial constraints. We provide football and volleyball training to students through MPCES (Muthoot Pappachan Centre for Excellence in Sports) where we provide a platform for the young aspirants to showcase their talent and currently has 44 kids in the residential wing who belong to various age groups.

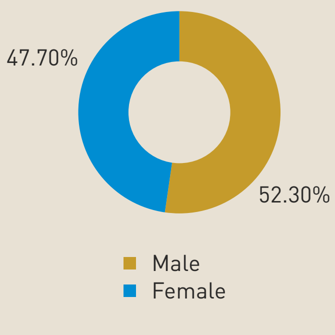
Branding & Marketing

Various branding and marketing activities were undertaken during the last financial year to enhance brand visibility of the Company. The Company continued to be the title sponsor of Royal Challengers Bangalore (RCB) team at the IPL Season 15 for the 3rd consecutive year in 2022. The activity helped to build brand awareness to reach and recall, largely through TVCs for the widest possible reach, as well as messaging with the use of multiple media channels. Apart from the TVCs with the RCB players and our brand ambassador Vidya Balan, Muthoot FinCorp logo prominently appeared during Royal Challengers Bangalore's matches and was also placed on the team's jerseys.

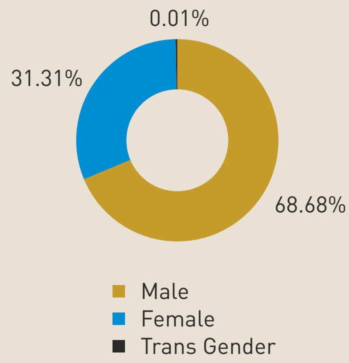
Environment, Social & Governance

Being one of the leading financial institutions in the country, meeting the parameters of Environment, Social and Governance is of paramount importance to us, and we constantly try to improve further. In this regard, the Company's 3600+ branches installed auto-switch off timer neon signboards at a pre-determined time and have installed only LED light fittings and energy saving electronic equipment across branches in the country. We continuously work towards improving processes and guidelines for managing sustainability issues in the supply chain and allocate the required resources to our efforts. The Company is contributing to a healthier environment and meeting the energy needs of the country by joining hands with Green India Campaign in harnessing wind energy. The installed capacity of Wind Power Generation at the end of the year 2022-23 stood at 23.225 MWs from 19 Wind Turbine Generators. 300.734 lakhs net units of electrical energy were generated by the Wind Turbine Generators.

Total number of employees as on March 31, 2023



Total number of customers as on March 31, 2023



Women empowerment is key for us. We are happy to share that more than 47% of our employees are women.

OUTLOOK

Millions of Lower and Middle income families are still not part of the mainstream banking and we intent to prioritise to focus to serve with more products and services and attempt to serve the way they would like to have it delivered. This will help not only in building a sustainable business for MFL, but we will also be able to truly uphold the larger purpose by enabling them to be part of mainstream economic activity. Our target segment customers (LMI – Lower & Middle Income) are rapidly moving up the ladder in the economic pyramid and this will give us new opportunity to focus on products and solutions, which will continue to cater to their life cycle needs, and thereby we continue to serve these families. A closer look at the macroeconomic and demographic factors uncovers a huge opportunity to spread our wings to new customers and categories too. We are on a journey of transforming from a monoline product company to a segment-based financial services provider to its target segment. With this stated transformation efforts, we are expecting substantial growth in our non-gold portfolio and will have a diversified portfolio mix in the coming years.

REPORT ON CORPORATE GOVERNANCE

Corporate governance steers an organization in the desired direction by determining ways to take effective strategic decisions. It encourages a trustworthy, moral, as well as ethical environment. In other words, the heart of corporate governance is transparency, disclosure, accountability and integrity. Corporate Governance pillars on transparency and fairness in action satisfying accountability and responsibility towards the stakeholders.

Company's Philosophy on Code of Corporate Governance

Corporate Governance guides the Company towards setting and attaining of its objectives, monitoring the performance and adding value to various stakeholders associated, directly or indirectly, with the Company. It covers practically every facet of management, from internal controls & action plans to performance measurement & corporate disclosure.

Your Company believes that good corporate governance is an important constituent in enhancing stakeholder value. It 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.

Your Company conducts its business in a way that takes into account both the bottom line and the impact of its activities on the society. The tone is set at the top by the Board of Directors that guides the Company to function in a way that enables inclusive and sustainable growth through more responsible business conduct and due diligence across the supply chain.

Board of Directors

The general superintendence, direction, 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 the Company and the requirements of the applicable laws. The Company is focused on compliance with the regulatory requirements and thus maintains an optimum combination of Executive and Non-Executive Directors as provided in section 149 of Companies Act, 2013 (the Act) and Regulation 17 (1) of SEBI (Listing Obligations and Disclosure Requirements), 2015 (the Listing Regulations).

As on March 31, 2023, the Board is comprised of eight members, including four Independent Directors, two Non-Executive Non-Independent Directors, one Executive Director and one Managing Director. The two Non-Executive Non-Independent Directors includes one woman director.

The Independent Directors on the Board of the Company have submitted their respective declarations confirming that they meet the criteria of independence and disclosures confirming that there is no material, financial and/or commercial transactions between Independent Directors and the Company which could have potential conflict of interest with the Company at large. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management. Further, the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. The Independent Directors have confirmed that they have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

The names and categories of Directors, their attendance at Board Meetings held during the Financial Year and at the last Annual General Meeting (AGM), number of Memberships/ Chairmanships of Directors in other Boards and Committees of Board, Category of directorship and names of listed entities where person is a director are as follows:

A. Composition

Sl No.	Name of Director	Category of Directorship	Date of Present Appointment	*Details of membership in Committees of the Board including the Company		No. of Shares/ Non-Convertible Securities held by Non-Executive Directors	Directorship in other Listed Entity (LE)	
				Member	Chairman		Name of the LE	Category of Directorship
1.	Thomas John Muthoot (DIN: 00011618)	Managing Director	01/02/2022	5	1	NA	1. Muthoot Capital Services Limited 2. Muthoot Microfin Limited	1. Non-Executive Director 2. Non-Executive Director
2.	Thomas George Muthoot (DIN: 00011552)	Non-Executive - Non-Independent Director	28/09/2022	3	1	5,14,56,021 (Shares) 39,500 (Non-Convertible Debentures)	1. Muthoot Capital Services Limited 2. Muthoot Microfin Limited	1. Managing Director 2. Non-Executive Director
3.	Thomas Muthoot (DIN: 00082099)	Executive Director	01/02/2022	3	1	NA	1. Muthoot Capital Services Limited 2. Muthoot Microfin Limited	1. Non-Executive Director 2. Managing Director
4.	Preethi John Muthoot (DIN: 00483799)	Non-Executive - Non-Independent Woman Director	17/09/2019	1	0	1,29,13,704 (Shares)	Nil	NA
5.	A. P Kurian (DIN: 00008022)	Non-Executive - Independent Director	01/11/2019	2	1	Nil	Muthoot Capital Services Limited	Non-Executive Independent Director
6.	A. Vikraman (DIN: 01978341)	Non-Executive - Independent Director	01/11/2019	1	0	Nil	Nil	NA
7.	Badal Chandra Das (DIN: 09758076)	Non-Executive - Independent Director	01/12/2022	1	0	Nil	Nil	NA
8.	Ravi Ramchandran (DIN: 10048011)	Non-Executive - Independent Director	28/02/2023	0	0	Nil	Nil	NA

** Disclosure includes Chairmanship/Membership of Committees as required for computation of maximum number of Committees of which Director can be Chairman or Member in terms of Regulation 26 of SEBI Listing Regulations.*

Mr. Thomas John Muthoot, Mr. Thomas George Muthoot and Mr. Thomas Muthoot are brothers. Mrs. Preethi John Muthoot is the wife of Mr. Thomas John Muthoot.

B. Attendance of Directors in Board Meeting

The meetings of the Board of Directors of the Company were held during thirteen (13) occasions during the FY 2022-23. The dates on which the meetings were held are April 26, 2022, May 18, 2022, May 28, 2022, July 19, 2022, August 12, 2022, September 13, 2022, October 15, 2022, November 11, 2022, December 14, 2022, January 09, 2023, February 11, 2023, February 25, 2023, and March 31, 2023. Your Board has met at least once in a calendar quarter and the maximum gap between these Board Meetings did not exceed one hundred and twenty days. The requisite quorum was present for all the meetings.

The details of attendance of the directors in the Board Meetings held during the FY 2022-23 are as mentioned hereunder:

Sl No.	Date of Board Meeting	Name of Directors and their Attendance (✓/×/NA)								Attendance	
		Thomas John Muthoot	Thomas George Muthoot	Thomas Muthoot	Preethi John Muthoot	A. P Kurian	A. Vikraman	*Badal Chandra Das	**Ravi Ramchandran	Number of directors attended	% Of attendance
1.	26/04/2022	✓	✓	✓	✓	✓	✓	NA	NA	6	100
2.	18/05/2022	✓	✓	✓	✓	✓	✓	NA	NA	6	100
3.	28/05/2022	✓	✓	✓	✓	✓	✓	NA	NA	6	100
4.	19/07/2022	✓	✓	×	✓	✓	✓	NA	NA	5	83.33
5.	12/08/2022	✓	✓	✓	✓	✓	✓	NA	NA	6	100
6.	13/09/2022	✓	✓	×	✓	✓	✓	NA	NA	5	83.33
7.	15/10/2022	✓	✓	✓	✓	✓	✓	NA	NA	6	100
8.	11/11/2022	✓	✓	✓	✓	✓	✓	NA	NA	6	100
9.	14/12/2022	✓	×	×	×	✓	✓	✓	NA	4	57.14
10.	09/01/2023	✓	✓	✓	×	✓	✓	✓	NA	6	85.71
11.	11/02/2023	✓	✓	✓	✓	✓	✓	✓	NA	7	100
12.	25/02/2023	✓	✓	✓	✓	✓	✓	✓	NA	7	100
13.	31/03/2023	✓	✓	✓	✓	✓	✓	✓	✓	8	100

**Mr. Badal Chandra Das was appointed as the Independent Director of the Company w.e.f December 01, 2022.*
*** Mr. Ravi Ramchandran was appointed as the Independent Director of the Company w.e.f February 28, 2023.*

C. Attendance of Directors in the Annual General Meeting

The Annual General Meeting (AGM) of the Company held on September 28, 2022, was attended by Mr. Thomas John Muthoot, Mr. Thomas George Muthoot, Mr. Thomas Muthoot, Mrs. Preethi John Muthoot, Mr. A. P Kurian and Mr. A. Vikraman, representing 100% of attendance by the Board of Directors of the Company.

D. Performance Evaluation of Board, Committees and Directors

The Board of Directors carried out annual evaluation of its own performance, its Committees and individual Directors based on the criteria and framework adopted by the Board and in accordance with the regulations.

E. Board Expertise and Skills

As stipulated under Schedule V to the Listing Regulations, the Chart/Matrix of Core Skills/Expertise/Competencies, along with the names of directors who possess such skills are given below:

Name of Director	Industry Experience	Management & Governance	Financial Expertise	Sales & Marketing	Risk Management	Human Resource & Stakeholder Engagement	Business Strategy
Thomas John Muthoot	✓	✓	✓	✓	✓	✓	✓
Thomas George Muthoot	✓	✓	✓	✓	✓	✓	✓
Thomas Muthoot	✓	✓	✓	✓	✓	✓	✓
Preethi John Muthoot	✓	✓	✓	✓	✓	✓	✓
A. P Kurian	✓	✓	✓	✓	✓	✓	✓
A Vikraman	✓	✓	✓	✓	✓	✓	✓
Badal Chandra Das	✓	✓	✓	✓	✓	✓	✓
Ravi Ramchandran	✓	✓	✓	✓	✓	✓	✓

F. Familiarization Programme

The whole edifice of good corporate governance is dependent on the efficacy and effectiveness of independent directors. Independence, when it comes to boards, allows a director to be objective and evaluate performance and well-being of company without any conflict of interest or undue influence of interested parties. Independent Directors are obligated to be fully aware of the conduct of organizations on relevant issues.

The Company has in compliance with Regulation 25(7) of the Listing Regulations, structured the Familiarization Programme for its Independent Directors. The details of Familiarisation Programme has been uploaded on the Company's website and can be accessed at: https://www.muthootfincorp.com/wp-content/uploads/2023/04/Familiarization-Programme.pdf

G. Meeting of Independent Directors

In compliance with requirement under Schedule IV of the Act and Listing Regulations, a separate meeting of the Independent Directors was held on 31.03.2023 The meeting was attended by all Independent Directors. Independent Directors, at the meeting, reviewed and discussed various matters as required under the Act and the Listing Regulations.

H. Brief profile of directors

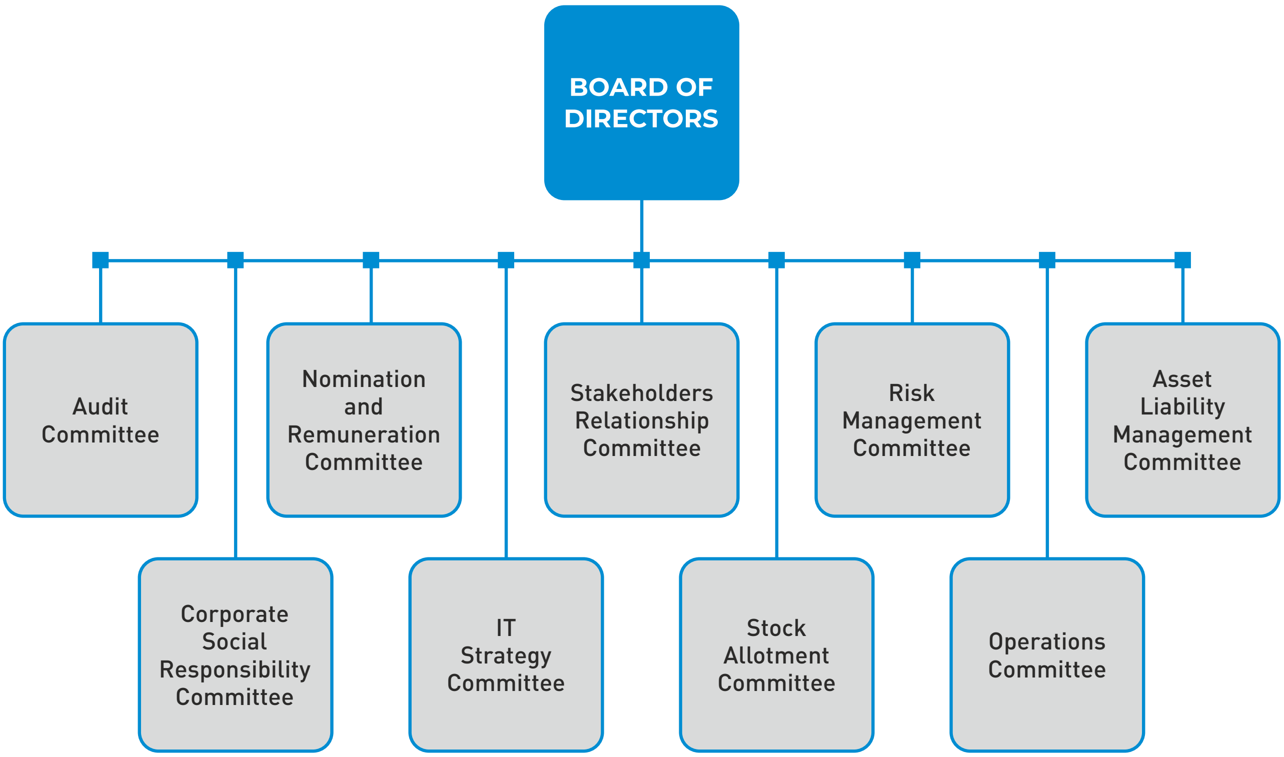
Sl. No.	Name of the Director and Designation	Profile
1.	Thomas John Muthoot Managing Director	Thomas John Muthoot holds a bachelor's degree in commerce from the University of Kerala. He is an alumnus of the Harvard Business School having completed his OPM program in 2014, he is the Member of the CII Kerala State Council, Member of the Chamber of Commerce, Trivandrum. He is a businessman by profession and has over three decades of experience in managing businesses operations in the field of financial services.
2.	Thomas George Muthoot Director	Thomas George Muthoot holds a bachelor's degree in commerce from University of Kerala. He is also the Managing Director of Muthoot Capital Services Limited and Muthoot Hotels Private Limited and a director in the other companies under the Muthoot Pappachan Group engaged in hospitality, infrastructure, automotive, property and power generation. He has over three decades of experience in managing businesses in the field of financial services.
3.	Thomas Muthoot Executive Director	Thomas Muthoot 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.
4.	Preethi John Muthoot Director	Preethi John Muthoot 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 also a member of the Board of Directors of many group Companies and hence gained several years hands-on experience in the activities of the Group.
5.	A.P Kurian Independent Director	A.P Kurian 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 more than 40 years in the banking and finance industry. He was the executive chairman of Association of Mutual Funds in India and a member of the technical advisory Committee of RBI.
6.	A Vikraman Independent Director	A Vikraman holds a bachelor's degree in science from the University of Kerala. Mr. Vikraman has an experience of more than 38 years in the field of finance, project funding, rehabilitation finance, micro finance, enterprise promotion and banking industry collectively.
7.	Badal Chandra Das Independent Director	Badal Chandra Das holds a master's degree in commerce from the University of Kalyani, West Bengal and a Certified Associate of Indian Institute of Bankers (CAIIB). Mr. Badal Chandra Das has a rich all-round Banking experience from State Bank of India (SBI) in various capacities. Retired as Deputy Managing Director from SBI on August 31, 2019, after a tenure of 34 years served in India and abroad in various positions.
8.	Ravi Ramchandran Independent Director	Ravi Ramchandran graduated from the University of Madras with a degree in Bachelor's in Commerce. He was associated with Nestle India Limited for more than 35 years. He has held several leadership roles at Nestlé India Limited. He was the Director - Sales for a decade, apart from being part of the Management Committee & the Diversity/Inclusion Committee.

Committees of the Board

The structure of a board and the planning of the board's work are key elements to effective governance. Establishing committees is one way of managing the work of the board, thereby strengthening the board's governance role. Committees are usually formed as a means of improving board effectiveness and efficiency, in areas where more focused, specialized and technical discussions are required. These committees prepare the groundwork for decision-making and report at the subsequent board meeting. Committees enable better management of full board's time and allow in-depth scrutiny and focused attention.

The Board of Directors of the Company have constituted its various sub committees, which functions in accordance with the terms of reference assigned by the Board.

The composition of various Committees of the Board as on March 31, 2023, including the terms of reference of each committee are detailed below-



A. Audit Committee

The Company has an Audit Committee of the Board of Directors constituted in line with the provisions of Section 177 of the Companies Act, 2013, the Reserve Bank of India Master Direction on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and Regulation 18 of the Listing Regulations.

The Audit Committee consists of majority of Independent Directors. The Chairman of the Committee is an Independent Director. All the Members of the Committee are financially literate and have accounting and financial management expertise. The Company Secretary of the Company acts as the Secretary to the Committee.

Terms of reference

The terms of reference of the Audit Committee, inter alia includes:

i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

ii) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

iii) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(a) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

(b) changes, if any, in accounting policies and practices and reasons for the same;

(c) major accounting entries involving estimates based on the exercise of judgment by management;

(d) significant adjustments made in the financial statements arising out of audit findings;

(e) compliance with listing and other legal requirements relating to financial statements;

(f) disclosure of any related party transactions;

(g) modified opinion(s) in the draft audit report;

v) reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

vi) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a [public issue or rights issue or preferential issue or qualified institutions placement], and making appropriate recommendations to the Board to take up steps in this matter;

vii) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

viii) approval or any subsequent modification of transactions of the Company with related parties;

ix) scrutiny of inter-corporate loans and investments;

x) valuation of undertakings or assets of the Company, wherever it is necessary;

xi) evaluation of internal financial controls and risk management systems;

xii) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

xiii) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiv) discussion with internal auditors of any significant findings and follow up there on;

xv) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

xvi) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xvii) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xviii) to review the functioning of the whistle blower mechanism;

xix) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

xx) Carrying out any other function as is mentioned in the terms of reference of the audit committee;

xxi) reviewing the utilization of loans and/ or advances from/investment by the Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

xxii) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

xxiii) management discussion and analysis of financial condition and results of operations;

xxiv) management letters / letters of internal control weaknesses issued by the statutory auditors;

xxv) internal audit reports relating to internal control weaknesses;

xxvi) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;

xxvii) statement of deviations:

(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Listing Regulation.

(b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Listing Regulation.

xxviii) ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the Company.

Composition, Meetings and Attendance

The Audit Committee had met during twelve (12) occasions during the FY 2022-23. The dates on which the meetings were held are April 26, 2022, May 18, 2022, May 28, 2022, July 19, 2022, August 12, 2022, September 13, 2022, October 15, 2022, November 11, 2022, December 14, 2022, January 09, 2023, February 11, 2023, and March 31, 2023.

Name of Director	Designation in the Committee	No. of Meetings Attended
A. P Kurian	Chairman	12/12
A. Vikraman	Member	12/12
Thomas George Muthoot	Member	11/12

B. Nomination and Remuneration Committee

The Company has constituted the Nomination and Remuneration Committee of the Board of Directors in line with the provisions of Section 178 (1) of the Companies Act, 2013, the Reserve Bank of India Master Direction on Non- Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and Regulation 19 of the Listing Regulations.

The Committee is entrusted with combined advisory responsibilities concerning the nomination for appointment or removal of Directors and Senior Management including Key Managerial Personnel and recommendation of remuneration policy. The Company Secretary of the Company acts as the Secretary to the Committee.

The Nomination and Remuneration Committee of the Company was reconstituted on April 26, 2022. More than 50% members of the Nomination and Remuneration Committee are Independent Directors.

Terms of reference

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

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; and

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;

Composition, Meetings and Attendance

The Nomination and Remuneration Committee had met during five (5) occasions during the FY 2022-23. The dates on which the meetings were held are April 26, 2022, May 28, 2022, July 19, 2022, November 11, 2022, and February 25, 2023.

Name of Director	Designation in the Committee	No. of Meetings Attended
A. Vikraman	Chairman	5/5
A. P Kurian	Member	5/5
Thomas George Muthoot	Member	5/5

Performance Evaluation Criteria for Independent Directors

The performance evaluation of the Independent Directors was conducted by the Board of Directors of the Company, except the director being evaluated. The parameters for evaluating the performance of Independent Directors include the attendance and participations in the meeting, leadership initiative, professional skills, problem solving, and decision-making, compliance with policies of the Company, ethics, code of conduct, understanding and knowledge of the market in which the Company is operating, ability to appreciate the working of the Company and the challenges it faces, director's contributions at Board / Committee meetings are of high quality and innovative etc, among others. The performance of the directors being evaluated was found satisfactory by the Board of Directors.

C. Stakeholders Relationship Committee

The Company has constituted the Stakeholders Relationship Committee of the Board of Directors in line with the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations to redress the grievances of shareholders, debenture holders and other stakeholders.

The Stakeholders Relationship Committee of the Company was reconstituted on April 26, 2022.

The Stakeholders Relationship Committee is headed by Mr. Thomas George Muthoot, Non-Executive Director of the Company.

Mr. Sachu Sivas, Company Secretary of the Company, also acts as the Compliance Officer.

Investor Grievance Details

Particulars	No. of Complaints
No. of investor complaints pending as on April 01, 2022	0
No. of investor complaints received during the FY 2022-23	1
No. of investor complaints disposed of during the FY 2022-23	0
No. of investor complaints those remaining unresolved at the end of the FY 2022-23	1

D. Risk Management Committee

The Company has constituted the Risk Management Committee of the Board of Directors in line with the Reserve Bank of India Master Direction on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, which monitors the risk management strategy of the Company. The composition of the Committee is also in compliance with Regulation 21 of Listing Regulations.

In line with the requirements of RBI notification, your Company has appointed a Chief Risk Officer to oversee the risk management practices within the organization.

Terms of reference

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

i) To formulate a detailed risk management policy which shall include:

   (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.

   (c) Business continuity plan.

ii) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

iii) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

iv) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

v) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

vi) The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee;

vii) Assisting the Board of Directors in the articulation of its risk appetite;

viii) Overseeing the implementation and maintenance of a sound system of risk management framework which identifies, assess, manages and monitors risk;

ix) Recommend to the Board of Directors clear standards of ethical behaviour required of Directors and employees and encouraging observance of these standards;

x) Assessment of the Company's risk profile and key areas of risk in particular; and

xi) Examining and determining the sufficiency of the Company's internal processes for reporting on and managing key risk areas.

xii) To monitor and review the risk management plan; and

xiii) To perform such other functions as may be delegated by the Board of Directors which shall specifically cover cyber security.

Composition, Meetings and Attendance

The Risk Management Committee had met during five (5) occasions during the FY 2022-23. The dates on which the meetings were held are April 26, 2022, August 12, 2022, November 11, 2022, January 09, 2023, and February 11, 2023.

Name of Director	Designation in the Committee	No. of Meetings Attended
A. P Kurian	Chairman	5/5
Thomas John Muthoot	Member	5/5
Thomas Muthoot	Member	5/5

E. Asset Liability Management Committee

The Company has constituted the Asset Liability Management Committee of the Board of Directors in line with the Reserve Bank of India Master Direction on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, to oversee the implementation of the Asset Liability Management System and review its functioning periodically.

The Asset Liability Management Committee was reconstituted on September 13, 2022.

Terms of reference

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

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.

Composition and Meetings

The Asset Liability Management Committee had met during twelve (12) occasions during the FY 2022-23. The dates on which the meetings were held are April 29, 2022, May 27, 2022, June 29, 2022, July 22, 2022, August 31, 2022, September 29, 2022, October 31, 2022, November 30, 2022, December 30, 2022, January 31, 2023, February 28, 2023, and March 31, 2023.

Name of Member	Designation in the Committee
Thomas John Muthoot	Chairman
Thomas Muthoot	Member
Shaji Varghese	Member
Devi Prasad (Till February 28, 2023)	Member
Joseph Oommen	Member
Sachin Mandawawala	Member
R. Nadanasabapathy	Member & Secretary

F. Corporate Social Responsibility Committee

The Company has constituted the Corporate Social Responsibility Committee of the Board of Directors in line with the provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder.

Terms of reference

The terms of reference of the Corporate Social Responsibility Committee, inter alia includes:

i) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of Companies Act, 2013;

ii) formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy, which shall include the following, namely:-

(a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

(b) the manner of execution of such projects or programmes as specified;

(c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;

(d) monitoring and reporting mechanism for the projects or programmes; and

(e) details of need and impact assessment, if any, for the projects undertaken by the company.

iii) monitor the Corporate Social Responsibility Policy of the company from time to time;

iv) recommend the Annual CSR budget to the board for approval; and

v) recommend the amount of expenditure to be incurred on the activities.

Composition and Meetings

The CSR Committee had met one (1) occasion during the FY 2022-23 on November 11, 2022.

Name of Director	Designation in the Committee	No. of Meetings Attended
A. Vikraman	Chairman	1/1
Thomas John Muthoot	Member	1/1
Thomas George Muthoot	Member	1/1
Thomas Muthoot	Member	1/1

G. IT Strategy Committee

The Company has constituted the IT Strategy Committee of the Board of Directors as per the RBI Master Direction – Information Technology Framework for the NBFC Sector dated June 08, 2017.

Composition and Meetings

During the FY 2022-23, the meetings of the IT Strategy Committee were held on September 28, 2022, and March 11, 2023.

Name of Director	Designation in the Committee
A. Vikraman	Chairman
Thomas John Muthoot	Member
Thomas George Muthoot	Member

H. Stock Allotment Committee

Composition and Meetings

The Stock Allotment Committee had met during thirty-one (31) occasions during the FY 2022-23. The dates on which the meetings were held are April 29, 2022, July 07, 2022, July 12, 2022, July 13, 2022, July 15, 2022, July 18, 2022, July 21, 2022, July 25, 2022, August 03, 2022, September 06, 2022, September 19, 2022, September 20, 2022, September 22, 2022, September 23, 2022, September 29, 2022, September 30, 2022, December 01, 2022, December 03, 2022, December 05, 2022, December 15, 2022 (10.30 AM), December 15, 2022 (11.00 AM), December 16, 2022, December 26, 2022, February 02, 2023, February 13, 2023, February 14, 2023, March 10, 2023, March 14, 2023, March 15, 2023, March 17, 2023, and March 29, 2023.

Name of Director	Designation in the Committee
Thomas John Muthoot	Chairman
Thomas George Muthoot	Member
Thomas Muthoot	Member

I. Operations Committee

Composition and Meetings

The Operations Committee had met during fifteen (15) occasions during the FY 2022-23. The dates on which the meetings were held are April 14, 2022, May 03, 2022, June 03, 2022, June 29, 2023, July 14, 2022, August 23, 2022, September 22, 2022, September 29, 2022, October 04, 2022, November 16, 2022, November 28, 2022, December 26, 2022, January 05, 2023, February 08, 2023, and March 27, 2023.

Name of Director	Designation in the Committee
Thomas John Muthoot	Chairman
Thomas George Muthoot	Member
Thomas Muthoot	Member

Senior Management

Particulars of Senior Management of the Company are as follows:

Name	Designation	Date of Appointment
Thomas Muthoot	Chief Financial Officer	
Shaji Varghese	Chief Executive Officer	w.e.f 01.07.2022
Suresh Kumar Sivaraj	Chief Human Resources Officer	
Joseph Oommen	Head - Finance & Accounts	
Ajay Kanal	Head - Operations & Change Management	
Mr. Sachu Sivas	Company Secretary & Compliance Officer	w.e.f 02.06.2022

Remuneration of Directors

The details of remuneration paid to the directors of the Company has been disclosed in the Director's Report.

General Body Meetings

Annual General Meeting (AGM)

Details of AGM held during the last three preceding financial years are as under -

Financial Year	No. of AGM	Venue of the Meeting	Date & Time	Details of Special Resolutions Passed
2021-22	25th	Muthoot Centre, TC No. 27/ 3022, Punnen Road, Thiruvananthapuram, Kerala, India - 695 001	September 28, 2022, at 10.30 A.M.	1. Borrowing powers of the Board of Directors under Section 180(1)(c) of the Companies Act, 2013. 2. Consent for creation of charge, mortgage, hypothecation on the immovable and movable properties of the Company under Section 180(1)(a) of the Companies Act, 2013
2020-21	24th	Muthoot Centre, TC No. 27/ 3022, Punnen Road, Thiruvananthapuram, Kerala, India - 695 001	September 27, 2021, at 4.00 P.M.	1. Revision of remuneration of Mr. Thomas John Muthoot, Managing Director (DIN: 00011618) 2. Revision of remuneration of Mr. Thomas Muthoot, Executive Director and Chief Financial Officer (DIN: 00082099) 3. Revision of Commission payable to Mr. Thomas George Muthoot, Director (DIN: 00011552)
2019-20	23rd	Muthoot Centre, TC No. 27/ 3022, Punnen Road, Thiruvananthapuram, Kerala, India - 695 001	October 03, 2020, at 10.30 A.M.	Nil

Extra-Ordinary General Meeting (EGM)

During the FY 2022-23, EGMs were held on two (2) occasions on May 23, 2022, and February 28, 2023.

Means of Communication

The Company believes that good corporate governance and regular communication with stakeholders helps keep all relationships open and healthy. Communication is established by way of corporate disclosures both mandatory and voluntary, financial reporting, corporate communication by way of press release etc., and dedicated 'Investor Relations' section on the website of the Company. The Company also has a dedicated Grievance Redressal Mechanism to ensure quick redressal of queries/complaints/grievances of the investors.

The quarterly, half yearly and annual results were published in leading national daily newspaper. The Annual Report and other disclosures and communications made to stock exchange are disclosed on the website of the Company.

General Shareholder Information

Company Registration Details

The Company is registered in the state of Kerala, India. The Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs is U65929KL1997PLC011518. The Company is a Systemically Important Non-Deposit Taking NBFC, registered with Reserve Bank of India.

26th Annual General Meeting

Day, Date & Time	Friday, September 29, 2023 at 10:30 A.M.
Venue	Muthoot Centre, TC No. 27/ 3022, Punnen Road, Thiruvananthapuram, Kerala, India - 695 001.
Dividend Payment Date	NA
Details of Stock Exchange where securities are listed and payment of Annual Listing Fee	The debt securities of the Company are listed with BSE Limited - P. J. Towers, Dalal Street, Mumbai – 400 001, Maharashtra. Annual listing fees, as prescribed, have been paid to the said stock exchange up to March 31, 2023. There are no outstanding dues.
Stock Code	The equity shares of the Company are not listed on the Stock Exchange; hence the Stock code is not applicable.
Scrip Code	948016
Company Code	10054
Market price data- high, low during each month in last financial year	Not Applicable
Suspension of securities from trading	During FY 2022-23, none of the securities of the Company were suspended from trading.
Registrar to an Issue and Share Transfer Agent (RTA)	RTA for Non-Convertible Debentures (Listed): Integrated Registry Management Services Private Limited SEBI Reg. No. INR000000544 RTA for Equity Shares (Unlisted): KFin Technologies Limited
Share Transfer System	All the shares of the Company are in dematerialised form.
Dematerialization of Shares and Liquidity	As on March 31, 2023, the total equity capital of the Company was held in dematerialised form with National Securities Depository Limited. As the equity shares of the Company are not listed on the Stock Exchange, the shares were not traded on the Stock Exchange.
Outstanding Global Depository Receipts (GDRs)/American Depository Receipts (ADRs)/warrants or any convertible instruments, conversion date and likely impact on equity	The Company does not have GDRs/ADRs/Warrants as on March 31, 2023. During the FY 2021-22, the Company had issued Cumulative Compulsorily Convertible Preference Shares (CCCPS) aggregating to ₹ 150 crores. As per the CCCPS Agreement executed between the Company and the preference shareholders dated April 18, 2021, CCCPS shall be converted into equity shares of the company at the option of the investor at any time after the expiry of a period of 43 (forty-three) months from the closing date as per the said agreement or upon the expiry of a period of 10 (ten) years from the Closing Date. The CCCPS shall be converted at lower of the fair values of the equity shares as determined by the valuation report dated December 9, 2020 issued by Ernst & Young Merchant Banking Services LLP in relation to the issuance of the CCCPS or 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. The equity shares issued upon conversion of the CCPS will in all respects rank pari-passu with equity shares at the time of conversion.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities	**Commodity Price Risk** The Company lends against the collateral of used gold jewellery. When the customer fails to repay the principal plus interest of the loan, the Company auctions the collateral and recovers the dues as per the RBI guidelines on gold loan auctioning. The amount recovered at the time of auction depends on the price of the gold content of the jewellery. As gold is a commodity, the Company does therefore bear an exposure to commodity price risk. If gold prices are high, the amount of recovery at the time of auction is more and when the price of gold is low the amount recovered at the time of auction is lower. At the time of auction, the Company at times may not collect full amount of interest due, especially if the price of gold is lower at the time of auction than at the time of disbursement. **Foreign Exchange Risks** The Company does not directly face any foreign exchange risks as all its loans are made in rupee terms. The Company does not have any un-hedged borrowing in foreign exchange as well.
Plant Locations/Offices	As of March 31, 2023, the Company has 3619 branches across India. The details of locations are available on the Company's website at: https://branches.muthootfincorp.com/
Credit Ratings	The details of credit rating have been disclosed in the Directors Report forming part of the Annual Report.

Distribution of Shareholding:

Sl. No:	Name of the Equity Shareholder	No. of Shares of ₹ 10 each	Amount
1	Mr. Thomas John Muthoot	5,14,56,049	51,45,60,490
2	Mr. Thomas George Muthoot	5,14,56,021	51,45,60,210
3	Mr. Thomas Muthoot	5,14,56,053	51,45,60,530
4	Ms. Preethi John Muthoot	1,29,13,704	12,91,37,040
5	Ms. Nina George	1,29,13,704	12,91,37,040
6	Ms. Remmy Thomas	1,29,13,704	12,91,37,040
7	Muthoot Kuries Private Ltd	1,19,050	11,90,500
8	Muthoot Exim Private Ltd	4,76,200	47,62,000
9	Others	1075	10,750

	Details of other Equity shareholder		
A	Ms. Janamma Thomas	1,039	10,390
B	Mr. A.V Koshy	5	50
C	Mr. Jayakrishnan P	5	50
D	Mr. Amjad A.M	5	50
E	Mrs. Lathika Anand	5	50
F	Mr. Parameswaran T.S	5	50
G	Mrs. Sangeetha Vijay	5	50
H	Mrs. Shiney Thomas	6	60
		1075	10,750
	Sub-Total	**19,37,05,560**	**193,70,55,600**

Address for Correspondence:

Muthoot Fincorp Limited

CIN: U65929KL1997PLC011518

Muthoot Centre, TC No. 27/ 3022, Punnen Road,

Thiruvananthapuram, Kerala, India - 695 001

Other Disclosures

a) There were no materially significant Related Party Transactions (RPTs) with the Company's Promoters, Directors, Key Managerial Personnel or their relatives or any other related parties of the Company, which may have potential conflict with the interests of the Company at large. Disclosures on transactions with related parties, as required under the Indian Accounting Standard 24, have been disclosed in the Notes to the Accounts.

b) Details of non-compliances/fine/penalties

FY	Regulator	Regulation	Amount of fine
2022-23	BSE Limited	Regulation 50(1)(d) of Listing Regulations	₹ 5,000/- plus GST
2021-22	BSE Limited	Regulation 54(2) of Listing Regulations	₹ 61,000/- plus GST

c) The Company has in place a Whistle Blower Policy which provides a mechanism for its employees, directors, vendors and/or customers to disclose any unethical and/or improper practice(s) taking place in the Company, for appropriate action and reporting. Through this policy, the Company provides the necessary safeguards to all whistle blowers for making disclosures in good faith. No personnel of the Company were denied access to the Audit Committee.

d) The Company has complied with the following discretionary requirements, as specified under Part E of Schedule II to Regulation 27(1) of LODR, 2015, detailed as under:

i. The Report of the Statutory Auditors on the financial statements of the Company for the year ended March 31, 2023, doesn't contain any qualification or reservation.

ii. The Internal Auditor of the Company directly reports to the Audit Committee of the Board.

e) The policy on dealing with related party transactions has been placed on the website of the Company and can accessed at: https://www.muthootfincorp.com/wp-content/uploads/2022/09/RPT-Policy_12.08.2022.pdf

f) During the period under review, the Company has not raised any funds through preferential allotment or qualified institutions placement.

g) Code of Conduct for Directors and Senior Management Personnel

The Company has put in place a Code of Conduct for Directors and Senior Management Personnel. The Code is intended to maintain the high standards of transparency, business conduct ethics, corporate culture and the values. The Code acts as a deterrent from unethical doings and promotes ethical values and is the manifestation of the Company's commitment to successful operation of the Company's business in the best interest of the shareholders, creditors, employees and other business associates. The Code has been framed in compliance with regulation 17(5) of Listing Regulations. The said Code of Conduct can be accessed at: https://www.muthootfincorp.com/wp-content/uploads/2022/12/Code-of-conduct-for-Directors-and-Senior-Management_v2-1.pdf

Pursuant to the Regulation 26(3) of the Listing Regulations, all the members of the Board and Senior Management Personnel affirmed compliance with this code and a declaration by the Managing Director confirming the adherence to this code is annexed as **Annexure A** to this report.

h) Pursuant to Regulation 17(8) of the Listing Regulations, the certificate, duly signed by the Managing Director and Chief Financial Officer for the financial year ended March 31, 2023 was reviewed by the Board of Directors. The same is annexed as **Annexure B** to this report.

i) Compliance with Corporate Governance requirements of Listing Regulations

The Company is a High Value Debt Listed Entity (HVDLE) pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 dated September 07, 2021. Accordingly, the Regulation 15 to Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Corporate Governance became applicable to the Company with effect from September 07, 2021. The Company has been submitting the quarterly corporate governance compliance report to the stock exchange as required under Regulation 27(2) of Listing Regulations on a quarterly basis.

The compliance certificate on Corporate Governance for the year ended March 31, 2023 received from M/s. SEP & Associates, Practicing Company Secretaries, confirming the compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations is annexed as **Annexure C** to this report.

j) Certificate from M/s. SEP & Associates, Practicing Company Secretaries, certifying that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed as **Annexure D** to this report.

k) During the FY 2022 - 23 the Board has accepted all the recommendations of its committees.

l) Total fees paid by the Company during the FY 2022-23 to the Joint Statutory Auditors including all entities in their network firm/entity of which they are a part, are given below:

Particulars	Amount (₹)
Statutory Audit fees	30,00,000/-
Certification and other matters	4,00,000/-
Total	**34,00,000/-**

m) The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, has been made under Directors' Report.

n) Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which Directors are interested by name and amount: Nil

o) Monitoring of Subsidiary Companies

The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

p) None of the Independent Directors of the Company has resigned before the expiry of his respective tenure(s) during the FY 2023.

q) Adherence to Accounting Standards and Companies Act, 2013

The Company has complied with the applicable Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 and rules made thereunder. The financial statements for the year have been prepared in accordance with Schedule III to the Companies Act, 2013. The Company is in compliance with the requirements of the Companies Act, 2013 and rules made thereunder.

r) Secretarial Standards

The Company has complied with the applicable provisions of secretarial standards issued by the Institute of Company Secretaries of India.

s) Risk Management and Internal Control Policies adopted by the Company

The Company has a well-defined Risk Management Framework in place. The Company has procedures to periodically place before the Risk Management Committee and the Board, the risk assessment and mitigation plans being followed by the Company.

t) Going Concern

The Board is satisfied that the Company has adequate resources to continue its business for the foreseeable future and consequently considers it appropriate to adopt the going concern basis in preparing the financial statements.

Annexure A

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

To ,

The Members of **Muthoot FinCorp Limited,**

I hereby confirm that all the members of the Board of Directors and senior management personnel of the Company have affirmed compliance with the "Code of Conduct for Directors and Senior Management Personnel" ("Code") of the Company for the financial year ended March 31, 2023.

Sd/-
Thomas John Muthoot
Managing Director
(DIN: 00011618)

Place: Trivandrum
Date: September 14, 2023

Annexure B

CEO(MD)/CFO CERTIFICATION TO THE BOARD

The Board of Directors
Muthoot Fincorp Limited
Trivandrum - 695 001

We, Thomas John Muthoot, Managing Director and Thomas Muthoot, Chief Financial Officer of Muthoot FinCorp Limited, to the best of our knowledge and belief, certify that:

A. We have reviewed standalone and consolidated financial statements and the cash flow statement for the year ended March 31, 2023, and that to the best of our knowledge and belief:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. There have been no significant changes, if any, in internal control over financial reporting during the period;

E. There have been no significant changes in accounting policies during the period; and

F. There have been no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
Thomas John Muthoot
Managing Director
(DIN: 00011618)

Sd/-
Thomas Muthoot
Chief Financial Officer

Place: Trivandrum
Date: September 14, 2023

Annexure C

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To
The Members,
Muthoot Fincorp Limited
Muthoot Centre, TC No 27/ 3022
Punnen Road, Thiruvananthapuram - 695001

1. We have examined the compliance of Corporate Governance by Muthoot FinCorp Limited ("the Company") for the financial year ending on March 31, 2023, as stipulated in Regulations 15 to 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") applicable on a 'comply or explain' basis to the Company, being a 'high value debt listed entity.

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations to the extent applicable to the Company. Responsibility also includes collecting, collating and validating data and designing, implementing and monitoring of Corporate Governance process suitable for ensuring compliance with the above-mentioned Listing Regulations.

Our Responsibility

3. Pursuant to the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2023.
4. We have examined the compliance of conditions of Corporate Governance by the Company for the period April 1, 2022 to March 31, 2023 as per the Listing Regulations to the extent applicable. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance for the period April 01, 2022 to March 31, 2023. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 15 to 27 of the Listing Regulations to the extent applicable during the financial year ended March 31, 2023.
6. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

7. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose.

For SEP & Associates
Company Secretaries
(Peer Review Certificate no. 3693/2023)

UDIN: F003050E000820911

Sd/-
CS Puzhankara Sivakumar
Managing Partner
COP: 2210, FCS: 3050

Date: 18.08.2023
Place: Kochi

Annexure D

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to BSE Circular dated January 07, 2022 and Para C (10)(i) of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members,
Muthoot Fincorp Limited
Muthoot Centre, TC No 27/ 3022
Punnen Road, Thiruvananthapuram - 695001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Muthoot Fincorp Limited having CIN: U65929KL1997PLC011518 having registered office at Muthoot Centre, TC No 27/ 3022, Punnen Road, Thiruvananthapuram - 695001 (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with BSE Circular dated January 07, 2022 and Para C (10)(i) of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below, for the Financial Year ended on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs, or by the Reserve Bank of India or any such other Statutory Authority.

Sl. No.	Name of the Director	DIN	Category of Directorship as on March 31, 2023	Initial Date of Appointment in the Company
1	Kurian Peter Arattukulam	00008022	Independent Director	30/01/2007
2	Thomas George Muthoot	00011552	Director	10/06/1997
3	Thomas John Muthoot	00011618	Managing Director	01/02/2013
4	Thomas Muthoot	00082099	Executive Director	30/05/2011
5	Preethi John Muthoot	00483799	Director	28/03/2019
6	Vikraman Ampalakkat	01978341	Independent Director	21/10/2007
7	Badal Chandra Das	09758076	Independent Director	01/12/2022
8	Ravi Ramchandran	10048011	Independent Director	28/02/2023

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on this based on our verification. While forming opinion on issuance of this certificate we have also taken into consideration independent legal opinion wherever there was a scope for multiple interpretations. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SEP & Associates
Company Secretaries
(Peer Review Certificate no. 3693/2023)

UDIN: F003050E000820900

Sd/-
CS Puzhankara Sivakumar
Managing Partner
COP: 2210, FCS: 3050

Date: 18.08.2023
Place: Kochi

FINANCIAL STATEMENTS

STANDALONE AND CONSOLIDATED

Rangamani & Co
Chartered Accountants

Krishnan Retna & Associates
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO`

THE MEMBERS OF **MUTHOOT FINCORP LIMITED,**

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Muthoot Fincorp Limited ("the Company"), Muthoot Centre, TC No 27/ 3022, Punnen Road, Thiruvananthapuram – 695 001** which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income) and the Statement of changes in equity and the Statement of cash flows for the year then ended, including the notes to the Ind AS Financial Statements, a summary of significant accounting policies and other explanatory information. ["Ind AS Financial Statements"]

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its profit including other Comprehensive Income, Changes in equity and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Rangamani & Co: PH: 0477-2251474
EMAIL: rangamanis@rediffmail.com

Krishnan Retna & Associates: PH: 8281223242
EMAIL: trivandrum@krishnanretna.com

For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the Key Audit matters to be communicated in our report.

Key Audit Matters	How it's been addressed in Audit
a) Completeness in identification and disclosure of related party transactions in accordance with the applicable reporting framework.	We have accessed the laid down systems and processes of the Company in identifying related party transactions and its ultimate disclosure in financial statements in accordance with the applicable reporting framework. We have designed the audit procedures in accordance with the guidelines prescribed in Standard on Auditing (SA 550) to identify the risks of material misstatement arising from an entity's failure to appropriately account for or disclose material related party transactions. We have also reviewed the minutes of meetings of the board in the course of the audit to identify any transactions that may require disclosure in accordance with the applicable reporting framework.
b) Effectiveness of IT Systems and related controls.	Due to the automated controls and high degree of dependence in information systems, there is a risk that the financial accounting and reporting records may be misstated in case of any control lapses in the IT system related controls. We have designed our audit procedures in accordance with the guidelines laid down in the Standard on Auditing (SA 530) and tested the controls in the Information Technology Systems on a sample basis which has an impact on the financial accounting and reporting records. We have also tested on a sample basis the controls related to access management including user rights in passing entries, approval for authorizing entries, authorization for reversing entries, segregation of duties, system password protection, external software/hardware access rights etc. Based on our sample review, no material weakness was identified in the IT related systems and controls.
c) Accuracy, completeness and correctness of accounting and related controls maintained at the entity's branches.	At the branch level, entries related to daily operations are passed. We have addressed this as a key audit matter since any control lapses in the branch level accounting may result in the financial accounting and reporting records of the entity being misstated. We have physically visited the entity's branches on a sample basis to identify and assess the effectiveness of the controls operating at the branch level. We

	have also tested on a sample basis the independent financial records maintained at the branch level and how the same is considered and incorporated in the financial statements. We have also assessed and analyzed the internal audit reports and how the major observations are dealt with and its impact on the entity's financial accounting and reporting records. Based on our sample review, no major weaknesses were identified.
d) Computation of provision towards impairment of loan assets. As at 31st March 2023, the Company had reported a total impairment loss allowance of Rs. 36,454.29 lakhs (31st March 2022 - Rs 30,792.59 lakhs) A significant degree of judgment is required to determine the timing and amount of Impairment loss allowance to be recognized with respect to loan assets. Based on our risk assessment, the following are the significant judgments and estimates, that impact impairment loss allowance: • Completeness and timing of recognition of default, in accordance with the prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Loan Assets; • Measurement of provision is dependent on the probability of default (PD) and loss given default (LGD) of each category of loan asset. Identification of PD and LGD involves significant judgments and estimates related to forward looking information.	The audit procedures performed, among others, included: ■ Considering the board policies and processes for NPA identification and assessing compliance with the RBI norms. ■ Understanding, evaluating and testing the design and effectiveness of key controls around identification of impaired accounts. ■ Performing other procedures including substantive audit procedures covering the identification of NPAs such as: • Reading account statements and related information of the borrowers on a sample basis. • Performing inquiries with credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which needed to be considered as NPA. • Holding discussions with the management on sectors where there is perceived credit risk and the steps taken to mitigate the risks to identified sectors.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the standalone Ind AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS financial statements, the board of directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in planning the scope of our audit work and in evaluating the results of our work; and to evaluate the effect of any identified misstatements in the Standalone Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.

   e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate Report in "**Annexure B**".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, the remuneration paid by the Company to its directors is in accordance with the provisions of Section 197.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The company has disclosed the impact of pending litigations on its financial position.

      ii. The company does not have any long-term contracts including derivative contracts for which there were any material foreseeable loss for which any provision is required to be made under the applicable law and Accounting Standards.

      iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the company

      iv. a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 50 to the standalone financial statements, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 50 to the standalone financial statements, no funds (which are material either individually or in aggregate) have been received by the Company from any person or entity, including foreign entity ('Funding Parties") with the understanding, whether recorded in writing or otherwise that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

For Rangamani & Co.,
Chartered Accountants,
ICAI FRN:003052 S

R. Krishnan
(Partner)
M.No.025927

UDIN: 23025927BGZFXA3667

Place: Thiruvananthapuram
Date: 22-05-2023

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

Retna Kumaran Nair A
(Partner)
M.No. 024791

UDIN: 23024791BGRXOR1043

Place: Thiruvananthapuram
Date: 22-05-2023

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in Paragraph 1 under the heading 'Report on other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Muthoot Fincorp Limited on the Standalone Ind AS Financial Statements as of and for the year ended 31st March 2023.

1) Tangible and Intangible Assets:

(a) In our opinion the company has maintained proper records showing particulars including quantitative details and situation of majority of Property, Plant and Equipment. We are informed that the company is in the process of updating the details in the Fixed Asset module of the software used by the company. To ensure complete recording and updating of the assets in the fixed assets module, the company is in the process of migrating to new software.

(b) As informed to us, fixed assets have been physically verified by the management on a periodic basis during the course of internal branch audit conducted during the year. Since there is a regular programme of verification, we are of the opinion that it is reasonable having regard to the size of the company and the nature of its assets. We have been informed that there have been no material discrepancies during such verification.

(c) In our opinion and according to the information and explanations given to us, the title deeds of immovable property included in Property, Plant and Equipment and in Investment Property are held in the name of the Company.

(d) In our opinion and according to the information and explanation given to us, the company has not revalued its Property, Plant and Equipment (including Right of use of asset) or Intangible assets or both during the year.

(e) As informed to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2) Inventory and Working Capital:

(a) The Company does not have any inventory. Hence, the provisions of clause 3(ii) of the Order are not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has obtained Working Capital Limits in excess of Rs 5 Crores in aggregate from banks and financial Institutions and the Quarterly return/statement filed by the Company with such banks or financial Institutions are in agreement with the books of accounts.

3) The company is a Non – Deposit taking Non Banking Financial Company (NBFC) registered with the Reserve Bank of India. During the year, the company has made investments and in the ordinary course of business granted loans and advances in the nature of secured and unsecured loans to companies, firms, LLPs and other parties. With respect to such Investment and Loans and Advances :

(a) As the principal business of the company is to give loans, the paragraph 3(iii)(a) of the Order is not applicable to the Company.

(b) In our opinion, the terms and conditions of the grant of such loans are, prima facie, not prejudicial to the Interests of the Company.

(c) In respect of loans granted by the company, the schedule of repayment of principal and payment of interest has been stipulated. Being a non banking finance company engaged in the business of granting loans, there are instances of irregularities in repayment of principal amount and receipt of interest as per stipulated terms. Having regard to the nature of business undertaken by the company, specific details of irregularities are not reported although the particulars of overdue for more than ninety days as per books of accounts as at the Balance

Sheet date has been reported in para (d) below

(d) In respect of loans granted by the company, the total amount overdue for more than ninety days as per Books of Accounts as at the Balance Sheet date is Rs. 37,161.13 lakhs. In our opinion, and as per information and explanations given to us, reasonable steps have been taken by the company for recovery of the said overdue amounts.

(e) The provisions of paragraph 3(iii)(e) of the Order are not applicable to the company, as its principal business is to give loans.

(f) The company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.

4) In our opinion, in respect of loans, investments, guarantees, and security, the company has complied with the provision of Sec 185 and 186 of the Act.

5) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and rules framed thereunder to the extent notified.

6) The Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and hence the provisions of this section are not applicable to the Company for the year under review.

7) In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the company examined by us, the particulars of statutory dues as at 31st March 2023 which have not been deposited on account of dispute are as follows;

Statute	Nature of dues	Period to which the amount relates (Financial Year)	Amount (in lakhs)	Forum where dispute is pending
Service Tax	Tax on Income from Foreign Inward Remittances	01.02.2006 to 30.09.2007	17.17	CESTAT, Bangalore.
Service Tax	Tax on receipts related to assignment of receivables	01.04.2007 to 31.03.2012	1,451.58	CESTAT, Bangalore.
Service Tax	Tax on Notional consideration against support services rendered to group concerns	01.04.2008 to 31.03.2012	2,132.11	CESTAT, Bangalore
Service Tax	Tax on Income from Foriegn Inward Remittances	01.04.2014 to 30.06.2017	347.27	Commissioner of GST and Central Excise. (Appeals), Cochin.
Service Tax	Service Tax demand on taxability on assignment of receivables	01.04.2014 to 30.06.2017	1,158.01	CESTAT, Bangalore.
Income Tax	Demand payable u/s 143(3) - net of refund adjustments	AY 10-11	1,463.50	CIT(A) - III, Cochin
Income Tax	Demand payable u/s 143(3) - net of refund adjustments	AY 13-14	741.70	CIT(A) - III, Cochin
Income Tax	Non deduction of Tax at Source	AY 15-16	570.37	DCIT, TDS (Trivandrum)
Income Tax	Demand payable u/s 143 (3)	AY 18-19	577.43	CIT(A) - III, Cochin
Income Tax	Demand Payable u/s 143(1)	AY 19-20	66.86	CIT(A) - III, Cochin
Income Tax	Penalty u/s 271H	AY 15-16	1.00	CIT(A) - III, Cochin
Value Added Tax	Purchase Tax	AY 13-14	1,327.12	Assessing Authority SGST, Thiruvananthapuram

8) In our opinion and according to information and explanations given to us, there are no instances of transactions not recorded in the books of accounts subsequently surrendered as income in Tax assessments.

9) Repayment of Borrowings

(a) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or as at the balance sheet date.

With regard to debentures, there are unpaid debentures that are matured to the tune of Rs 4,828.69 lakhs as on 31.03.2023. As explained to us, these are not settled since the investors have not approached the Company with the original investment documents for redemption. The total amount of redemption done for the period starting from 01.04.2023 to 21.05.2023 is stated to be 2,769.18 lakhs including interest.

(b) As per the information and explanation given to us, the Company has not been declared as a willful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given by us, term loans taken by the Company from financial institutions are applied for the purpose for which they were obtained.

(d) According to the information and explanations given by us, funds raised on short term basis have not been utilized for long term purposes.

(e) According to the information and explanations given by us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures,

(f) According to the information and explanations given by us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

10) (a) According to the information and explanations given to us, and on examination of records of the Company, the Company has during the year raised funds through public issue of Non Convertible Debentures of Rs. 68,200.57 lakhs that were utilized for the purposes for which they were raised.

(b) According to the information and explanations given to us, and on examination of records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year and hence, the reporting requirement under clause(x)(b) of para 3 of the Order are not applicable

11) Fraud and Whistleblower Complaints

(a) According to the information and explanations given to us, and on examination of records of the Company, instances of whistleblower complaints were raised on various occasions during the year and appropriate actions were taken against those complaints.

(b) No report u/s 143(12) of the Act has been filed in Form ADT-4 regarding any frauds, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with Central Government, during the year and up to the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) while determining the nature, timing and extent of our audit procedures.

12) The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.

13) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14) (a) In our opinion, the Company has an internal audit system commensurate with the nature and size of the Company's business. Also, the comments of the Internal auditors in their report are considered by us in framing an opinion on the financial statements.

(b) We have considered the Internal Audit reports for the year under Audit, issued to the company during the year in determining the nature, timing and extent of our Audit procedures.

15) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them.

16) (a) The Company being a Non Banking Financial Company is required to be registered and has obtained the Certificate of Registration as provided under sec 45IA of The Reserve Bank of India Act 1934.

(b) The Company has a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) for conducting Non-Banking Financial activities and no business has been conducted by the Company without a valid CoR.

(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the reporting requirement under clause (xvi) (c) of para 3 of the Order is not applicable.

(d) As informed to us, the group does not form part of a CIC. Accordingly, reporting on paragraph 3(xvi)(d) of the Order is not applicable.

17) The company has not incurred any cash losses in the financial year under audit and in the immediately preceding financial year.

18) There has been no resignation of the statutory auditors during the financial year covered by our audit and hence the reporting requirement under clause (xviii) of para 3 of the Order is not applicable.

19) On the basis of the examination of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statement and knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date; We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20) (a) According to the information and explanation given to us and the records of the company examined by us, there are no unspent amounts towards corporate social responsibility other than ongoing projects requiring a transfer to a fund specified in schedule VII to the Act in compliance with the second proviso to sub section (5) of Section 135 of the said Act.

(b) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has transferred unspent amount under sub section 5 of section 135 of the Companies Act, pursuant to ongoing projects to a special account in compliance with the provision of section 135(6) of the Companies Act.

21) According to the information and explanations given to us and based on our examination of the records of the company, there has been no adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements

---

For Rangamani & Co.,
Chartered Accountants,
ICAI FRN:003052S

R. Krishnan
(Partner)
M.No.025927

UDIN: 23025927BGZFXA3667

Place: Thiruvananthapuram
Date: 22-05-2023

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

Retna Kumaran Nair A
(Partner)
M.No. 024791

UDIN: 23024791BGRXOR1043

Place: Thiruvananthapuram
Date: 22-05-2023

ANNEXURE “B” TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' of the Independent Auditors' Report of even date to the members of Muthoot Fincorp Limited on the Ind AS Financial Statements as of and for the year ended 31 March 2023

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

Opinion

We have audited the internal financial controls over financial reporting of Muthoot Fincorp Limited ("the Company"), as of March 31, 2023 in conjunction with our audit of the Ind AS Financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) Standards on Auditing, both issued by the ICAI and deemed to be prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Rangamani & Co.,
Chartered Accountants,
ICAI FRN:003052S

R. Krishnan
(Partner)
M.No.025927

UDIN: 23025927BGZFXA3667

Place: Thiruvananthapuram
Date: 22-05-2023

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

Retna Kumaran Nair A
(Partner)
M.No. 024791

UDIN: 23024791BGRXOR1043

Place: Thiruvananthapuram
Date: 22-05-2023

"AUDITOR'S REPORT SUBMITTED AS PER NON-BANKING FINANCIAL COMPANIES AUDITOR'S REPORT (RESERVE BANK) DIRECTIONS, 2016"

To
The Board of Directors
Muthoot FinCorp Limited,
Muthoot Centre, Punnen Road,
Thiruvananthapuram – 695 001

Sirs,

1) The Company has been registered with Reserve Bank of India ('RBI'), Thiruvananthapuram with Registration Number N. 16 – 00170.
2) In our opinion, and in terms of the Company's assets and income pattern for the year ended and as at 31st March 2023, the Company is entitled to continue to hold the Certificate of Registration issued by the RBI.
3) In our opinion, the Company has complied with the net owned fund requirement as laid down in the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
4) The Board of Directors has passed a resolution on 26/04/2022 for Non-Acceptance of public deposits during the financial year 2022-23.
5) On the basis of verification of the books and other records and on the basis of information provided by the management, the Company has not accepted any public deposits during the year 2022 – 2023.
6) The Company has, in compliance with the Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 prepared the Financial Statements in accordance with the Indian Accounting Standards (Ind AS). Income Recognition, Asset Classification and Provisioning for bad and doubtful debts, have been done in accordance to the said Standards.

   As the Company has maintained Impairment Loss Allowance in excess of the minimum provision requirement as per the RBI regulations, we are of the opinion that the Company has complied with the Prudential Norms relating to Provisioning for bad and doubtful debts, Asset Classification and Income Recognition as applicable to it as on 31/03/2023.
7) The return filed with the RBI under DNBS-03 for the Financial Year ended 31st March, 2023 has been submitted on 14th April, 2023. The Capital Adequacy Ratio as at 31st March, 2023 disclosed in the said return is filed on a provisional basis and the figures reported therein are subject to change. However, based on our examination of the computation of the ratio, we report that the Company has complied with the capital to risk asset norm for the year ended 31st March, 2023.
8) Based on the information furnished to us, the annual statement of capital funds, risk assets/exposures and risk asset ratio as at 31st March, 2022 has been furnished vide DNBS-03 on 14th April, 2022, which was revised on 29th Juune, 2022.

For Rangamani & Co.,
Chartered Accountants,
ICAI FRN:003052S

R. Krishnan
(Partner)
M.No.025927

UDIN: 23025927BGZFXA3667

Place: Alleppey
Date: 22-05-2023

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

Retna Kumaran Nair A
(Partner)
M.No. 024791

UDIN: 23024791BGRXOR1043

Place: Thiruvananthapuram
Date: 22-05-2023

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(INR in lakhs)

Particulars	Notes	As at 31st March 2023	As at 31st March 2022
ASSETS			
1 Financial assets			
Cash and cash equivalents	5	2,52,361.58	2,35,980.59
Bank Balance other than above	6	17,001.25	11,089.14
Receivables			
Trade Receivables	7	3,133.15	2,630.50
Loans	8	17,25,053.20	17,01,520.88
Investments	9	1,86,671.51	1,63,959.06
Other Financial assets	10	14,485.70	13,049.87
2 Non-financial Assets			
Current tax assets (net)		-	2,997.82
Investment Property	11	26,119.76	30,236.55
Property, Plant and Equipment	12	39,301.60	38,915.42
Intangible assets under development	13	676.00	-
Other Intangible assets	13	844.48	937.59
Right-of-use assets	14	79,935.99	57,939.67
Other non financial assets	15	24,315.90	31,120.00
Total assets		**23,69,900.12**	**22,90,377.08**
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		813.40	79.03
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3,201.57	4,703.28
Debt Securities	17	3,04,642.97	3,79,379.03
Borrowings (other than debt securities)	18	12,49,815.81	11,53,567.02
Lease Liability	14	88,965.01	64,656.45
Subordinated Liabilities	19	2,27,858.69	2,38,526.64
Other Financial liabilities	20	74,610.16	76,253.36
2 Non-financial Liabilities			
Current tax liabilities (net)		2,305.00	-
Provisions	21	3,439.83	2,959.81
Deferred tax liabilities (net)	34	22,247.61	23,668.26
Other non-financial liabilities	22	2,696.64	1,634.89

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(INR in lakhs)

Particulars	Notes	As at 31st March 2023	As at 31st March 2022
3 Equity			
Equity share capital	23	19,370.56	19,370.56
Other equity	24	3,69,932.89	3,25,578.77
Total liabilities and equity		**23,69,900.12**	**22,90,377.08**
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: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Retna Kumaran Nair A
Partner
Membership No.024791
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

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

Date: May 22, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(INR in lakhs)

Particulars	Notes	For the year ended 31st March 2023	For the year ended 31st March 2022
(I) **Revenue from operations**			
(i) Interest income	25	3,32,167.53	3,18,760.74
(ii) Dividend income		21.29	17.44
(iii) Rental income		606.67	533.22
(iv) Fees and commission income		11,632.99	9,952.29
(v) Net gain on derecognition of financial instruments under amortised cost category		-	37.53
(vi) Others	26	2,554.06	3,332.38
Total Revenue from operations		**3,46,982.53**	**3,32,633.60**
(II) Other Income		2,143.83	158.05
(III) **Total Income (I + II)**		**3,49,126.36**	**3,32,791.64**
Expenses			
(i) Finance costs	27	1,57,132.55	1,63,547.79
(ii) Impairment on financial instruments	28	6,717.02	7,152.74
(iii) Net Loss on fair value changes	29	289.93	231.27
(iv) Employee benefits expenses	30	59,944.74	53,690.84
(v) Depreciation, amortization and impairment	31	18,498.40	21,070.48
(vi) Other expenses	32	44,300.56	40,284.88
(IV) **Total Expenses**		**2,86,883.20**	**2,85,978.01**
(V) **Profit before tax (III- IV)**		**62,243.16**	**46,813.64**
(VI) Tax Expense:			
(1) Current tax		17,609.54	13,719.62
(2) Deferred tax		(1,347.46)	(1,591.11)
(VII) **Profit for the year (V-VI)**		**45,981.08**	**34,685.13**
(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		(417.64)	2,167.51
Remeasurement of the defined benefit liabilities		73.42	179.27
(ii) Income tax relating to items that will not be reclassified to profit or loss		73.19	(539.05)
Subtotal (A)		(271.03)	1,807.73
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)		**(271.03)**	**1,807.73**

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(INR in lakhs)

	Particulars	Notes	For the year ended 31st March 2023	For the year ended 31st March 2022
(IX)	**Total Comprehensive Income for the year (VII+VIII)**		**45,710.06**	**36,492.86**
(X)	**Earnings per equity share**	33		
	Basic (INR)		23.74	17.91
	Diluted (INR)		22.85	17.36

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: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Retna Kumaran Nair A
Partner
Membership No.024791
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

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

Date: May 22, 2023

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(INR in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
A Cash flow from Operating activities		
Net Profit before taxation	**62,243.16**	**46,813.64**
Adjustments to reconcile profit before tax to net cash flows:		
Add: Depreciation, amortisation and impairment	18,498.40	21,070.48
Add: Impairment on financial instruments	5,661.71	7,152.74
Add: Write off	3,400.80	-
Add: Finance cost	1,57,132.55	1,63,547.79
Add: Provision for Gratuity	34.23	174.23
Add: Provision for Compensated absence	90.66	(38.25)
Add: Net (gain) / loss on fair value changes	289.93	231.27
Add: Share based payments & stock appreciation rights	586.09	-
Less: Profit on Sale of Assets	(1,503.92)	-
Less: Income on investments	(729.25)	(1,578.71)
Less: Dividend income	(21.29)	(17.44)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	***2,45,683.05***	***2,37,355.75***
Adjustments for:		
(Increase)/Decrease in Trade receivables	(502.66)	(810.56)
(Increase)/Decrease in Bank balances other than cash and cash equivalents	(5,912.11)	5,236.97
(Increase)/Decrease in Loans	(30,249.34)	1,36,624.52
(Increase)/Decrease in Other financial asset	(1,710.91)	5,429.50
(Increase)/Decrease in Other non-financial asset	4,458.62	895.82
Increase/(Decrease) in Other financial liabilities	3,610.31	585.17
Increase/(Decrease) in Other non-financial liabilities	1,061.75	369.26
Increase/(Decrease) in Trade payables	(767.34)	3,011.46
Increase/(Decrease) in Provisions	73.42	179.27
Cash generated / (utilised) from / (for) operations	**2,15,744.80**	**3,88,877.17**
Finance cost paid	(1,55,648.80)	(1,50,126.58)
Income tax paid	(12,306.71)	(16,041.41)
Net cash flows from operating activities	**47,789.28**	**2,22,709.17**
B Cash flow from Investing activities		
Purchase of property, plant and equipment, intangible assets & inventory	(6,618.04)	(3,802.61)
Proceeds from sale of fixed assets	237.29	-
Proceeds from sale of investment property	4,920.00	-
Proceeds against (purchase) / sale of investment funds	494.18	420.54
Proceeds against (purchase) / sale of equity investments	(170.20)	(526.77)
Proceeds against redemption of debt securities	-	300.00
Purchase of shares of muthoot microfin limited	(23,225.00)	-
Investments in speckle internet solutions private limited	-	(200.00)
Dividend income	21.29	17.44
Income on investments	729.25	1,578.71
Net cash flows from investing activities	**(23,611.22)**	**(2,212.69)**

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(INR in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
C Cash flow from Financing activities		
Increase / (decrease) in debt securities	(75,398.88)	(57,821.90)
Increase / (decrease) in borrowings (other than debt securities)	97,275.85	56,034.28
Increase / (decrease) in subordinated liabilities	(9,595.30)	(9,201.75)
Payment of lease liabilities	(18,722.79)	(17,821.39)
Proceeds from issue of Cumulative Compulsorily Convertible Preference Shares	-	15,000.00
Dividend paid	(1,355.94)	(11,622.33)
Net cash flows from financing activities	(7,797.06)	(25,433.09)
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	**16,381.00**	**1,95,063.39**
Cash and cash equivalents at April 01, 2022 / April 01, 2021	2,35,980.59	40,917.19
Cash and cash equivalents at March 31, 2023 / March 31, 2022	**2,52,361.58**	**2,35,980.59**

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: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Retna Kumaran Nair A
Partner
Membership No.024791
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

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

Date: May 22, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

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 2021	**19,37,05,560.00**	**19,370.56**
Changes in equity share capital due to prior period errors	-	-
Restated Balance as on 1st April 2021	**-**	**-**
Changes in equity share capital during the year	-	-
Balance as on 31st March 2022	**19,37,05,560.00**	**19,370.56**
Changes in equity share capital due to prior period errors	-	-
Restated Balance as on 1st April 2022	**-**	**-**
Changes in equity share capital during the year	-	-
Balance as on 31st March 2023	**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	Retained Earnings	Equity Instruments through Other Comprehensive income	Actuarial valuation of gratuity impact through Other Comprehensive Income	
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**

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

B. Other Equity

(INR in lakhs)

Particulars	Reserves and Surplus			Other Comprehensive Income		Total Other Equity
	Securities Premium Reserve	Statutory Reserve	Retained Earnings	Equity Instruments through Other Comprehensive income	Actuarial valuation of gratuity impact through Other Comprehensive Income	
Profit for the year	-	-	45,981.08	-	-	45,981.08
Other Comprehensive Income (net of taxes)	-	-	-	(325.97)	54.94	(271.03)
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	9,196.22	(9,196.22)	-	-	-
Dividend Paid	-	-	(1,355.94)	-	-	(1,355.94)
Balance as on 31st March 2023	**38,129.85**	**65,099.92**	**1,65,732.44**	**1,00,624.26**	**346.41**	**3,69,932.89**

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: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Retna Kumaran Nair A
Partner
Membership No.024791
Place: Thiruvananthapuram

Date: May 22, 2023

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

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

SIGNIFICANT ACCOUNTING POLICIES

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 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, Loans against Property, 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 financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI to the extent applicable. The Company uses accrual basis of accounting except in case of significant uncertainties.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption.

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs.

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) 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 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 / loss on fair value changes

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains / losses 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:

<u>Business model assessment</u>

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 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 except cumulative compulsorily convertible preference shares, 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:

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 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.

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 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 and other assets 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, 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 exchange 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 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.

Other long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss. The Company presents the provision for compensated absences under provisions in the Balance Sheet.

3.16.3 Employee Stock Option & Employee Stock Appreciation Right

The Company has formulated its Employees Stock Option Schemes and Stock Appreciation Right Schemes (SAR). The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in Provisions and the fair value of SAR granted is recognized as an employee benefit expense having a corresponding increase in financial liability. 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 entity revises its estimates of the number of options that are expected to vest.

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.

Company as a lessee

The Company's lease asset class consist of building and equipment. 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 active 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.

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)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2023

5 Cash and cash equivalents

Particulars	As at 31st March 2023	As at 31st March 2022
Cash on hand	9,275.14	8,775.44
Balances with Banks		
- in current accounts	1,13,093.97	1,53,882.08
- in deposit accounts having original maturity less than three months*	1,29,829.96	73,263.12
Others		
- Foreign currency balances	162.52	59.94
Total	**2,52,361.58**	**2,35,980.59**

* Includes earmarked balances of INR 4,800 as at 31st March 2023 (31st March 2022 - INR 3,543.54) towards margin money, debenture redemption reserve & staff security deposits.

6 Bank Balance other than above

Particulars	As at 31st March 2023	As at 31st March 2022
Deposit with original maturity for more than three months but less than twelve months*	9,994.37	4,319.72
Balance with Banks in escrow accounts	7,006.88	6,769.42
Total	**17,001.25**	**11,089.14**

* Includes earmarked balances of INR 9,737.63 as at 31st March 2023 (31st March 2022 - INR 4,043.15) towards margin money, debenture redemption reserve, staff security deposits & security to pension fund regulatory and development authority.

7 Receivables

Particulars	As at 31st March 2023	As at 31st March 2022
TRADE RECEIVABLES		
Receivables considered good - Unsecured		
Receivables from Money Transfer business	837.00	847.35
Wind Mill income receivable	2,241.65	1,748.85
Other Trade Receivables	54.51	34.30
Sub-Total	**3,133.15**	**2,630.50**
Less: Allowances for Impairment Loss	**-**	**-**
Total Net receivable	**3,133.15**	**2,630.50**

(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 2023	As at 31st March 2022
From Directors, relatives of Directors or Officers of the Company	1.99	2.24
From firms or trusts in which any director is a partner or member	0.17	-
From Companies in which any director is a director or a member	12.34	4.04
Total	**14.51**	**6.28**

(Rupees in lakhs, except for share data and unless otherwise stated)

(ii) Trade receivables are non-interest bearing. These consist primarily of receivable from government and other parties, and does not involve any credit risk.

(iii) Ageing Schedule of Trade Receivables (At at 31st March, 2023)

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	1,031.26	639.68	857.39	505.18	99.64	3,133.15
(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	-	-	-	-	-	-

(iv) 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	-	-	-	-	-	-

(Rupees in lakhs, except for share data and unless otherwise stated)

8 Loans (At amortised Cost)

Particulars	As at 31st March 2023	As at 31st March 2022
A.		
Retail Loans	17,31,869.35	16,98,032.48
High Value Loans	29,572.39	34,191.91
Staff Loan	65.75	89.08
Total	**17,61,507.49**	**17,32,313.47**
Less: Impairment loss allowance	(36,454.29)	(30,792.59)
Total (A) - Net	**17,25,053.20**	**17,01,520.88**
B.		
I) Secured by tangible assets		
Retail Loans	**17,29,301.22**	**16,95,435.33**
High Value Loans	29,276.96	33,840.86
II) Secured by intangible assets		**-**
Total (I) - Gross	**17,58,578.18**	**17,29,276.20**
Less : Impairment loss allowance	(34,771.08)	(29,356.63)
Total (I) - Net	**17,23,807.10**	**16,99,919.57**
II) Covered by Bank / Government Guarantees	**-**	**-**
III) Unsecured		
Retail Loans	2,568.13	2,597.15
High Value Loans	295.43	351.05
Staff Loan	65.75	89.08
Total (III) - Gross	**2,929.31**	**3,037.28**
Less : Impairment loss allowance	(1,683.22)	(1,435.96)
Total (III) - Net	**1,246.10**	**1,601.31**
Total (I+II+III) - Net	**17,25,053.20**	**17,01,520.88**
C.		
I) Loans in India		
i) Public Sector	-	-
ii) Others	17,61,507.49	17,32,313.47
II) Loans outside India	**-**	**-**
Total (C) - Gross	**17,61,507.49**	**17,32,313.47**
Less: Impairment Loss Allowance	(36,454.29)	(30,792.59)
Total (C)- Net	**17,25,053.20**	**17,01,520.88**

The Company has continued its co-lending arrangements with banks for Gold loans. A total disbursement of INR 3,40,362.20 (31st March, 2022 - INR 4,91,842.74) was undertaken during the year under the Co-lending mechanism. As at 31st March, 2023, the total managed assets under the Co-lending mechanism amounted to INR 1,15,378.42 (INR 1,36,210.74 as at 31st March, 2022).

(Rupees in lakhs, except for share data and unless otherwise stated)

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, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	15,47,599.04	-	-	15,47,599.04	14,64,411.42	-	-	14,64,411.42
Standard grade	68,730.70	-	-	68,730.70	1,00,780.13	-	-	1,00,780.13
Sub-standard grade	-	72,625.47	-	72,625.47	-	69,190.90	-	69,190.90
Past due but not impaired	-	35,391.15	-	35,391.15	-	47,971.74	-	47,971.74
Non- performing								
Individually impaired	-	-	37,161.13	37,161.13	-	-	49,959.29	49,959.29
Total	**16,16,329.75**	**1,08,016.61**	**37,161.13**	**17,61,507.49**	**15,65,191.55**	**1,17,162.63**	**49,959.29**	**17,32,313.47**

An analysis of changes in the gross carrying amount in relation to receivables under financing activities is, as follows:

Particulars	2022-23				2021-22			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**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**
New assets originated or purchased	43,34,393.64	-	-	43,34,393.64	40,89,066.60	-	-	40,89,066.60
Assets derecognised or repaid (excluding write offs)	(36,67,625.20)	(3,76,561.05)	(2,59,958.04)	(43,04,144.30)	(30,54,553.21)	(6,72,673.57)	(4,98,464.33)	(42,25,691.12)
Assets written off during the period	-	-	(1,055.32)	(1,055.32)	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(4,34,456.12)	4,34,456.12	-	-	(6,99,565.86)	6,99,565.86	-	-
Transfers to Stage 3	(1,81,174.12)	(67,041.08)	2,48,215.20	-	(4,06,963.97)	(1,05,501.21)	5,12,465.17	-
Gross carrying amount closing balance	**16,16,329.75**	**1,08,016.61**	**37,161.13**	**17,61,507.49**	**15,65,191.55**	**1,17,162.63**	**49,959.29**	**17,32,313.47**

(Rupees in lakhs, except for share data and unless otherwise stated)

Reconciliation of ECL balance is given below:

Particulars	2022-23				2021-22			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	7,187.86	835.83	22,768.90	30,792.59	5,921.14	697.92	17,020.78	23,639.85
New assets originated or purchased	24,153.35	-	-	24,153.35	18,778.31	-	-	18,778.31
Assets derecognised or repaid (excluding write offs)	(18,903.65)	(2,813.53)	(1,74,715.80)	(1,96,432.98)	(12,430.05)	(4,100.09)	(2,27,807.41)	(2,44,337.55)
Assets written off during the period	-	-	(1,055.32)	(1,055.32)	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(2,421.00)	2,421.00	-	-	(3,212.63)	3,212.63	-	-
Transfers to Stage 3	(1,009.59)	(315.05)	1,324.64	-	(1,868.91)	(752.63)	2,621.54	-
Impact on year end ECLs of exposures transferred between stages during the year	-	379.36	1,78,617.30	1,78,996.65	-	1,777.99	2,30,933.98	2,32,711.97
ECL allowance - closing balance	**9,006.98**	**507.60**	**26,939.71**	**36,454.29**	**7,187.86**	**835.83**	**22,768.90**	**30,792.59**

(Rupees in lakhs, except for share data and unless otherwise stated)

9 Investments

Particulars	As at 31st March 2023	As at 31st March 2022
(i) At Amortized Cost / At Cost		
Debt securities (At Amortized Cost)		
Unlisted Debentures		
Investment Richa Lifespace Private Limited	612.50	612.50
Investment Diyug Construction Private Limited	282.85	282.85
Investment Richa Realtors Private Limited	1,300.00	1,300.00
Equity instruments (At Cost)		
Subsidiary-Unquoted*		
Inv-Muthoot Housing Finance Company Limited	14,791.02	14,791.02
Inv-Muthoot Pappachan Technologies Limited	3.00	3.00
	16,989.37	**16,989.37**
(ii) At Fair Value through Profit or Loss		
Others - Quoted		
Inv-JM Financial India Fund II	236.50	156.37
Alternate Investment Funds		
Inv-Strugence Debt Fund	997.61	997.48
Inv-BPEA India Credit - Trust II	168.86	514.24
	1,402.98	**1,668.09**
(iii) At Fair Value through Other Comprehensive Income		
Equity instruments		
Subsidiary-Unquoted		
Inv-Muthoot Microfin Limited	1,66,298.57	1,42,977.72
Others-Quoted		
Inv-Equity Shares (DP account with Motilal Oswal)	1,690.38	1,646.32
Others-Unquoted		
Inv-Muthoot Pappachan Chits Private Limited	14.94	15.14
Inv-Avenues India Private Limited	479.10	477.67
Inv-Fair Asset Technologies (P) Limited	720.64	719.85
Inv-The Thinking Machine Media Private Limited	9.00	9.00
Inv-Speckle Internet Solutions Private Limited	42.86	198.10
Others - Quoted		
Inv-PMS - Motilal Oswal	231.12	465.24
	1,69,486.61	**1,46,509.05**
Total Gross (A)	**1,87,878.95**	**1,65,166.50**
i) Investments outside India	-	-
ii) Investments in India	1,87,878.95	1,65,166.50
Total Gross (B)	**1,87,878.95**	**1,65,166.50**
Less : Allowance for impairment loss (C)	(1,207.44)	(1,207.44)
Total ((A) - (C))	**1,86,671.51**	**1,63,959.06**

(Rupees in lakhs, except for share data and unless otherwise stated)

Debt Instruments measured at Amortised Cost

Credit Quality of Assets

Particulars	31-03-2023				31-03-2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	-	-	-	-	-	-	-	-
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**	**-**	**-**	**2,195.35**	**2,195.35**

An analysis of changes in the gross carrying amount in relation to Debt Instruments measured at Amortised Cost is, as follows

Particulars	31-03-2023				31-03-2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**-**	**-**	**2,195.35**	**2,195.35**	**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**	**-**	**-**	**2,195.35**	**2,195.35**

(Rupees in lakhs, except for share data and unless otherwise stated)

Reconciliation of ECL balance is given below:

Particulars	31-03-2023				31-03-2022			
	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	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**-**	**-**	**1,207.44**	**1,207.44**	**-**	**-**	**1,207.44**	**1,207.44**

(Rupees in lakhs, except for share data and unless otherwise stated)

10 Other financial assets

Particulars	As at 31st March 2023	As at 31st March 2022
Security deposits	6,140.45	6,652.67
Interest accrued on fixed deposits with banks	626.97	345.94
Advance for Financial Assets	-	2,209.63
Deposits	171.62	169.00
Deposit with original maturity for more than twelve months*	107.54	1,084.26
Receivables from Auction Proceeds	4,803.44	-
Other financial assets	2,635.69	2,588.38
Total	**14,485.70**	**13,049.87**

* Includes earmarked balances of INR 32.54 as at 31st March 2023 (31st March 2022 - INR 1,091.19) towards margin money & 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 2023	As at 31st March 2022
From Directors, relatives of Directors or Officers of the Company	-	-
From firms in which any director is a partner	-	2,209.63
From Companies in which any director is a director or a member	3,060.78	1,029.90
Total	**3,060.78**	**3,239.53**

11 Investment Property

Particulars	As at 31st March 2023	As at 31st March 2022
Inventory – Projects		
Opening Balance	30,236.55	30,236.55
Transferred from / (to) property, plant and equipment	-	-
Acquisitions	-	-
Disposal	(4,116.78)	-
Closing balance	**26,119.76**	**30,236.55**
Depreciation and Impairment		
Opening balance	-	-
Charge for the year	-	-
Closing Balance	**-**	**-**
Net Block	**26,119.76**	**30,236.55**

11.1. Investment Property includes lien marked properties of INR 9,460.56 as at 31st March, 2023 (March 31, 2022 - INR 9,460.56)

11.2. Fair Value of Investment Property as at March 31, 2023 - INR 27,823.11 (March 31, 2022 - INR 31,593.16)

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 2021	**5,850.61**	**4,632.22**	**22,810.88**	**12,555.55**	**14,010.71**	**292.95**	**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**	**5,225.19**	**24,234.93**	**12,555.55**	**15,098.09**	**306.01**	**7,449.78**	**345.33**	**-**	**71,065.49**
Addition during the year	448.51	821.37	1,244.81	-	2,254.79	1.42	-	116.06	-	4,886.96
Disposals	(39.60)	-	-	(22.77)	-	-	-	-	-	(62.37)
As at 31st March 2023	**6,259.52**	**6,046.56**	**25,479.73**	**12,532.78**	**17,352.88**	**307.43**	**7,449.78**	**461.39**	**-**	**75,890.08**
Accumulated Depreciation:										
As at 1st April 2021	**395.92**	**3,468.42**	**13,699.53**	**-**	**6,693.87**	**201.28**	**2,048.38**	**17.92**	**0.00**	**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**	**0.00**	**32,150.07**
Charged for the year	102.06	637.45	1,608.42	-	1,473.31	14.60	511.74	90.83	-	4,438.41
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31st March 2023	**564.17**	**5,164.75**	**15,758.74**	**-**	**11,565.93**	**232.32**	**3,071.87**	**230.71**	**0.00**	**36,588.48**
Net book value:										
As at 31st March 2022	**5,388.50**	**697.89**	**10,084.61**	**12,555.55**	**5,005.47**	**88.29**	**4,889.66**	**205.45**	**-**	**38,915.42**
As at 31st March 2023	**5,695.35**	**881.81**	**9,720.99**	**12,532.78**	**5,786.95**	**75.11**	**4,377.92**	**230.68**	**-**	**39,301.60**

12.1. Property Plant & Equipment details 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)

13 Intangible Assets

Particulars	Intangible assets under development	Other Intangible Assets - Computer Software
As at 31st March 2021	**-**	**2,183.08**
Addition during the year	-	576.17
Disposals	-	-
As at 31st March 2022	**-**	**2,759.25**
Addition during the year	676.00	568.60
Disposals	-	-
As at 31st March 2023	**676.00**	**3,327.85**
Accumulated Depreciation:		
As at 31st March 2021	**-**	**1,349.32**
Charged for the year	-	472.35
Disposals	-	-
As at 31st March 2022	**-**	**1,821.67**
Charged for the year	-	661.71
Disposals	-	-
As at 31st March 2023	**-**	**2,483.37**
Net book value:		
As at 31st March 2022	**-**	**937.59**
As at 31st March 2023	**676.00**	**844.48**

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. Other than such leasehold property, the Company has also undertaken lease arrangements for safety device equipments.

Particulars	As at 31st March 2023	As at 31st March 2022
Depreciation charge for Right-of-use assets		
Leasehold Property	*13,395.64*	*14,939.21*
Equipments	2.65	34.17
Interest expense on lease liabilities	8,924.09	6,031.00
Income from subleasing right-of-use assets	161.53	158.79
Total cash outflow for leases	18,722.79	17,821.39
Carrying amount of right-of-use assets		
Leasehold Property	*79,934.43*	*57,935.47*
Equipments	1.56	4.21
Lease Liability		
Leasehold Property	*88,963.26*	*64,651.55*
Equipments	1.75	4.90

(Rupees in lakhs, except for share data and unless otherwise stated)

14.2. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	As at 31st March 2023	As at 31st March 2022
Short-term leases	24.66	23.38

14.3. Carrying value of right-of-use assets at the end of the reporting period:

Particulars	As at 31st March 2023	As at 31st March 2022
Balance as at April 1, 2022 / April 1, 2021	57,939.67	43,527.94
Additions	35,394.60	29,385.12
Depreciation charge for the year	(13,398.28)	(14,973.39)
Balance as at March 31, 2023 / March 31, 2022	79,935.99	57,939.67

14.4. Movement in lease liabilities:

Particulars	As at 31st March 2023	As at 31st March 2022
Balance as at April 1, 2022 / April 1, 2021	64,656.45	47,841.90
Additions	34,107.26	28604.94
Interest on lease liabilities	8,924.09	6,031.00
Payment of lease liabilities	(18,722.79)	(17,821.39)
Balance as at March 31, 2023 / March 31, 2022	88,965.01	64,656.45

14.5. Maturity analysis of lease liabilities

Particulars	As at 31st March 2023	As at 31st March 2022
Less than one year	17,790.58	13,816.74
One to five years	67,479.19	46,664.33
More than five years	51,383.10	37,462.86
Total undiscounted lease liabilities	1,36,652.88	97,943.93

15 Other Non-Financial assets

Particulars	As at 31st March 2023	As at 31st March 2022
Prepaid expenses	906.24	597.51
Advance to Creditors	483.91	451.04
Advance for Property	19,000.17	23,790.54
Pre-Deposit Fee	753.95	619.45
GST / Service Tax Receivables	544.39	529.58
Gratuity Fund	2,551.55	2,598.21
Other Receivable	75.69	2,533.67
Total	**24,315.90**	**31,120.00**

(Rupees in lakhs, except for share data and unless otherwise stated)

(a) Advance for Property as on March 31, 2023 consists of - INR 0.00 (P.Y. INR 1,722.40), INR 1,487.26 (P.Y. INR 1,487.26) and INR 17,512.91 (P.Y.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.

16 Payables

Particulars	As at 31st March 2023	As at 31st March 2022
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	813.40	79.03
Total outstanding dues of creditors other than micro enterprises and small enterprise*	3,201.57	4,703.28
Total	**4,014.97**	**4,782.30**

(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 2023	As at 31st March 2022
Principal amount remaining unpaid during the year	813.40	79.03
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 Payables (As on 31/03/2023)

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	790.85	9.05	4.26	2.24	806.41
(ii) Others	2,974.24	153.40	47.26	3.03	3,177.93
(iii) Disputed Dues- MSME	-	-	6.99	-	6.99
(iv) Disputed Dues- Others	3.35	-	-	20.29	23.64
Total	**3,768.44**	**162.45**	**58.51**	**25.57**	**4,014.97**

(Rupees in lakhs, except for share data and unless otherwise stated)

Ageing Schedule of 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**

17 Debt Securities (At Amortised Cost)

Particulars	As at 31st March 2023	As at 31st March 2022
Secured Non-Convertible Debentures	88.00	88.00
Secured Non-Convertible Debentures - Listed*	2,54,717.90	2,36,211.88
Secured Non-Convertible Debentures - Covered Bonds / MLD - Listed*	49,837.07	1,43,079.15
Total	**3,04,642.97**	**3,79,379.03**
Debt securities in India	3,04,642.97	3,79,379.03
Debt securities outside India	-	-
Total	**3,04,642.97**	**3,79,379.03**

**Includes issue expenses amortised as per EIR.*

Maturity Profile of Non-Convertible Debentures

Particulars	Amount
FY 2023-24	1,37,813.84
FY 2024-25	58,034.56
FY 2025-26	51,407.38
FY 2026-27	36,016.62
FY 2027-28	8,320.74
FY 2029-30	9,728.70
FY 2030-31	4,008.43
Adjustments on account of effective rate of interest	(687.30)
TOTAL	**3,04,642.97**

Particulars	As at 31st March 2023	As at 31st March 2022	Security
Debentures issued by way of Private Placement			
Allotment on 01/10/2018	88.00	88.00	Subservient charge on all current assets of the Company, both present and future

(Rupees in lakhs, except for share data and unless otherwise stated)

Particulars	As at 31st March 2023	As at 31st March 2022	Security
Listed Debentures issued by way of Public Issue			
Allotment on 02/02/2022	40,000.00	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	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	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	25,128.91	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.
Allotment on 17/07/2020	8,331.60	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	17,374.50	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	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.

(Rupees in lakhs, except for share data and unless otherwise stated)

Particulars	As at 31st March 2023	As at 31st March 2022	Security
Allotment on 06/09/2022	39,884.19	-	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 02/02/2023	28,316.38	-	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.
Listed Debentures privately placed under Targeted Long-Term Repo Operations (TLTRO)			
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 / Market Linked Debentures			
Allotment on 15/12/2021	20,000.00	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
Allotment on 29-06-2021	30,000.00	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	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.

(Rupees in lakhs, except for share data and unless otherwise stated)

Particulars	As at 31st March 2023	As at 31st March 2022	Security
Allotment on 16-03-2021	-	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	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	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	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	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 22-05-2020	-	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.
TOTAL	**3,05,330.27**	**3,80,729.15**	
Adjustments on account of effective rate of interest	(687.30)	(1,350.12)	
TOTAL	**3,04,642.97**	**3,79,379.03**	

(Rupees in lakhs, except for share data and unless otherwise stated)

18 Borrowings (other than debt securities) - At Amortised Cost

Particulars	As at 31st March 2023	As at 31st March 2022
(a) Term loans		
(i) from banks	5,02,962.85	4,23,033.35
(ii) from other parties		
- financial institutions	437.50	2,182.70
(b) Loans repayable on demand		
(i) from banks (OD & CC)	7,46,415.46	7,28,350.96
Total	**12,49,815.81**	**11,53,567.02**
Borrowings in India	12,49,815.81	11,53,567.02
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 4,74,755 (31st March 2022 : INR 4,14,367) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr.Thomas George Muthoot, Mr. Thomas Muthoot) of the Company. Out of the same, loans aggregating to INR 1,86,800 (31st March 2022 : INR 1,49,525) are guaranteed by Ms. Preethi John Muthoot, Director of the Company also.

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 437.50 (31st March 2022 : 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 7,47,174 (31st March 2022 : INR 7,29,238) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr.Thomas George Muthoot and Mr. Thomas Muthoot) of the Company. Out of the same, loans aggregating to INR 4,16,457 (31st March 2022 : INR 4,00,630) are guaranteed by Ms. Preethi John Muthoot, Director of the Company also.

b) Terms of repayment

Secured loans from Banks

Name of Party	As at 31st March 2023	As at 31st March 2022	Terms of Repayment (based on last outstanding)
Term Loan from Banks			
State Bank of India Car Loan	0.50	6.51	Repayable in 16 monthly instalments on diminishing value method
State Bank of India Car Loan	-	4.20	Repayable in 24 monthly instalments on diminishing value method
Axis Bank	15,714.29	17,500.00	Repayable in 4 quarterly instalments of INR 3,928 each from May 2023 (INR 10,000 availed additionally during the year ended March, 2023)

(Rupees in lakhs, except for share data and unless otherwise stated)

Name of Party	As at 31st March 2023	As at 31st March 2022	Terms of Repayment (based on last outstanding)
Axis Bank	17,000.00	-	Repayable in 7 quarterly instalments of INR 2,429 each from July 2023
Bandhan Bank	7,498.24	-	Repayable in 11 quarterly instalments of INR 682 each from April 2023
Bandhan Bank	17,500.00	-	Repayable in 11 quarterly instalments of INR 1,590 each from Sept 2023
Bank of Baroda	-	2,000.00	Repayable in 2 quarterly instalments of INR 1,000 each from June 2022
Bank of Baroda	6,000.00	18,000.00	Repayable in 2 quarterly instalments of INR 3,000 each from April 2023
Bank of India	-	12,000.00	Repayable in 4 quarterly instalments of INR 3,000 each from June 2022
Bank of Maharashtra	4,536.31	10,580.28	Repayable in 3 quarterly instalments of INR 1,500 each from June 2023
Bank of Maharashtra	25,186.85	-	Repayable in 10 quarterly instalments of INR 2,500 each from Sept 2023
Canara Bank	8,636.00	25,908.00	Repayable in 2 quarterly instalments of INR 4,318 each from June 2023
Canara Bank	18,000.00	30,000.00	Repayable in 6 quarterly instalments of INR 3,000 each from June 2023
Canara Bank	16,363.64	-	Repayable in 9 quarterly instalments of INR 1,818 each from June 2023
Canara Bank	30,000.00	-	Repayable in 16 quarterly instalments of INR 1,875 each from June 2023
Central Bank of India	-	5,914.92	Repayable in 2 quarterly instalments of INR 3,000 each from May 2022
Central Bank of India	-	3,697.76	Repayable in June 2022
Central Bank of India	1,837.03	5,599.23	Repayable in 2 quarterly instalments of INR 937.5 each from May 2023
Central Bank of India	1,844.01	5,612.06	Repayable in 2 quarterly instalments of INR 937.50 each from May 2023
Central Bank of India	5,974.51	9,999.44	Repayable in 6 quarterly instalments of INR 1,000 each from June 2023
Central Bank of India	11,962.16	19,986.36	Repayable in 6 quarterly instalments of INR 2,000 each from June 2023
Central Bank of India	20,981.01	-	Repayable in 7 quarterly instalments of INR 3,000 each from June 2023
DBS Bank	2,857.14	5,000.00	Repayable in 12 monthly instalments of INR 238 each from April 2023
DBS Bank	2,857.14	5,000.00	Repayable in 12 monthly instalments of INR 238 each from April 2023
Federal Bank	10,000.00	-	Repayable in 10 quarterly instalments of INR 1,000 each from June 2023

(Rupees in lakhs, except for share data and unless otherwise stated)

Name of Party	As at 31st March 2023	As at 31st March 2022	Terms of Repayment (based on last outstanding)
Indian Bank	6,043.06	18,134.56	Repayable in 2 quarterly instalments of INR 3,000 each from June 2023
Indian Bank	12,591.27	24,349.30	Repayable in 15 monthly instalments of INR 833 each from April 2023 (two instalments were prepaid during the year ended March, 2023)
Indian Bank	16,117.74	10,002.26	Repayable in 12 quarterly instalments of INR 1,333 each from June 2023 (INR 10,000 availed additionally during the year ended March, 2023)
Indian Bank	9,161.20	-	Repayable in 10 quarterly instalments of INR 909 each from March 2023
Indian Bank	20,148.77	-	Repayable in 11 quarterly instalments of INR 1,819 each from September 2023
Oriental Bank of Commerce	-	3,309.56	Repayable in 2 quarterly instalments of INR 1,666.67 each in June 2022, September 2022
Punjab National Bank	36,002.31	30,000.00	Repayable in 8 quarterly instalments of INR 4,546 each from June 2023 (INR 20,000 availed additionally during the year ended March, 2023. INR 341.80 was paid in excess during the year ended March 31, 2023)
Punjab & Sind Bank	2,999.96	8,000.00	Repayable in 3 quarterly instalments of INR 1,000 each from June 2023 (one instalment was prepaid during the year ended March, 2023)
Punjab & Sind Bank	8,843.42	15,000.00	Repayable in 6 quarterly instalments of INR 1,500 each from May 2023
Punjab & Sind Bank	12,799.92	7,500.00	Repayable in 8 quarterly instalments of INR 1,600 each from June 2023 (INR 8,500 availed additionally during the year ended March, 2023)
Punjab & Sind Bank	9,000.00	-	Repayable in 9 quarterly instalments of INR 1,000 each from April 2023
State Bank of India	10,499.44	24,499.66	Repayable in 3 quarterly instalments of INR 3,500 each from May 2023
State Bank of India	22,749.09	32,499.85	Repayable in 7 quarterly instalments of INR 3,250 each from May 2023
State Bank of India	44,549.97	-	Repayable in 18 quarterly instalments of INR 2,778 each from Oct 2023
UCO Bank	3,112.07	5,617.37	Repayable in 5 quarterly instalments of INR 625 each from June 2023
UCO Bank	6,246.70	9,371.72	Repayable in 8 quarterly instalments of INR 781.25 each from May 2023
UCO Bank	3,740.59	8,740.60	Repayable in 3 quarterly instalments of INR 1,250 each from April 2023
UCO Bank	4,982.31	9,982.33	Repayable in 4 quarterly instalments of INR 1,250 each from May 2023
UCO Bank	9,374.70	13,124.73	Repayable in 10 quarterly instalments of INR 937.50 each from April 2023

(Rupees in lakhs, except for share data and unless otherwise stated)

Name of Party	As at 31st March 2023	As at 31st March 2022	Terms of Repayment (based on last outstanding)
UCO Bank	14,999.93	13,000.00	Repayable in 12 quarterly instalments of INR 1,250 each from June 2023 (INR 7,000 availed additionally during the year ended March, 2023)
UCO Bank	17,500.00	-	Repayable in 14 quarterly instalments of INR 1,250 each from May 2023
United Bank of India	-	3,308.46	Repayable in May 2022
Ujjivan Bank	-	2,600.00	Repayable in 2 quarterly instalments of INR 1,300 each from June 2022
Ujjivan Bank	1,785.71	-	Repayable in 5 quarterly instalments of INR 357 each from May 2023
Ujjivan Bank	1,785.71	-	Repayable in 5 quarterly instalments of INR 357 each from May 2023
Yes Bank	5,684.84	8,528.84	Repayable in 8 quarterly installments of INR 711 each from June 2023
Adjustments on account of effective rate of interest	(2,504.69)	(1,344.65)	
Total	**5,02,962.85**	**4,23,033.35**	
Term Loan from Others			
Bajaj Finance	437.50	2,187.50	Repayable in 3 monthly instalments of INR 146 each from April 2023
Adjustments on account of effective rate of interest	-	(4.80)	
Total	**437.50**	**2,182.70**	

19 Subordinated Liabilities (At Amortised Cost)

Particulars	As at 31st March 2023	As at 31st March 2022
Subordinated Debt*	1,41,424.46	1,61,814.67
Subordinated Debt - Listed*	38,320.83	38,292.73
Perpetual Debt Instruments*	48,113.39	38,419.24
Total	**2,27,858.69**	**2,38,526.64**
Borrowings in India	2,27,858.69	2,38,526.64
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 Nil (31st March 2022 : INR 7,848) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr.Thomas George Muthoot and Mr. Thomas Muthoot) of the Company.

(Rupees in lakhs, except for share data and unless otherwise stated)

(b) Maturity Profile of Subordinated Debt

Particulars	Amount
FY 2022-23	47,901.09
FY 2023-24	25,991.84
FY 2024-25	15,876.99
FY 2025-26	24,804.50
FY 2026-27	21,254.71
FY 2027-28	45,176.03
Adjustments on account of effective rate of interest	(1,259.86)
TOTAL	**1,79,745.30**

(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 1,786.61 (31st March 2022: INR 1,480.76).

(d) The percentage of total PDI to the Tier I Capital of the Company as at 31st March 2023 is 15.72% (31st March 2022 - 14.24%). PDI in excess of 15% of previous year Tier I Capital is considered as Tier II Capital for computation of regulatory capital.

20 Other Financial Liabilities

Particulars	As at 31st March 2023	As at 31st March 2022
Interest Payable	48,413.01	54,416.47
Expenses Payable	3,588.56	2,264.72
Security deposits received	933.92	636.48
Unpaid matured debt and interest accrued thereon	4,828.69	3,368.83
Cumulative Compulsorily Convertible Preference Shares (CCCPS) (refer note a & b below)	15,732.00	15,213.00
Others	1,113.98	353.86
Total	**74,610.16**	**76,253.36**

Note a

(i) The Company had during the previous reporting year, 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.

(Rupees in lakhs, except for share data and unless otherwise stated)

(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 2023	As at 31st March 2022
Cumulative change in fair value of the preference shares attributable to changes in credit risk	732.00	213.00
Change during the year in the fair value of the preference shares attributable to changes in credit risk	519.00	213.00

21 Provisions

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for employee benefits		
- Gratuity	2,745.95	2,711.72
- Provision for compensated absences	338.74	248.09
- Employee Stock Option Outstanding	355.14	-
Total	**3,439.83**	**2,959.81**

22 Other Non-Financial Liabilities

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory dues payable	2,696.64	1,634.89
Total	**2,696.64**	**1,634.89**

(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 2021	22,50,00,000	22,500.00
Add: Increased during the year	-	-
At 31st March 2022	22,50,00,000	22,500.00
Add: Increased during the year	-	-
At 31st March 2023	22,50,00,000	22,500.00

Preference Shares

Particulars	No. of Shares	Amount
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
Add: Increased during the year	-	-
At 31st March 2023	20,00,00,000	20,000.00

(b) Issued capital

Particulars	No. of Shares	Amount
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
Add: Increased during the year	-	-
At 31st March 2023	19,38,00,800	19,380.08

(c) Subscribed and Fully Paid Up Capital

Particulars	No. of Shares	Amount
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
Add: Increased during the year	-	-
At 31st March 2023	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.

(Rupees in lakhs, except for share data and unless otherwise stated)

(e) Shareholder's having more than 5% equity shareholding in the Company

Particulars	As at 31st March 2023	As at 31st March 2022
	No. of shares and % of holding	
Mr. Thomas John Muthoot	5,14,56,049 - 26.56%	5,14,56,049 - 26.56%
Mr. Thomas George Muthoot	5,14,56,021 - 26.56%	5,14,56,021 - 26.56%
Mr. Thomas Muthoot	5,14,56,053 - 26.56%	5,14,56,053 - 26.56%
Ms. Preethi John Muthoot	1,29,13,704 - 6.67%	1,29,13,704 - 6.67%
Ms. Nina George	1,29,13,704 - 6.67%	1,29,13,704 - 6.67%
Ms. Remmy Thomas	1,29,13,704 - 6.67%	1,29,13,704 - 6.67%

(f) Shares held by the promoters at the end of the year

Particulars	As at 31st March 2023	As at 31st March 2022
	No. of shares and % of holding	
Mr. Thomas John Muthoot	5,14,56,049 - 26.56%	5,14,56,049 - 26.56%
Mr. Thomas George Muthoot	5,14,56,021 - 26.56%	5,14,56,021 - 26.56%
Mr. Thomas Muthoot	5,14,56,053 - 26.56%	5,14,56,053 - 26.56%

24 Other Equity

Particulars	As at 31st March 2023	As at 31st March 2022
Securities Premium	38,129.85	38,129.85
Statutory Reserve (pursuant to Section 45-IC of the RBI Act, 1934)	65,099.92	55,903.70
Retained Earnings	1,65,732.44	1,30,303.52
Other Comprehensive income	1,00,970.68	1,01,241.70
Total	**3,69,932.89**	**3,25,578.77**

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, INR 9,196.22 (March 31, 2022: INR 6,937.03) representing 20% of profit for the year has been transferred to the reserve.

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 2023	For the Year Ended 31st March 2022
Interest on Loans	3,30,483.09	3,17,407.42
Interest Income from Investments	98.88	105.35
Interest on Deposit with Banks	1,541.07	1,247.97
Other Interest Income	44.49	-
Total	**3,32,167.53**	**3,18,760.74**

26 Others

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Income from Money transfer	657.10	720.64
Income From Forex Operations	330.17	193.22
Income From Power Generation	879.84	920.85
Income from Investment	630.37	1,473.36
Other Income - under Others	56.58	24.30
Total	**2,554.06**	**3,332.38**

27 Finance Costs

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Interest on Borrowings	85,602.82	83,647.71
Interest on Debt Securities	31,718.17	44,077.23
Interest on Subordinate Liabilities	22,466.18	21,904.26
Interest on Lease Liabilities	8,924.09	6,031.00
Dividend on CCCPS	2,100.00	1,050.00
Other Charges	6,321.29	6,837.58
Total	**1,57,132.55**	**1,63,547.79**

28 Impairment on Financial Instruments

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Provision for impairment on loan assets	5,661.71	7,152.74
Loans written off	1,055.32	-
Total	**6,717.02**	**7,152.74**

(Rupees in lakhs, except for share data and unless otherwise stated)

29 Net (Gain) / Loss on fair value changes

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
(A) Net (gain)/ loss on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	(229.07)	18.27
(ii) On fair valuation of cumulative compulsorily convertible preference shares	519.00	213.00
Total Net gain/(loss) on fair value changes	**289.93**	**231.27**
Fair Value changes:		
- Realised	(184.33)	-
- Unrealised	474.26	231.27
Total Net gain/(loss) on fair value changes	**289.93**	**231.27**

(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 2023	For the Year Ended 31st March 2022
Salaries and Wages	51,772.54	46,801.49
Contributions to Provident and Other Funds	2,929.59	2,833.83
Share based payments & stock appreciation rights	586.09	-
Incentives	2,193.44	1,738.93
Bonus & Exgratia	1,412.78	1,793.85
Staff Welfare Expenses	1,050.30	522.75
Total	**59,944.74**	**53,690.84**

31 Depreciation expense

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Depreciation of Tangible Assets	4,438.41	5,624.75
Amortization of Intangible Assets	661.71	472.35
Depreciation of Right of Use Assets	13,398.28	14,973.39
Total	**18,498.40**	**21,070.48**

(Rupees in lakhs, except for share data and unless otherwise stated)

32 Other Expenses

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Rent, taxes and energy costs	5,622.11	3,907.82
Repairs and maintenance	2,623.98	2,459.25
Advertisement and publicity	8,744.64	8,384.85
Communication costs	8,257.99	10,630.36
Printing and Stationery	1,169.48	982.89
Legal & Professional Charges	4,566.36	4,278.83
Insurance	1,446.87	1,162.31
Auditor's fees and expenses	37.06	37.33
Director's fees, allowances and expenses	668.99	559.71
Security Charges	4,859.32	4,675.40
Travelling and Conveyance	2,633.25	1,892.78
Donations & CSR Expenses	454.08	292.32
Write off - Other Receivables	2,345.48	-
Other Expenditure	870.97	1,021.01
Total	**44,300.56**	**40,284.88**

(a) Auditors Remuneration

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
As auditor		
Statutory Audit fees	30.00	30.00
Tax Audit fees	-	2.00
For other services		
Certification and other matters	4.00	4.73
Total	**34.00**	**36.73**

Above figures are exclusive of GST

(b) CSR Expenditure

As required under Section 135 of the Companies Act, 2013, the Company was required to spend INR 845.49 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 452.26 towards CSR expenditure. The unspent portion of INR 393.23 has been transferred to the designated bank account for unspent corporate social responsibility by the Company.

(Rupees in lakhs, except for share data and unless otherwise stated)

Particulars	As on 31-03-2023	As on 31-03-2022
(a) Amount required to be spent by the company during the year	845.49	692.06
(b) Amount of expenditure incurred	452.26	290.33
(c) Shortfall at the end of the year	393.23	401.73
(d) Total of previous year shortfall	401.73	-
(e) Reason for shortfall	With regard to the Sports Infrastructure project at Palakkad, based on advise from Architects, a wider road alternative had to be considered, evaluation and negotiations of which delayed the start of the construction work.	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.
(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.
(g) Details of related party transactions	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

(c) In view of regulatory advise and based on approval of the Board of Directors, the Company has during the year written off non-financial assets amounting to INR 2,345.48 against Employees Provident Fund recovered from the Company in respect of dues towards provident fund of erstwhile staff.

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.

(Rupees in lakhs, except for share data and unless otherwise stated)

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Net profit attributable to ordinary equity holders	45,981.08	34,685.13
Weighted average number of ordinary shares for basic earnings per share	19,37,05,560	19,37,05,560
Effect of dilution:	74,92,507	60,96,643
Weighted average number of ordinary shares adjusted for effect of dilution	20,11,98,067	19,98,02,203
Earnings per share		
Basic Earnings per share	23.74	17.91
Diluted Earnings per share	22.85	17.36

34 Income Tax

The components of income tax expense for the year ended 31st March, 2023 and year ended 31st March, 2022 are:

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Current Income tax expense	17,609.54	13,719.62
Deferred tax relating to origination and reversal of temporary differences	(1,347.46)	(1,591.11)
Total tax expense reported in statement of profit and loss	**16,262.08**	**12,128.51**
OCI Section		
Deferred tax related to items recognised in OCI during the period:		
Net gain / (loss) on equity instruments measured through other comprehensive income	(91.67)	493.93
Remeasurement of the defined benefit liabilities	18.48	45.12
Income tax charged to OCI	**(73.19)**	**539.05**

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 year ended 31st March 2023 and year ended 31st March 2022 is, as follows:

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Accounting profit before tax	62,243.16	46,813.64
At India's statutory income tax rate of 25.168%* (2021: 25.168%*)	**15,665.36**	**11,782.06**
Adjustments in respect of current income tax of previous year		
(i) Expenses not eligible for deduction under the Income Tax Act	2,231.29	1,937.56
(ii) Income chargeable to tax under separate rate of tax (capital gain)	(287.11)	-
Current Income Tax expense reported in the statement of profit or loss	**17,609.54**	**13,719.62**
Effective Income Tax Rate	**28.29%**	**29.31%**

**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.*

(Rupees in lakhs, except for share data and unless otherwise stated)

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 2023	As at 31st March 2023	2022-23	2022-23
Opening Balance		23,668.26		
Fixed asset: Timing difference on account of Depreciation and Amortisation	48.35	-	(48.35)	-
Bonus Disallowed due to non-payment	28.30	-	(28.30)	-
Provision for gratuity	20.36	-	(20.36)	-
Provision for Leave Encashment	22.82	-	(22.82)	-
Impairment allowances on financial assets	497.54	-	(497.54)	-
Fair Valuation of Financial Assets	-	9.51	101.18	(91.67)
Financial liabilities measured at amortised cost	-	361.64	361.64	-
Financial assets measured at amortised cost	263.34	-	(263.34)	-
Financial liabilities measured at fair value	911.09	-	(911.09)	-
Actuarial gain/loss on Employee benefits	-	-	(18.48)	18.48
Total	**1,791.80**	**24,039.40**	**(1,347.46)**	**(73.19)**

	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**

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 2023	As at31st March 2022
Contributions to Provident Fund	2,250.15	2,171.19
Contributions to Employee State Insurance	666.86	655.56
Defined Contribution Plan	**2,917.00**	**2,826.75**

(Rupees in lakhs, except for share data and unless otherwise stated)

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 2023	As at31st March 2022
Present value of funded obligations	2,745.95	2,711.72
Fair value of planned assets	2,551.55	2,598.21
Net Defined Benefit obligation/(asset)	**194.40**	**113.51**

Post employment defined benefit plan

Net benefit expense recognised in statement of profit and loss	As at 31st March 2023	As at31st March 2022
Current service cost	423.13	458.43
Net Interest on net defined benefit liability/ (asset)	8.08	113.91
Net benefit expense	**431.21**	**572.34**

Balance Sheet

Details of changes in present value of defined benefit obligations as follows:

Particulars	As at 31st March 2023	As at31st March 2022
Defined benefit obligation at the beginning of the year	2,711.72	2,537.49
Current service cost	423.13	458.43
Interest cost on benefit obligations	193.07	168.74
Actuarial (Gain) / Loss on Total Liabilities	(101.50)	(128.95)
Benefits paid	(480.48)	(323.99)
Benefit obligation at the end of the year	**2,745.95**	**2,711.72**

Details of changes fair value of plan assets are as follows:

Particulars	As at 31st March 2023	As at31st March 2022
Fair value of plan assets at the beginning of the year	2,598.21	824.57
Actual Return on Plan Assets	156.91	105.15
Employer contributions	276.90	1,992.49
Benefits paid	(480.48)	(323.99)
Fair value of plan assets as at the end of the year	**2,551.55**	**2,598.21**

Remeasurement gain/ (loss) in other comprehensive income (OCI)	As at 31st March 2023	As at31st March 2022
Actuarial gain/(loss) on obligation	-	-
Experience adjustments	20.62	10.90
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	(28.08)	50.31
Actuarial changes arising from changes in financial assumptions	80.88	118.06
Actuarial gain /(loss) (through OCI)	**73.42**	**179.27**

(Rupees in lakhs, except for share data and unless otherwise stated)

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at 31st March 2023	As at31st March 2022
Salary Growth Rate	3.00%	3.00%
Discount Rate	7.46%	7.12%
Withdrawal Rate	5.00%	5.00%
Mortality	100% of IALM 2012-14	100% of IALM 2012-14
Interest rate on net DBO	7.12%	6.65%
Expected average remaining working life	27.19	27.12

Investments quoted in active markets:

Particulars	As at 31st March 2023	As at31st March 2022
Equity instruments	-	-
Debt instruments	-	-
Real estate	-	-
Derivatives	-	-
Investment Funds with Insurance Company	100.00%	100.00%
Of which, Unit Linked	-	-
Of which, Traditional/ Non-Unit Linked	100.00%	100.00%
Asset-backed securities	-	-
Structured debt	-	-
Cash and cash equivalents	-	-
Total	**100.00%**	**100.00%**

A quantitative sensitivity analysis for significant assumptions as at 31st March 2023 and 31st March 2022 are as shown below:

Assumptions	Sensitivity Level	As at 31st March 2023	As at31st March 2022
Discount Rate	Increase by 1%	2,530.52	2,487.66
Discount Rate	Decrease by 1%	2,996.40	2,974.11
Further Salary Increase	Increase by 1%	3,005.28	2,982.66
Further Salary Increase	Decrease by 1%	2,519.85	2,477.28
Employee turnover	Increase by 1%	2,842.64	2,804.44
Employee turnover	Decrease by 1%	2,635.11	2,604.28
Mortality Rate	Increase in expected lifetime by 1 year	2,737.88	2,702.74
Mortality Rate	Increase in expected lifetime by 3 years	2,754.02	2,687.26

The weighted average duration of the defined benefit obligation as at 31st March 2023 is 11 years (2022: 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.

(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 2023			As at31st March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	2,52,361.58	-	2,52,361.58	2,35,980.59	-	2,35,980.59
Bank Balance other than above	17,001.25	-	17,001.25	11,089.14	-	11,089.14
Trade receivables	1,321.47	1,811.69	3,133.15	2,630.50	-	2,630.50
Loans 16,71,685.22	53,367.98	17,25,053.20	16,70,364.49	31,156.39	17,01,520.88	
Investments	2,919.11	1,83,752.40	1,86,671.51	2,111.56	1,61,847.50	1,63,959.06
Other financial assets	10,616.19	3,869.51	14,485.70	4,239.03	8,810.84	13,049.87
Non-financial Assets						
Current tax assets (net)	-	-	-	2,997.82	-	2,997.82
Investment Property	-	26,119.76	26,119.76	-	30,236.55	30,236.55
Property, plant and equipment	-	39,301.60	39,301.60	-	38,915.42	38,915.42
Intangible assets under development	-	676.00	676.00	-	-	-
Other intangible assets	-	844.48	844.48	-	937.59	937.59
Right-of-use assets	11,877.78	68,058.21	79,935.99	9,782.07	48,157.61	57,939.67
Other non financial assets	20,989.24	3,326.66	24,315.90	4,110.84	27,009.15	31,120.00
Total assets	**19,88,771.83**	**3,81,128.29**	**23,69,900.12**	**19,43,306.03**	**3,47,071.05**	**22,90,377.08**
Liabilities						
Financial Liabilities						
Trade payables	4,014.97	-	4,014.97	4,782.30	-	4,782.30
Debt Securities	1,37,482.59	1,67,160.38	3,04,642.97	1,43,022.17	2,36,356.86	3,79,379.03
Borrowings (other than debt security)	9,84,885.45	2,64,930.36	12,49,815.81	9,30,915.28	2,22,651.74	11,53,567.02
Lease Liability	17,868.12	71,096.89	88,965.01	7,978.41	56,678.05	64,656.45
Subordinated Liabilities	47,775.65	1,80,083.04	2,27,858.69	43,497.06	1,95,029.58	2,38,526.64
Other Financial liabilities	33,482.81	41,127.36	74,610.16	37,484.95	38,768.41	76,253.36
Non-financial Liabilities						
Current tax liabilities (net)	2,305.00	-	2,305.00	-	-	-
Provisions 409.31	3,030.52	3,439.83	213.81	2,746.00	2,959.81	
Deferred tax liabilities (net)	-	22,247.61	22,247.61	-	23,668.26	23,668.26
Other non-financial liabilities	2,696.64	-	2,696.64	1,634.89	-	1,634.89
Total Liabilities	**12,30,920.54**	**7,49,676.14**	**19,80,596.68**	**11,69,528.87**	**7,75,898.88**	**19,45,427.75**
Net	**7,57,851.30**	**(3,68,547.85)**	**3,89,303.45**	**7,73,777.16**	**(4,28,827.84)**	**3,44,949.33**

(Rupees in lakhs, except for share data and unless otherwise stated)

37 Change in liabilities arising from financing activities

Particulars	As at 1st April 2022	Cash Flows	Ind AS 116 - Lease Liabilities	Others	As at 31st March 2023
Debt Securities	3,79,379.03	(75,398.88)	-	662.82	3,04,642.97
Borrowings other than debt securities	11,53,567.02	97,275.85	-	(1,027.06)	12,49,815.81
Lease Liabilities	64,656.45	(18,722.79)	43,031.35	-	88,965.01
Subordinated Liabilities	2,38,526.64	(9,595.30)	-	(1,072.65)	2,27,858.69
Total liabilities from financing activities	**18,36,129.13**	**(6,441.12)**	**43,031.35**	**(1,436.89)**	**18,71,282.47**

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**

38 Contingent Liabilities (to the extent not provided for)

Particulars	As at 31st March 2023	As at31st March 2022
Contingent Liabilities		
(i) Income Tax Demands	3,420.85	3,419.85
(ii) Service Tax Demands	5,106.18	5,106.18
(iii) Value Added Tax Demands	1,327.12	1,327.12
(iv) Bank Guarantees	43.81	36.90
(v) Claims not acknowledged as debt in view of counter claims raised	-	917.78

(vi) 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 has filed a writ petition before the Honorable High Court of Kerala proceedings of which are ongoing.

(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 Badal Chandra Das	Director
8 Ravi Ramchandran	Director
9 Sachu Sivas	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 Speckle Internet Solutions Private Limited

(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

(Rupees in lakhs, except for share data and unless otherwise stated)

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 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022
Revenue								
Auction of Gold Ornaments	-	-	-	-	2,644.20	6,104.86	-	-
Commission Received	-	-	-	-	1,309.19	1,189.86	518.80	350.45
Rent received	-	-	-	-	301.75	283.51	136.71	141.79
Revenue from Travel Services	1.54	1.59	0.40	-	47.81	10.10	26.64	16.88
Sale of Used Assets	-	-	-	-	-	0.03	-	-
Interest on ICD	-	-	-	-	44.49	-	-	-
Interest accrued on loans & advances	1,964.98	2,388.00	-	-	-	29.66	-	-
Expense								
Commission Paid	600.00	500.00	-	-	2.10	17.09	1.42	34.03
Interest paid	504.84	483.65	71.83	78.74	224.38	186.64	-	-
Hotel Service payments	-	-	-	-	28.16	28.31	-	-
Professional & Consultancy Charges	-	-	-	-	2,095.44	2,104.14	1,635.60	1,562.94
Purchase of Gold / Silver Coins	-	-	-	-	3.02	90.77	-	-
Reimbursement of Expenses	-	-	-	-	(32.67)	(20.32)	(20.82)	(15.76)
Rent paid	108.18	104.75	-	-	19.60	17.51	-	-
Remuneration Paid	6,008.79	5,039.60	52.37	41.00	-	-	-	-
Annuity Insurance	203.60	-	-	-	-	-	-	-
Sitting Fee paid	13.75	13.50	-	-	-	-	-	-
Eswarna payments	-	-	-	-	63.34	-	-	-
Repairs and maintenance	-	-	-	-	4.73	1.89	-	-
Asset								
Advance for CSR Activities	-	-	-	-	462.97	298.37	-	-
Investment made in Equity	-	-	-	-	-	200.00	-	-
Loan repayments received	(19,900.00)	-	-	-	-	(290.00)	-	-
Loans Advanced	15,000.00	-	-	-	-	-	-	-
ICD advanced	-	-	-	-	7,000.00	-	-	-
ICD repaid	-	-	-	-	(7,000.00)	-	-	-
Purchase of shares of MML	18,608.52	-	4,616.48	-	-	-	-	-
Refund received against advance for property	(1,588.53)	-	(133.87)	-	(5,277.60)	(3,000.00)	-	-
Purchase of Vehicle	-	-	-	-	-	10.74	-	-

(Rupees in lakhs, except for share data and unless otherwise stated)

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 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022
Liability								
Advance received towards Owners share	-	-	-	-	600.00	432.15	-	-
Inv-Debt Instruments	-	-	0.50	0.50	-	1.00	-	-
Redemption of Inv-Debt Securities	-	-	(155.00)	(1.14)	(24.99)	-	-	-
Security Deposit Accepted	-	-	-	-	87.36	140.00	0.91	1.37
Security Deposit Repaid	-	-	-	-	(70.95)	(167.13)	(4.41)	(1.42)
Dividend Paid	1,170.97	10,036.91	180.80	1,549.71	4.17	35.72	-	-

(Rupees in lakhs, except for share data and unless otherwise stated)

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		Subsidiaries	
	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	
Asset								
Advance for CSR Activities	-	-	-	-	10.71	8.05	-	-
Advance for Property/Shares	-	1,588.53	-	133.87	19,000.17	24,277.77	-	-
Advance receivable towards Owners share	-	-	-	-	2,859.42	903.13	-	-
Commission Receivable	-	-	-	-	127.19	68.99	45.33	40.10
Expense Reimbursements Receivable	-	-	-	-	1.09	1.48	1.47	0.88
Interest on Loan Receivable	774.25	61.55	-	-	-	-	-	-
Loans Advanced	15,000.00	19,900.00	-	-	-	-	-	-
Rent Receivable	-	-	-	-	14.33	12.40	11.95	2.92
Travel Service Receivables	1.99	0.79	-	-	7.90	4.06	4.59	1.51
Investment-Equity Outstanding	-	-	-	-	217.00	217.00	49,740.45	26,515.45
Liability								
Collection balance payable	-	-	-	-	-	0.22	-	-
Commission Payable	-	-	-	-	0.04	0.27	0.07	0.46
Interest Payable	-	2.58	6.44	54.22	12.85	6.40	-	-
Rent Payable	-	0.23	-	-	1.77	0.92	-	-
Inv-Debt Instruments	395.00	267.30	305.55	332.33	159.66	107.53	-	-
PDI outstanding	4,045.00	3,845.00	390.00	355.00	2,793.00	1,025.00	-	-
Professional & Consultancy Charges payable	-	-	-	-	0.88	0.12	20.90	-
Security Deposit received	-	-	-	-	47.57	30.50	43.48	46.97
Other Payable	-	-	-	-	0.27	3.99	-	-

Note : a) Related parties have been identified on the basis of the declaration received by the management and other records available.

(Rupees in lakhs, except for share data and unless otherwise stated)

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 2023	Year Ended 31st March 2022
Short–term employee benefits	6,022.54	5,053.10
Post-employment benefits	203.60	-
Total compensation paid to key managerial personnel	**6,226.14**	**5,053.10**

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. The Company has issued perpetual debt instruments aggregating to INR 10,000 (March 31, 2022 - INR 13,500) during the year and had issued cumulative compulsorily convertible preference shares aggregating to INR 15,000 during the previous year ended March 31, 2022 thereby strengthening the regulatory capital levels.

Regulatory capital	As at 31st March 2023	As at 31st March 2022
Tier I Capital	3,06,097	2,69,746
Tier II Capital	90,219	85,992
Total capital	**3,96,316**	**3,55,738**
Risk weighted assets	**18,57,078**	**18,31,579**
CRAR		
Tier I Capital (%)	16.48%	14.73%
Tier II Capital (%)	4.86%	4.69%

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.

(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, 2023:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Inv-JM Financial India Fund II	236.50	-	-	236.50
Inv-Strugence Debt Fund	997.61	-	-	997.61
Inv-BPEA India Credit - Trust II	168.86	-	-	168.86
Financial Liabilities				
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	-	-	15,732.00	15,732.00

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Inv-Muthoot Microfin Limited	-	1,66,298.57	-	1,66,298.57
Inv-Muthoot Pappachan Chits Private Limited	-	14.94	-	14.94
Inv-Avenues India Private Limited	-	479.10	-	479.10
Inv-Fair Asset Technologies (P) Limited	-	720.64	-	720.64
Inv-Equity Shares (DP account with Motilal Oswal)	1,690.38	-	-	1,690.38
Inv-PMS - Motilal Oswal	231.12	-	-	231.12
Inv-The Thinking Machine Media Private Limited	-	9.00	-	9.00
Inv-Speckle Internet Solutions Private Limited	-	42.86	-	42.86

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				
Inv-JM Financial India Fund II	156.37	-	-	156.37
Inv-Strugence Debt Fund	997.48	-	-	997.48
Inv-BPEA India Credit - Trust II	514.24	-	-	514.24
Financial Liabilities				
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	-	-	15,213.00	15,213.00

(Rupees in lakhs, except for share data and unless otherwise stated)

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Inv-Muthoot Microfin Limited	-	1,42,977.72	-	1,42,977.72
Inv-Muthoot Pappachan Chits Private Limited	-	15.14	-	15.14
Inv-Avenues India Private Limited	-	477.67	-	477.67
Inv-Fair Asset Technologies (P) Limited	-	719.85	-	719.85
Inv-Equity Shares (DP account with Motilal Oswal)	1,646.32	-	-	1,646.32
Inv-PMS - Motilal Oswal	465.24	-	-	465.24
Inv-The Thinking Machine Media Private Limited	-	9.00	-	9.00
Inv-Speckle Internet Solutions Private Limited	-	198.10	-	198.10

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, 2023		As at March 31, 2022	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount Rate of CCCPS Coversion Feature	(544.00)	564.72	(511.25)	531.08
Discount for Lack of Marketability	(242.03)	242.03	(234.05)	234.05

(Rupees in lakhs, except for share data and unless otherwise stated)

Movements in Level 3 financial instruments measured at fair value

Regulatory capital	As at 31st March 2023	As at31st March 2022
Financial liability maesured at FVTPL		
Cumulative Compulsorily Convertible Preference Shares (CCCPS)		
Opening Balance	15,213.00	15,000.00
Issued during the year	-	-
Converted during the year	-	-
Change in fair value	519.00	213.00
Closing balance	**15,732.00**	**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 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Financial assets					
Cash and cash equivalents	1	2,52,361.58	2,35,980.59	2,52,361.58	2,35,980.59
Bank Balance other than above	1	17,001.25	11,089.14	17,001.25	11,089.14
Trade receivables	3	3,133.15	2,630.50	3,133.15	2,630.50
Loans	3	17,25,053.20	17,01,520.88	17,25,053.20	17,01,520.88
Investments	3	15,781.93	15,781.93	15,781.93	15,781.93
Other Financial assets	3	14,485.70	13,049.87	14,485.70	13,049.87
Financial assets		**20,27,816.81**	**19,80,052.90**	**20,27,816.81**	**19,80,052.90**
Financial Liabilities					
Trade Payable	3	4,014.97	4,782.30	4,014.97	4,782.30
Debt securities	3	3,04,642.97	3,79,379.03	3,04,642.97	3,79,379.03
Borrowings (other than debt securities)	3	12,49,815.81	11,53,567.02	12,49,815.81	11,53,567.02
Lease Liability	3	88,965.01	64,656.45	88,965.01	64,656.45
Subordinated liabilities	3	2,27,858.69	2,38,526.64	2,27,858.69	2,38,526.64
Other financial liabilities	3	58,878.16	61,040.36	58,878.16	61,040.36
Financial Liabilities		**19,34,175.60**	**19,01,951.80**	**19,34,175.60**	**19,01,951.80**

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.

(Rupees in lakhs, except for share data and unless otherwise stated)

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 loan losses.The Company addresses credit risk through following major processes:

- Standardize the process of identifying new risks and designing appropriate controls for these risks

(Rupees in lakhs, except for share data and unless otherwise stated)

- 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. Whereas tenure of gold loans primarily range from 6 to 12 months, tenure of SME loans and loans against property range from 3 months to 180 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.The Company has considered a financial instrument as 'cured' and therefore re-classified out of Stage 3 during the year only once the entire dues have been received.

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	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 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 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information 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.

Based on its review of macro-economic developments and economic outlook, the Company has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD."

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/ auctioned and upgraded during the year. For other loans, LGD rates have been arrived at guided by the Foundational Internal Ratings Based approach (FIRB) norms.

(Rupees in lakhs, except for share data and unless otherwise stated)

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 is the risk of being unable to raise necessary funds from the market at optimal cost to meet operational and debt servicing requirements. The purpose of liquidity management is to ensure sufficient cash flow to meet all financial commitments and to capitalise on opportunities for business expansion. Board of Directors will have overall responsibility of monitoring, supervision and control of the Asset Liability Management (ALM) mechanism. Board will have a sub-committee of Directors (ALM Committee) to review the ALM position of the Company on at least half yearly intervals. An Asset Liability Committee (ALCO) consisting of senior executives of the Company including the Managing Director shall be responsible for the day to day as well as periodic monitoring and control of Asset Liability management. Our treasury team sources funds from multiple sources, including from banks, financial institutions, capital & retail markets to maintain a healthy mix of sources. The treasury 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.

(Rupees in lakhs, except for share data and unless otherwise stated)

The table below shows the maturity pattern of the assets and liabilities:

Maturity pattern of assets and liabilities as on 31st March 2023:

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	2,27,802.11	19,512.58	1,427.90	-	3,619.00	-	-	-	2,52,361.58
Bank Balance other than (a) above	7,006.88	-	-	2,631.51	7,362.86	-	-	-	17,001.25
Receivables	927.34	35.83	35.83	107.49	214.98	1,811.69	-	-	3,133.15
Loans	2,50,236.70	1,04,093.49	1,36,409.60	6,01,793.91	5,79,151.52	16,723.45	1,571.06	35,073.47	17,25,053.20
Investments	1,921.50	-	-	-	997.61	168.86	-	1,83,583.53	1,86,671.51
Other Financial assets	9,328.70	99.23	59.69	160.25	968.31	1,015.66	707.57	2,146.27	14,485.70
Total	**4,97,223.23**	**1,23,741.13**	**1,37,933.02**	**6,04,693.16**	**5,92,314.29**	**19,719.66**	**2,278.63**	**2,20,803.28**	**21,98,706.39**
Payables	4,014.97	-	-	-	-	-	-	-	4,014.97
Debt Securities	22,409.62	9,996.89	8,445.98	33,281.80	63,348.31	1,09,209.32	44,243.12	13,707.93	3,04,642.97
Borrowings (other than Debt Securities)	2,34,555.05	40,678.22	1,12,994.26	1,14,244.01	4,82,413.91	2,38,293.05	26,637.31	-	12,49,815.81
Subordinated Liabilities	5,889.30	4,040.52	3,174.20	9,075.22	25,596.41	41,934.45	45,729.27	92,419.32	2,27,858.69
Other Financial liabilities	14,766.93	1,215.26	952.67	4,049.22	12,498.72	30,030.44	8,363.83	2,733.08	74,610.16
Total	**2,81,635.86**	**55,930.89**	**1,25,567.12**	**1,60,650.25**	**5,83,857.34**	**4,19,467.26**	**1,24,973.54**	**1,08,860.33**	**18,60,942.59**

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**

(Rupees in lakhs, except for share data and unless otherwise stated)

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 three types of market risk as follows:

a) 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	Year Ended 31st March 2023	Year Ended 31st March 2022
On Borrowings		
1% increase	(17,768.95)	(17,782.04)
1% decrease	17,768.95	17,782.04

b) 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 2023	10/(10)	140.30 / (140.30)	18,428.10 / (18,428.10)
As at 31st March 2022	10/(10)	166.81 / (166.81)	16,130.37 / (16,130.37)

A sudden fall in the gold price can result in increased customers defaults where the loan amount and interest exceeds the market value of gold, though the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the collateral. This risk is partly mitigated by the fact that a minimum 25% margin is retained on the value of gold jewellery for the purpose of calculation of the loan amount. Further, the gold jewellery collateral is appraised solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery if any. Though an occasional decrease in gold prices will not increase price risk significantly on account of our adequate collateral security margins, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

c) 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

(Rupees in lakhs, except for share data and unless otherwise stated)

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.

44 Employee Stock Option Plan and Stock Appreciation Plan

The Company has launched MFL Employee Stock Option Schemes and MFL Employee Stock Appreciation Right Schemes during the year with an objective to reward employees for their association with the Company, their performance as well as to attract, retain and motivate employees to contribute to the growth and profitability of the Company.

44.1. Employee Stock Option Plan

(i) The particulars on the Stock Option Plan are as follows:

Scheme name	MFL Employee Stock Option Scheme 2018
Date of Shareholders Meeting, where approval to introduce and implement ESOP was granted	July 13, 2018
Date of Board Meeting where grant of options were approved	August 12, 2022
Date of grant	August 30, 2022
No. of employees to whom such options were granted	301
Number of options granted	8,64,566
Method of settlement	Equity
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options, performance based parameters and such other conditions as mentioned in the ESOP Scheme.
Vesting period	**For ESOP Scheme II & IV, 2018** Option will be vested at the: End of year 1 from grant date : 20% End of year 2 from grant date : 30% End of year 3 from grant date : 50% **For ESOP Scheme V, 2018** Option will be vested at the: End of year 1 from grant date : 33.33% End of year 2 from grant date : 33.33% End of year 3 from grant date : 33.33%
Exercise Price (Amount in INR as per MFL ESOP Scheme 2018)	100.00
Exercise period	The options can be exercised over a period of 10 years from the date of grant.
Pricing Formula	As per valuation from a registered valuer

(Rupees in lakhs, except for share data and unless otherwise stated)

(ii) Movement during the year in Options:

Particulars	MFL ESOP 2018
No. of Options :	
Outstanding at the beginning of the year	-
Granted during the year	8,64,566
Vested during the year	-
Exercised during the year	-
Lapsed during the year	-
Cancelled during the year*	76,647
Outstanding at the end of year	7,87,919
Unvested at the end of year	7,87,919
Exercisable at the end of year	-

** Due to employee separations post grant of option during the year*

(iii) The fair value of the options was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	MFL ESOP 2018
Weighted average option fair value (Amount in INR)	141
Exercise price (Amount in INR)	100.00
Expected volatility of share price (%) *	42.06% - 43.20%
Option Life (years)	5.51 to 6.51 years
Expected dividends yield (%)	-
Risk free interest rate (%)	7.07% to 7.12%

**The expected volatility was determined based on historical volatility data of comparable peers whose are shares are listed*

(iv) The total expense recognised for the period arising from MFL ESOP 2018 amounted to INR 355.14 and the carrying amount for the corresponding liabilities as at March 31, 2023 amounted to INR 355.14.

(Rupees in lakhs, except for share data and unless otherwise stated)

44.2. Employee Stock Appreciation Plan

(i) The particulars on the Stock Appreciation Plan are as follows:

Scheme name	MFL Employee SAR Scheme 2018
Date of Shareholders Meeting, where approval to introduce and implement SAR was granted	July 13, 2018
Date of Board Meeting where grant of SAR were approved	August 12, 2022
Date of grant	August 30, 2022
No. of employees to whom such SAR were granted	2,315
Number of SAR granted	12,42,793
Method of settlement	Cash
Vesting conditions	The actual vesting of SAR will depend on continuation to hold the services being provided to the Company at the time of exercise, performance based parameters and such other conditions as mentioned in the SAR Scheme.
Vesting period	**For SAR Scheme Scheme II & III, 2018** SAR will be vested at the: End of year 1 from grant date : 20% End of year 2 from grant date : 30% End of year 3 from grant date : 50%
Exercise Price (Amount in INR as per MFL SAR Scheme 2018)	225.00
Pricing Formula	As per valuation from a registered valuer

(ii) Movement during the year in SAR Options:

Particulars	MFL SAR 2018
No. of SAR:	
Outstanding at the beginning of the year	-
Granted during the year	12,42,793
Vested during the year	-
Exercised during the year	-
Lapsed during the year	-
Cancelled during the year*	79,201
Outstanding at the end of year	11,63,592
Unvested at the end of year	11,63,592
Exercisable at the end of year	-

** Due to employee separations post grant of option during the year*

(iii) The fair value of the options was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	MFL SAR 2018
Weighted average option fair value (Amount in INR)	74.18
Exercise price (Amount in INR)	225.00
Expected volatility of share price (%)*	26.97% - 34.30%
Option Life (years)	0.46 to 2.46 years
Expected dividends yield (%)	-
Risk free interest rate (%)	6.79% to 7.10%

**The expected volatility was determined based on historical volatility data of comparable peers whose are shares are listed*

(Rupees in lakhs, except for share data and unless otherwise stated)

(iv) The total expense recognised for the period arising from MFL SAR 2018 amounted to INR 230.95 and the carrying amount for the corresponding liabilities as at March 31, 2023 amounted to INR 230.95

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, 2023

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)
(a) Performing Assets						
Standard	Stage 1	16,16,329.75	9,006.98	16,07,322.77	6,474.19	2,532.78
	Stage 2	1,08,016.61	507.60	1,07,509.01	432.07	75.54
Subtotal - Performing Assets		**17,24,346.36**	**9,514.58**	**17,14,831.78**	**6,906.26**	**2,608.32**
(b) Non-Performing Assets (NPA)						
(i) Substandard	Stage 3	6,169.30	880.38	5,288.91	616.60	263.79
(ii) Doubtful up to:						
1 year	Stage 3	5,616.39	5,593.12	23.26	1,123.28	4,469.85
1 to 3 year	Stage 3	10,315.46	9,359.05	956.41	3,094.64	6,264.41
More than 3 years	Stage 3	10,443.88	6,491.05	3,952.83	5,221.94	1,269.11
Subtotal (ii)		**26,375.73**	**21,443.22**	**4,932.51**	**9,439.85**	**12,003.37**
(iii) Loss	Stage 3	4,616.11	4,616.11	-	4,616.11	-
Subtotal - NPA		**37,161.13**	**26,939.71**	**10,221.42**	**14,672.56**	**12,267.15**
Total	**Stage 1**	16,16,329.75	9,006.98	16,07,322.77	6,474.19	2,532.78
	Stage 2	1,08,016.61	507.60	1,07,509.01	432.07	75.54
	Stage 3	37,161.13	26,939.71	10,221.42	14,672.56	12,267.15
Total		**17,61,507.49**	**36,454.29**	**17,25,053.20**	**21,578.82**	**14,875.47**

**Computed on the value as per the IRACP norms.*

(Rupees in lakhs, except for share data and unless otherwise stated)

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)
(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-Performing Assets (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**
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.*

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	2022-23	2021-22
(i) Amount due in respect of overdue contracts where moratorium benefit was extended	-	-
(ii) Amount due on contracts where asset classification benefits was extended	-	378.88
(iii) Provision as per IRACP norms against (ii) cumulatively above up to June 2020	-	37.89
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions	-	134.62

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 to an amount of INR 664.83 (March 31, 2022 - INR 614.08) of which the Company has recovered INR 39.74 (March 31, 2022 - INR 61.94). 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.

(ii) The Company extends loans to its customers against security of gold not exceeding 75% of the value of gold.

(Rupees in lakhs, except for share data and unless otherwise stated)

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 48.01 tonnes of Gold as at March 31, 2023 (March 31, 2022 - 54.03 tonnes). The loan amount provided against security of gold works out to 63.28% of the value of gold as on 31st March 2023 (As at 31st March 2022 - 65.79%).

(iii) The Company's Percentage of Gold Loan to Total Assets is 70.79% as at 31st March 2023 (As at 31st March 2022 - 73.17%).

(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.

Particulars	No. of accounts	Amount
FY 2022-23	0	-
FY 2021-22	1014	1,730.79

(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, 2023 and March 31, 2022.

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, 2023	17	11,89,567.73	N.A.	60.06%
As at March 31, 2022	16	10,84,415.84		55.74%

* 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, 2023	9,96,442.96	55.91%
As at March 31, 2022	9,29,928.46	52.49%

(iv) Funding concentration based on significant instrument / product:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Amount	% of Total Liabilities*	Amount	% of Total Liabilities*
Working Capital Demand Loan	7,46,415.46	37.69%	7,28,350.96	37.44%
Working Capital (Term) Loan	5,03,400.35	25.42%	4,25,216.06	21.86%
Secured NCD	3,04,642.97	15.38%	3,79,379.03	19.50%
Subordinated Debt	1,79,745.30	9.08%	2,00,107.40	10.29%
Perpetual Debt Instrument	48,113.39	2.43%	38,419.24	1.97%
Total	**17,82,317.46**	**89.99%**	**17,71,472.68**	**91.06%**

* Total Liabilities excludes Equity and Other Equity

(Rupees in lakhs, except for share data and unless otherwise stated)

(v) Stock Ratios:

(i) Commercial papers as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2023	As at March 31, 2022
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, 2023	As at March 31, 2022
Total Public Funds	7.71%	8.07%
Total Liabilities	6.94%	7.35%
Total Assets	5.80%	6.24%

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, 2023	As at March 31, 2022
Total Public Funds	61.35%	57.95%
Total Liabilities	55.21%	52.77%
Total Assets	46.14%	44.82%

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, Head – Finance, Head - Treasury 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 Company's 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.

(Rupees in lakhs, except for share data and unless otherwise stated)

(vi) Liquidity Coverage Ratio Disclosure

Particulars	As at March 31, 2023		As at December 31, 2022	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets				
Total High Quality Liquid Assets (HQLA)	94,783.42	94,783.42	1,36,339.34	1,36,339.34
Cash Outflows				
Deposits (for deposit taking companies)	-	-	-	-
Unsecured wholesale funding	5,438.02	6,253.72	4,026.91	4,630.95
Secured wholesale funding	32,809.71	37,731.17	24,575.84	28,262.22
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	1,22,697.07	1,41,101.63	1,86,380.46	2,14,337.53
Other contractual funding obligations	12,085.16	13,897.93	7,917.69	9,105.34
Other contingent funding obligations	-	-	-	-
TOTAL CASH OUTFLOWS	**1,73,029.96**	**1,98,984.45**	**2,22,900.91**	**2,56,336.04**

Particulars	As at March 31, 2023		As at December 31, 2022	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
Cash Inflows				
Secured lending	1,53,836.33	1,15,377.25	89,823.67	67,367.75
Inflows from fully performing exposures	2,68,478.88	2,01,359.16	2,69,486.49	2,02,114.87
Other cash inflows	2,335.63	1,751.72	22,598.33	16,948.75
TOTAL CASH INFLOWS	**4,24,650.84**	**3,18,488.13**	**3,81,908.49**	**2,86,431.37**
TOTAL HQLA		**94,783.42**		**1,36,339.34**
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)		**49,746.11**		**64,084.01**
LIQUIDITY COVERAGE RATIO (%)		**190.53%**		**212.75%**

(Rupees in lakhs, except for share data and unless otherwise stated)

Particulars	As at September 30, 2022		As at June 30, 2022	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets				
Total High Quality Liquid Assets (HQLA)	1,45,780.58	1,45,780.58	1,34,239.24	1,34,239.24
Cash Outflows				
Deposits (for deposit taking companies)	-	-	-	-
Unsecured wholesale funding	3,210.60	3,692.19	2,116.81	2,434.33
Secured wholesale funding	48,363.96	55,618.55	7,485.70	8,608.55
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	46,342.32	53,293.67	65,596.68	75,436.19
Other contractual funding obligations	11,773.42	13,539.43	9,109.60	10,476.04
Other contingent funding obligations	-	-	-	-
TOTAL CASH OUTFLOWS	**1,09,690.29**	**1,26,143.84**	**84,308.79**	**96,955.10**
Cash Inflows				
Secured lending	1,28,786.00	96,589.50	1,384.23	1,038.17
Inflows from fully performing exposures	2,51,395.29	1,88,546.47	2,30,907.14	1,73,180.36
Other cash inflows	9,513.33	7,135.00	-	-
TOTAL CASH INFLOWS	**3,89,694.62**	**2,92,270.97**	**2,32,291.37**	**1,74,218.53**
TOTAL HQLA		**1,45,780.58**		**1,34,239.24**
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)		**31,535.96**		**24,238.78**
LIQUIDITY COVERAGE RATIO (%)		**462.27%**		**553.82%**

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

(Rupees in lakhs, except for share data and unless otherwise stated)

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 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 March 31, 2023, no portion of such allotted proceeds remain unutilized (March 31, 2022 - Nil).

(iv) Others:

Particulars	At 31st March 2023	At 31st March 2022
Loans & advances in the nature of loans to subsidiaries	Nil	Nil
Loans & advances in the nature of loans to associates	Nil	Nil
Loans & advances in the nature of loans where there is-		
(i) no repayment schedule or repayment beyond seven years	Nil	Nil
(ii) no interest or interest below section 186 of the Companies Act	Nil	Nil
Loans & advances in the nature of loans to other firms/companies in which directors are interested	-	-

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.

(Rupees in lakhs, except for share data and unless otherwise stated)

49 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 (March 31, 2022 - 23.225 Megawatt). During the year ended March 31, 2023, the said windmills generated 300.73 lakhs units of electrical energy (311.17 lakh units during the year ended March 31, 2022).

50 Additional disclosures as per Schedule III of Companies Act, 2013

(i) The Company does not have any immovable property whose title deeds are not held in the name of the Company.

(ii) The fair value of investment property measured for disclosure purposes in the financial statements is based on the valuation by an independent registered valuer.

(iii) The Company has not revalued its Property, Plant and Equipment or Right of Use Assets during the current or previous year.

(iv) The Company has not revalued Intangible Assets during the current or previous year.

(v) The Company has not given any loans or advances in the nature of loans that are a) repayable on demand or b) without specifying any terms or period of repayment; to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person during the current or previous year.

(vi) The Company does not have any Capital Work in Progress as at the end of the current or previous year.

(vii) The ageing schedule of Intangible Assets under development as at March 31, 2023 is as below (March 31, 2022: Nil):

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	676.00	-	-	-	676.00
Projects temporarily suspended	-	-	-	-	-

(viii) The company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and no proceedings have been initiated or is pending against the company for the same.

(ix) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(x) The Company has not made any default in repayment of its financial obligations and is not declared wilful defaulter by any bank or financial Institution or other lender.

(xi) The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(xii) There are no charges or satisfaction to be registered with ROC beyond the statutory period.

(xiii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(xiv) Capital to risk-weighted assets ratio, Tier I CRAR and Tier II CRAR has been disclosed in Note 40 and Liquidity Coverage Ratio in Note 46

(xv) The Company has not entered into any Scheme of Arrangements which requires the approval of the Competent

(Rupees in lakhs, except for share data and unless otherwise stated)

Authority in terms of sections 230 to 237 of the Companies Act,2013 for the financial years ended March 31, 2023 and March 31, 2022.

(xvi) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(xvii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xviii) The company does not have any transaction which is not recorded in the books of account but has been surrendered or disclosed as income during the year in tax assessments under the Income tax Act, 1961.

(xix) The Company has not traded or invested in Crypto currency or Virtual Currency during the current or previous financial year.

51 Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications / disclosure.

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	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	3,30,315.56	264.09
	Unsecured	-	-
	b. Deferred credits	-	-
	c. Term loans	5,03,659.48	-
	d. Inter-corporate loans and borrowings	-	-
	e. Commercial paper	-	-
	f. Public Deposits	-	-
	g. Other loans:		
	Working capital loans from banks	7,46,624.01	-
	Finance Lease Obligation	-	-
	Pass Through Certificate	-	-
	Loan against Deposits	-	-
	Loan from directors	-	-
	Perpetual Debt Instruments	48,119.37	-
	Subordinated Debts	2,01,997.20	4,564.59

(Rupees in lakhs, except for share data and unless otherwise stated)

Sr. no.	Particulars	Amount outstanding
2	**ASSET SIDE**	
	Break-up of Loans and advances including bills receivables (Other than those included in (4) below)	
	a. Secured	17,23,807.10
	b. Un-Secured	1,246.10
3	**Break-up of Leased Assets and stock on hire and other assets counting towards asset financing 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 asset financing activities	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-

Sr. no.	Particulars	Amount
4	**Break-up of Investments**	
	Current Investments	
	1. Quoted:	
	i. Shares	
	(a) Equity	1,690.38
	(b) Preference	-
	ii. Debentures and Bonds	-
	iii. Units of Mutual Funds	-
	iv. Government Securities	-
	v. Others	231.12
	2. Un-Quoted:	
	i. Shares	
	(a) Equity	-
	(b) Preference	-
	ii. Debentures and Bonds	-
	iii. Units of Mutual Funds	-
	iv. Government Securities	-
	v. Others	997.61
	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	-

(Rupees in lakhs, except for share data and unless otherwise stated)

Sr. no.	Particulars	Amount
4	**2. Un-Quoted:**	
(Cont.)	i. Shares	
	(a) Equity	1,81,159.39
	(b) Preference	1,199.74
	ii. Debentures and Bonds	987.91
	iii. Units of Mutual Funds	-
	iv. Government Securities	-
	v. Others	405.36

5 Borrower group wise classification of assets financed as in (2) & (3) above

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
a. Subsidiaries	-	-	-
b. Companies in the same group	-	-	-
c. Other related parties	15,774.25	-	15,774.25
2. Other than related Parties	17,08,032.85	1,246.10	17,09,278.95
Total	**17,23,807.10**	**1,246.10**	**17,25,053.20**

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)
1. Related Parties		
a. Subsidiaries	1,81,092.59	1,81,092.59
b. Companies in the same group	23.94	23.94
c. Other related parties	42.86	42.86
2. Other than related Parties	6,719.56	5,512.12
Total	**1,87,878.95**	**1,86,671.51**

7 Other Information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related Parties	-
(b) Other than related parties	37,161.13
(ii) Net Non-Performing Assets	
(a) Related Parties	-
(b) Other than related parties	10,221.42
(iii) Assets Acquired in satisfaction of debt	-

(Rupees in lakhs, except for share data and unless otherwise stated)

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 2023	As at31st March 2022
CRAR (%)	21.34%	19.42%
CRAR – Tier I Capital (%)	16.48%	14.73%
CRAR – Tier II Capital (%)	4.86%	4.69%
Amount of subordinated debt raised as Tier-II capital (eligible amount, restricted to 50% of Tier-I capital)	73,053.28	75,948.24
Amount raised by issue of Perpetual Debt Instruments	48,113.39	38,419.24

The percentage of Tier I PDI to the Tier I Capital of the Company as at 31st March 2023 is 13.22% (31st March 2022 - 13.49%). 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 2023	As at31st March 2022
Value of Investments		
(i) Gross Value of Investments		
(a) In India	1,87,878.95	1,65,166.50
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	(1,207.44)	(1,207.44)
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	1,86,671.51	1,63,959.06
(b) Outside India	-	-
Movement of provisions held towards depreciation of investments		
(i) Opening Balance	(1,207.44)	(1,207.44)
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write off/write back of excess provisions during the year	-	-
(iv) Closing balance	(1,207.44)	(1,207.44)

3 Derivatives

The Company did not have any Derivative transaction during the year (March 31, 2023 : Nil).

4 Securitisation

The Company did not undertake any securitisation transactions during the year (March 31, 2023 : Nil).

(Rupees in lakhs, except for share data and unless otherwise stated)

5 Asset Liability Management Maturity pattern of certain items of Assets & Liabilities

March 31, 2023

Description	1 to 7 DAYS	8 to 14 days	15 days to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Advances	1,91,926.79	16,734.66	41,575.25	1,04,093.49	1,36,409.60	6,01,793.91	5,79,151.52	16,723.45	1,571.06	35,073.47	17,25,053.20
Investments	-	-	1,921.50	-	-	-	997.61	168.86	-	1,83,583.53	1,86,671.51
Borrowings	1,63,067.75	22,366.13	77,420.09	54,715.62	1,24,614.44	1,56,601.03	5,71,358.62	3,89,436.82	1,16,609.70	1,06,127.25	17,82,317.46
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

March 31, 2022

Description	1 to 7 DAYS	8 to 14 days	15 days to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Advances	2,34,503.55	23,873.74	46,421.65	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	27,968.48	417.66	42,287.34	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	-	-	-	-	-	-	-	-	-	-	-

(Rupees in lakhs, except for share data and unless otherwise stated)

6 Exposures

Exposure to Real Estate Sector:

Category	As at 31st March 2023	As at31st March 2022
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 (including non-fund based (NFB) limits)	37,590.47	6,790.06
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.) (including 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
(ii) Others	45,119.93	56,236.71
Total Exposure to Real Estate Sector	**99,696.77**	**80,013.14**

Exposure to Capital Market:

Category	As at 31st March 2023	As at31st March 2022
(i) direct Inv-equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1,690.38	1,646.32
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for Inv-shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security ;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Alternative Investment Funds		
(i) Category I	-	-
(ii) Category II	168.86	514.24
(iii) Category III	-	-
Total Exposure to Capital Market	**1,859.24**	**2,160.56**

(Rupees in lakhs, except for share data and unless otherwise stated)

Sectoral Exposure

Sectors	As at 31st March 2023			As at 31st March 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	0.00%	-	-	0.00%
2. Industry	-	-	0.00%	-	-	0.00%
3. Services	83,744.86	25,502.36	30.45%	56,488.75	28,201.01	49.92%
4. Personal Loans	16,77,762.63	11,658.77	0.69%	16,75,824.72	21,758.28	1.30%
5. Others Non Food credit (if any)	-	-	0.00%	-	-	0.00%

Intra Group Exposure

Particulars	March 31, 2023	March 31, 2022
Total amount of intra-group exposures	68,957.62	52,732.59
Total amount of top 20 intra-group exposures	68,957.62	52,732.59
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	3.75%	2.94%

Unhedged foreign currency exposure

The company does not have any unhedged foreign currency exposure (Year ended March 31, 2022 : Nil)

(Rupees in lakhs, except for share data and unless otherwise stated)

7 Related Party Disclosure

Nature of relationship	Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel		Entities in which KMP are able to exercise control or have significant influence		Total	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Outstanding at the end										
Borrowings	-	-	4,440.00	4,112.30	695.55	687.33	2,952.66	1,132.53	8,088.21	5,932.16
Deposits	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-
Advances	-	-	15,000.00	19,900.00	-	-	-	-	15,000.00	19,900.00
Investments	49,740.45	26,515.45	-	-	-	-	217.00	217.00	49,957.45	26,732.45
Advance for Property/Shares	-	-	-	1,588.53	-	133.87	19,000.17	24,277.77	19,000.17	26,000.17
Others	127.79	92.85	776.24	65.14	6.44	54.22	3,084.02	1,040.53	3,994.49	1,252.73
Maximum outstanding at the end										
Borrowings	-	-	4,440.00	4,112.30	695.55	687.97	2,952.66	2,937.79	8,088.21	7,738.06
Deposits	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-
Advances	-	-	19,900.00	19,900.00	-	-	-	290.00	19,900.00	20,190.00
Investments	49,740.45	26,515.45	-	-	-	-	217.00	217.00	49,957.45	26,732.45
Transactions during the period										
Sale of fixed/other assets	-	-	-	-	-	-	-	0.03	-	0.03
Interest paid	-	-	504.84	483.65	71.83	78.74	224.38	186.64	801.05	749.04
Interest received	-	-	1,964.98	2,388.00	-	-	44.49	29.66	2,009.47	2,417.66
Auction of Gold Ornaments	-	-	-	-	-	-	2,644.20	6,104.86	2,644.20	6,104.86
Commission Received	518.80	350.45	-	-	-	-	1,309.19	1,189.86	1,827.99	1,540.31
Professional & Consultancy Charges	1,635.60	1,562.94	-	-	-	-	2,095.44	2,104.14	3,731.04	3,667.07
Remuneration Paid	-	-	6,008.79	5,039.60	52.37	41.00	-	-	6,061.15	5,080.60
Loan repayments received	-	-	(19,900.00)	-	-	-	-	(290.00)	(19,900.00)	(290.00)
Loans Advanced	-	-	15,000.00	-	-	-	-	-	15,000.00	-
ICD advanced	-	-	-	-	-	-	7,000.00	-	7,000.00	-
ICD repaid	-	-	-	-	-	-	(7,000.00)	-	(7,000.00)	-
Purchase of shares of MML	-	-	18,608.52	-	4,616.48	-	-	-	23,225.00	-
Refund received against advance for property	-	-	(1,588.53)	-	(133.87)	-	(5,277.60)	(3,000.00)	(7,000.00)	(3,000.00)
Dividend Paid	-	-	1,170.97	10,036.91	180.80	1,549.71	4.17	35.72	1,355.94	11,622.33
Others	140.44	176.89	927.08	619.84	(154.10)	(0.64)	1,492.23	1,343.99	2,405.65	2,140.08

(Rupees in lakhs, except for share data and unless otherwise stated)

8 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 / Fines imposed by RBI and other regulators

No penalty was imposed on the Company during the year. However, a fine of INR 0.05 was imposed by BSE for non-compliance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Year ended March 31, 2022 : INR 0.47).

Policy on dealing with Related Party Transactions

The Related Party transactions are entered into complying with the relevant provisions of the Companies Act, 2013.

Ratings assigned by credit rating agencies and migration of ratings during the year

The Company's Long Term Credit Rating by CRISIL has been upgraded to CRISIL AA-/Stable from CRISIL A+/Stable in FY2022-23 as compared to FY2021-22. The Long Term Credit Rating by Brickwork too was upgraded to BWR AA-/Stable in FY2022-23 as against BWR A+(outlook stable) for FY2021-22. The latest debt-wise Rating of the Company are as below:

Type	Rating (2022-23)	Rating (2021-22)	Date of Rating
Short Term Rating	CRISIL A1+ BWR A1+	CRISIL A1+ BWR A1+	13-03-2023 26-08-2022
Long Term Rating	CRISIL AA-/Stable BWR AA-/Stable	CRISIL A+/Stable BWR A+ (outlook stable)	13-03-2023 26-08-2022
Perpetual Debt Instruments	CRISIL A /Stable BWR A+/Stable	CRISIL A-/Stable BWR A/Stable	13-03-2023 26-08-2022
Subordinate Debt	CRISIL AA- /Stable BWR AA-/Stable	CRISIL A+ /Stable BWR A+ /Stable	13-03-2023 26-08-2022
Non-Convertible Debentures (NCD)	CRISIL AA-/Stable BWR AA-/Stable	CRISIL A+/Stable BWR A+/Stable	13-03-2023 26-08-2022
Covered Bond	N.A.	CRISIL AA+ (CE)/ Stable	N.A.
Market Linked Debentures	CRISIL PPMLD AA-/Stable	CRISIL PPMLD AA+/Stable	13.03.2023

Remuneration of Directors – Non-Executive Director

The Company has paid INR 600.00 to Mr. Thomas George Muthoot, Non-Executive Director of the Company during the year (March 31, 2022: INR 500). Remuneration (other than Sitting Fee) has not been paid to any of the other Non-Executive Directors.

Loans to Directors, Senior Officers and relatives of Directors

Particulars	March 31, 2023	March 31, 2022
Directors and their relatives	15,000.00	19,900.00
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

Draw down from Reserves

There are no drawdown reserves from statutory reserves during the year.

Breach of covenant

There have not been any instances of breach of covenants of loans availed or debt securities issued (Year ended March 31, 2022 : Nil)

Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company did not exceed the limits prescribed for single and group borrower during the current and previous year.

(Rupees in lakhs, except for share data and unless otherwise stated)

9 Provisions and Contingencies

Particulars	As at 31st March 2023	As at31st March 2022
Break-up of Provision and contingencies in statement of profit and loss		
Provision towards NPA	4,170.81	5,748.11
Provisions for depreciation on Investment	-	-
Provision made towards current tax	17,609.54	13,719.62
Provision for Gratuity & Leave Encashment	124.88	733.03
Provision for Standard Assets	1,490.89	1,404.62

10 Additional Disclosures

10.1. Concentration of Advances

Particulars	As at 31st March 2023	As at31st March 2022
Total Advances of twenty largest borrowers	28,540.47	34,046.06
Percentage of Advances of twenty largest borrowers to Total Advances of the NBFC	1.62%	1.97%

10.2. Concentration of Exposures

Particulars	As at 31st March 2023	As at31st March 2022
Total Exposure of twenty largest borrowers / customers	29,321.50	34,123.19
Percentage of Exposure of twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	1.66%	1.97%

10.3. Concentration of NPA's

Particulars	As at 31st March 2023	As at31st March 2022
Total Exposure to top four NPA accounts	9,340.08	9,413.05

10.4. Sector-wise NPA's

Particulars	As at 31st March 2023	As at31st March 2022
1. Agriculture and Allied Activities	-	-
2. Industry	-	-
3. Services	25,502.36	28,201.01
4. Retail Loans	11,658.77	21,758.28
5. Others Non Food credit (if any)	-	-

(Rupees in lakhs, except for share data and unless otherwise stated)

10.5. Movement of NPA's

Particulars	As at 31st March 2023	As at31st March 2022
(i) Net NPAs to Net Advances (%)	0.59%	1.59%
(ii) Movement of NPAs (Gross)		
Opening balance	49,959.29	35,958.45
Additions during the year	2,48,215.20	5,12,465.17
Reductions during the year	2,61,013.35	4,98,464.33
Closing balance	37,161.13	49,959.29
(iii) Movement of Net NPAs		
Opening balance	27,190.39	18,937.66
Additions during the year	68,273.27	2,78,909.65
Reductions during the year	85,242.24	2,70,656.92
Closing balance	10,221.42	27,190.39
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	22,768.90	17,020.78
Additions during the year	1,79,941.93	2,33,555.52
Write-off / write-back of excess provisions	1,75,771.12	2,27,807.41
Closing balance	26,939.71	22,768.90

10.6. Off-Balance Sheet SPV's sponsored and Overseas assets

There are no off-balance sheet SPVs sponsored as at end of current and previous year. The Company did not have any joint ventures or subsidiaries abroad.

10.7. Disclosure of Customer Complaints

Particulars	March 31, 2023	March 31, 2022
Complaints received by the NBFC from its customers		
1. Number of complaints pending at the beginning of the year	39	57
2. Number of complaints received during the year	11,148	9,250
3. Number of complaints disposed during the year	11,092	9,268
3.1. Of which, number of complaints rejected by the NBFC	*126*	*70*
4. Number of complaints pending at the end of the year	95	39

Particulars	March 31, 2023	March 31, 2022
Maintainable complaints received by the NBFC from Office of Ombudsman		
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	101	70
5.1. Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	101	69
5.2. Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	2	2
5.3. Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	1
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

(Rupees in lakhs, except for share data and unless otherwise stated)

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
(1)	(2)	(3)	(4)	(5)	(6)
March 31, 2023					
Loans and advances related	16	2,856	391.00%	27	-
Online Collection related	5	2,321	-1.82%	18	-
Auction related	3	1,443	-31.90%	19	-
Process / charges related	5	818	19.94%	-	-
Service related	-	695	19.01%	8	-
Others	10	3,015	15.56%	23	-
Total	**39**	**11,148**	**20.52%**	**95**	**-**
March 31, 2022					
Application related	1	892	100.00%	-	-
Online Collection related	4	2,364	127.75%	5	-
Auction related	19	2,119	301.33%	3	-
Process / charges related	2	682	241.00%	5	1
Service related	13	584	141.32%	-	3
Others	18	2,609	-16.83%	26	4
Total	**57**	**9,250**	**79.79%**	**39**	**8**

Rangamani & Co
Chartered Accountants

Krishnan Retna & Associates
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO`

THE MEMBERS OF **MUTHOOT FINCORP LIMITED,**

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of **Muthoot Fincorp Limited** ("the Holding Company"), **Muthoot Centre, TC No 27/ 3022, Punnen Road, Thiruvananthapuram – 695 001**, its subsidiaries(together referred as "Group") which comprise the Consolidated Balance Sheet as at 31st March, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of changes in equity and the Consolidated Statement of cash flows for the year then ended, including the notes to the Consolidated Ind AS Financial Statements, a summary of significant accounting policies and other explanatory information. [hereinafter referred to as "Consolidated Ind AS Financial Statements"]

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at 31st March, 2023, and its Consolidated profit including other Comprehensive Income, Consolidated Changes in equity and Consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Rangamani & Co: PH: 0477-2251474
EMAIL: rangamanis@rediffmail.com

Krishnan Retna & Associates: PH: 8281223242
EMAIL: trivandrum@krishnanretna.com

For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the Key Audit matters to be communicated in our report.

Key Audit Matters	How it's been addressed in Audit
a) Completeness in identification and disclosure of related party transactions in accordance with the applicable reporting framework.	We have accessed the laid down systems and processes of the Holding Company in identifying related party transactions and its ultimate disclosure in the Consolidated Ind AS financial statements in accordance with the applicable reporting framework. We have designed the audit procedures in accordance with the guidelines prescribed in Standard on Auditing (SA 550) to identify the risks of material misstatement arising from an entity's failure to appropriately account for or disclose material related party transactions. We have also reviewed the minutes of meetings of the board of the Holding Company in the course of the audit to identify any transactions that may require disclosure in accordance with the applicable reporting framework.
b) Effectiveness of IT Systems and related controls.	Due to the automated controls and high degree of dependence in information systems, there is a risk that the financial accounting and reporting records may be misstated in case of any control lapses in the IT system related controls. We have designed our audit procedures in accordance with the guidelines laid down in the Standard on Auditing (SA 530) and tested the controls in the Information Technology Systems on a sample basis which has an impact on the financial accounting and reporting records. We have also tested on a sample basis the controls related to access management including user rights in passing entries, approval for authorizing entries, authorization for reversing entries, segregation of duties, system password protection, external software/hardware access rights etc. Based on our sample review and audit report issued by other auditors, no material weakness was identified in the IT related systems and controls of the Group.
c) Accuracy, completeness and correctness of accounting and related controls maintained at the entity's branches.	At the branch level, entries related to daily operations are passed. We have addressed this as a key audit matter since any control lapses in the branch level accounting

	may result in the financial accounting and reporting records of the entity being misstated. We have physically visited the Holding Company's branches on a sample basis to identify and assess the effectiveness of the controls operating at the branch level. We have also tested on a sample basis the independent financial records maintained at the branch level and how the same is considered and incorporated in the Consolidated Ind AS financial statements. We have also assessed and analyzed the internal audit reports and how the major observations are dealt with and its impact on the Holding Company's financial accounting and reporting records. Based on our sample review and audit report issued by auditors of subsidiaries, no major weaknesses were identified.

d) Computation of provision towards impairment of loan assets.
 	
As at 31st March 2023, the Group had reported a total impairment loss allowance of Rs. 54,978.75 lakhs (31st March 2022 - Rs 55,626.53 lakhs)
 	
A significant degree of judgment is required to determine the timing and amount of Impairment loss allowance to be recognized with respect to loan assets. Based on our risk assessment, the following are the significant judgments and estimates, that impact impairment loss allowance:
 	
• Completeness and timing of recognition of default, in accordance with the prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Loan Assets;
• Measurement of provision is dependent on the probability of default (PD) and loss given default (LGD) of each category of loan asset. Identification of PD and LGD involves significant judgments and estimates related to forward looking information.
	The audit procedures performed for the Holding Company, among others, included:
	
	■ Considering the board policies and processes for NPA identification and assessing compliance with the RBI norms.
	■ Understanding, evaluating and testing the design and effectiveness of key controls around identification of impaired accounts.
	■ Performing other procedures including substantive audit procedures covering the identification of NPAs such as:
	  • Reading account statements and related information of the borrowers on a sample basis.
	  • Performing inquiries with credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which needed to be considered as NPA.
	  • Holding discussions with the management on sectors where there is perceived credit risk and the steps taken to mitigate the risks to identified sectors.

Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the Consolidated Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those charged with governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance, Consolidated changes in equity and Consolidated cash flows of the Group including its Associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in planning the scope of our audit work and in evaluating the results of our work; and to evaluate the effect of any identified misstatements in the consolidated Ind AS financial statements.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements / financial information of the subsidiaries, whose financial statements reflect total assets of Rs.10,15,110.04 lakhs as at 31st March, 2023, total revenues of Rs. 1,68,773.18 lakhs and net cash flows amounting to Rs.3,667.35 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements.

(b) This 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 financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) 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.

(C) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated financial statements;

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated financial statement;

d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer our separate Report in "**Annexure A**".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts as at 31 March 2023.

iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding company and its subsidiaries.

iv. a) The respective Managements of the Holding Company and its subsidiaries, which are Companies incorporated in India, whose financial statements have been audited under the Act, has represented to us and to the other auditors of such subsidiaries that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective Management of the Holding Company and its subsidiaries, which are Companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Holding Company or any of such subsidiaries, from any person or entity, including foreign entity ('Funding Parties") with the understanding, whether recorded in writing or otherwise that the Holding Company or any of such subsidiaries shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and that performed by the auditors of the subsidiaries, which are Companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act.

vi According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports by statutory auditors of subsidiaries included in the consolidated financial statements of the Holding Company to which reporting under CARO is applicable, we report that there are no qualifications/adverse remarks.

For Rangamani & Co.,
Chartered Accountants,
ICAI FRN:003052S

R. Krishnan
(Partner)
M.No.025927

UDIN: 23025927BGZFXC8493

Place: Thiruvananthapuram
Date: 22-05-2023

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

Retna Kumaran Nair A
(Partner)
M.No. 024791

UDIN: 23024791BGRXOT8783

Place: Thiruvananthapuram
Date: 22-05-2023

ANNEXURE “A” TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1(f) under 'Report on other Legal and Regulatory Requirements' of the Independent Auditors' Report of even date to the members of Muthoot Fincorp Limited on the Consolidated Ind AS Financial Statements as of and for the year ended 31st March, 2023.

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT"):

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of Muthoot Fincorp Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which includes internal financial controls over financial reporting of the Company and its subsidiaries.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies are sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that; (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2023 based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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 in so far 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.

For Rangamani & Co.,
Chartered Accountants,
ICAI FRN:003052S

R. Krishnan
(Partner)
M.No.025927

UDIN: 23025927BGZFXC8493

Place: Thiruvananthapuram
Date: 22-05-2023

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

Retna Kumaran Nair A
(Partner)
M.No. 024791

UDIN: 23024791BGRX0T8783

Place: Thiruvananthapuram
Date: 22-05-2023

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(INR in lakhs)

Particulars	Notes	As at 31st March 2023	As at 31st March 2022
ASSETS			
Financial assets			
Cash and cash equivalents	5	3,35,294.75	3,15,246.43
Bank Balance other cash and cash equivalent	6	57,793.13	41,618.70
Receivables			
Trade Receivables	7	10,349.53	4,319.23
Loans	8	25,72,903.90	22,66,408.66
Investments	9	15,231.46	10,272.71
Other Financial assets	10	15,398.13	14,265.13
Non-financial Assets			
Current tax assets (net)		1,249.67	7,197.71
Deferred tax assets (net)	35	13,547.86	9,959.42
Investment Property	11	26,119.76	30,236.55
Property, Plant and Equipment	12	45,646.57	43,392.79
Intangible assets under development	13	880.25	-
Other Intangible assets	13	1,731.77	1,953.04
Right-of-use assets	14	91,867.68	66,258.57
Other non financial assets	15	25,446.36	31,117.67
Total assets		**32,13,460.81**	**28,42,246.60**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables	16		
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		18.22	6.41
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		535.71	337.28
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		813.40	79.03
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		4,797.02	5,701.66
Debt Securities	17	4,41,658.04	4,47,341.02
Borrowings (other than debt securities)	18	18,94,542.99	16,01,091.91
Lease Liability	14	1,02,702.92	74,233.11
Subordinated Liabilities	19	2,27,858.69	2,41,026.38
Other Financial liabilities	20	1,01,292.77	91,753.39
Non-financial Liabilities			
Current tax liabilities (net)		2,305.00	58.26
Provisions	21	1,619.57	1,190.56
Deferred tax liabilities (net)	35	6,122.67	3,995.14
Other non-financial liabilities	22	3,475.45	2,316.40
Equity			
Equity share capital	23	19,370.56	19,370.56
Other equity	24	3,53,987.03	2,99,408.96
Equity attributable to equity holders of the parent		3,73,357.59	3,18,779.52
Non-controlling interest		52,360.77	54,336.53
Total Equity		4,25,718.36	3,73,116.05
Total Liabilities and Equity		**32,13,460.81**	**28,42,246.60**

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: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Retna Kumaran Nair A
Partner
Membership No.024791
Place: Thiruvananthapuram

Date: May 22, 2023

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas Muthoot
Executive Director and Chief Financial Officer
DIN: 00082099
Place: Kochi

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(INR in lakhs)

Particulars	Notes	For the year ended 31st March 2023	For the year ended 31st March 2022
Revenue from operations			
Interest income	25	4,82,757.07	4,10,064.31
Dividend income		21.29	17.44
Rental income		469.96	391.43
Fees and commission income		12,845.63	10,189.03
Net Gain on fair value changes	26	11,064.95	8,982.37
Net gain on derecognition of financial instruments under amortised cost category		-	37.53
Sale of service		92.54	86.36
Others	27	5,737.27	5,586.83
Total Revenue from operations		**5,12,988.70**	**4,35,355.30**
Other Income	28	2,143.83	158.05
Total Income		**5,15,132.53**	**4,35,513.34**
Expenses			
Finance costs	29	2,23,251.68	2,07,407.01
Fees and commission expenses		2,252.54	1,443.78
Impairment on financial instruments	30	28,808.90	19,061.91
Employee benefits expenses	31	98,739.11	82,912.41
Depreciation, amortization and impairment	32	21,627.70	23,583.84
Other expenses	33	53,222.07	45,418.18
Total Expenses		**4,27,901.99**	**3,79,827.13**
Profit before tax		**87,230.54**	**55,686.22**
Tax Expense:			
(1) Current tax	36	25,252.16	16,820.60
(2) Deferred tax charge / (credit)	36	(2,663.94)	(2,389.50)
Profit for the year		**64,642.33**	**41,255.11**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit liabilities		(154.93)	18.33
Net gain / (loss) on equity instruments measured through other comprehensive income		(513.48)	(62.09)
Cost of Hedging		(38.06)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		177.86	11.63
Subtotal (A)		**(528.61)**	**(32.12)**
(i) Items that will be reclassified to profit or loss			
Remeasurement of loan assets		5,488.45	4,491.27
Cash Flow Hedging Reserve		(2.05)	-
(ii) Income tax relating to items that will be reclassified to profit or loss		(1,380.92)	(1,130.45)
Subtotal (B)		**4,105.47**	**3,360.82**
Other Comprehensive Income (A+B)		**3,576.86**	**3,328.70**
Total Comprehensive Income for the year		**68,219.18**	**44,583.81**
Profit for the year attributable to			
Equity holders of the parent		58,877.43	39,170.72
Non-controlling interest		5,764.90	2,084.40
Total Comprehensive income for the year, net of tax			
Equity holders of the parent		61,198.89	41,322.42
Non-controlling interest		7,020.30	3,261.39
Earnings per equity share	34		
Basic (INR)		30.40	20.22
Diluted (INR)		29.26	19.60

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: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Retna Kumaran Nair A
Partner
Membership No.024791
Place: Thiruvananthapuram

Date: May 22, 2023

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

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(INR in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
A. Cash flow from operating activities		
Profit before tax	**87,230.54**	**55,686.22**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on Property, plant and equipment	5,624.89	6,574.74
Depreciation on Right of Use Assets	15,187.34	16,371.61
Depreciation on intangibles	815.47	637.49
Finance Cost	2,23,251.68	2,07,407.01
Dividend Income	(21.29)	(17.44)
Unrealised fair value adjustments	88.79	120.71
Profit on sale of investment	(11,153.74)	(9,103.07)
Profit on sale of PPE/Investment Property	(491.84)	-
Impairment of loan assets	7,850.67	8,575.75
Bad debts written off	23,303.70	10,486.17
Impairment on assets held for sale	336.37	138.38
Ind AS Adjustments for leases	(1,404.17)	(885.32)
Adjustment towards effective interest rate in respect of borrowings	(2,591.26)	(4,172.98)
Share based payments	428.10	119.23
Interest on lease liabilities	10,145.50	6,901.55
Operating Profit Before Working Capital Changes	**3,58,600.74**	**2,98,840.05**
Adjustments for Working capital changes:		
(Increase)/Decrease in trade receivables	(6,030.30)	(1,486.29)
(Increase)/Decrease in Bank balances other than cash and cash equivalents	(237.46)	6,944.08
(Increase)/Decrease in loan assets	(3,18,661.95)	18,667.12
(Increase)/Decrease in other financial assets	(2,109.72)	2,664.11
(Increase)/Decrease in other non financial assets	2,989.46	1,533.21
Increase/(Decrease) in trade and other payables	39.97	3,682.63
Increase/(Decrease) in other financial liabilities	5,076.04	(7,349.45)
Increase/(Decrease) in other non financial liabilities	1,159.05	400.81
Increase/(Decrease) in provisions	583.95	(1,517.30)
Operating profit before tax	**41,409.78**	**3,22,378.97**
Finance Cost Paid	(2,19,302.57)	(1,93,825.32)
Taxes paid	(17,057.38)	(21,999.34)
Net cash used in operating activities	**(1,94,950.17)**	**1,06,554.31**
B. Cash flow from Investing activities		
Sale / Redemption of investments	54,046.60	720.54
Fresh investments made	(82,313.63)	(4,402.58)
Purchase of property, plant and equipment	(9,909.54)	(5,008.82)
Sale of property, plant and equipment & investment property	5,165.00	0.39
Increase in fixed deposit	(14,960.25)	(4,307.52)
Dividend income	21.29	17.44
Net cash used in investing activities	**(47,950.52)**	**(12,980.55)**
C. Cash flow from Financing activities		
Redemption of debt securities	(6,198.72)	(35,218.61)
Funds borrowed	2,95,485.68	1,46,692.17
Decrease in subordinated liability	(12,095.29)	(9,201.75)
Payment of lease liability	(21,067.96)	(19,575.16)
Payment of dividend	(1,355.94)	(11,622.33)
Proceeds from issue of equity shares for ESOP	2,721.58	0.01
Proceeds from issue of preference shares	8,181.25	51,550.57
Proceeds from treasury shares	(2,721.58)	67.94
Net cash flows from financing activities	**2,62,949.00**	**1,22,692.84**
D Net increase in cash and cash equivalents	20,048.32	2,16,266.60
Net cash and Cash Equivalents at beginning of the year	3,15,246.43	98,979.83
Cash and cash equivalents at 31st March 2023 / 31st March 2022	3,35,294.75	3,15,246.43

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: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Retna Kumaran Nair A
Partner
Membership No.024791
Place: Thiruvananthapuram

Date: May 22, 2023

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas Muthoot
Executive Director and Chief Financial Officer
DIN: 00082099
Place: Kochi

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. Equity Share Capital

Equity shares of INR 10/- each issued, subscribed and fully paid

(INR in lakhs)

Particulars	No. of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
As at April 1, 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
Issued during the year	-	-
As at March 31, 2023	19,37,05,560.00	19,370.56

B. Other Equity

(INR in lakhs)

Particulars	Reserves and Surplus							Other Comprehensive Income				Total attributable to equity holders of the parent	Total non-controlling interest	Total
	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)	Retained Earnings	General Reserve	Treasury shares	Employee stock options outstanding	Equity Instruments through Other Comprehensive income	Actuarial valuation of gratuity impact through Other Comprehensive Income	Changes in value of forward element of forward contract / gain/(loss) on hedging instruments	Loan assets through other comprehensive income			
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	41,255.12
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 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	-

B. Other Equity (Cont.)

(INR in lakhs)

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)	Retained Earnings	General Reserve	Treasury shares	Employee stock options outstanding	Equity Instruments through Other Comprehensive income	Actuarial valuation of gratuity impact through Other Comprehensive Income	Changes in value of forward element of forward contract / gain/(loss) on hedging instruments	Loan assets through other comprehensive income	Total attributable to equity holders of the parent	Total non-controlling interest	Total
Balance as on 31st March 2022	**38,129.85**	**63,830.95**	**2,068.56**	**1,91,489.84**	**54.60**	**-**	**296.38**	**(1,566.01)**	**13.267**	**-**	**5,091.528**	**2,99,408.97**	**54,336.53**	**3,53,745.50**
Profit for the year	-	-	-	58,877.43	-	-	-	-	-	-	-	58,877.43	5,764.90	64,642.33
Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	(384.21)	(61.781)	(24.224)	2,791.68	2,321.46	1,255.39	3,576.86
Changes during the year in employee stock options outstanding	-	-	-	-	(6.05)	-	434.17	-	-	-	-	428.13	-	428.13
Proceeds on transfer during the year	-	-	-	(2,721.58)	-	-	-	-	-	-	-	(2,721.58)	-	(2,721.58)
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	12,473.97	-	(12,473.97)	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves u/s. 29-C of NHB Act, 1987	-	-	550.00	(550.00)	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	(1,355.94)	-	-	-	-	-	-	-	(1,355.94)	-	(1,355.94)
Tax relating to prior years	-	-	-	354.76	-	-	-	-	-	-	-	354.76	-	354.76
Purchase of shares of subsidiary	-	-	-	(3,326.19)	-	-	-	-	-	-	-	(3,326.19)	(19,898.81)	(23,225.00)
Proceeds on issue of Equity shares	-	-	-	-	-	-	-	-	-	-	-	-	2,721.57	2,721.57
Proceeds on issue of Compulsorily Convertible Preference Shares	-	-	-	-	-	-	-	-	-	-	-	-	8,181.19	8,181.19
Balance as on 31st March 2023	**38,129.85**	**76,304.92**	**2,618.56**	**2,30,294.35**	**48.56**	**-**	**730.55**	**(1,950.22)**	**(48.51)**	**(24.22)**	**7,883.21**	**3,53,987.03**	**52,360.77**	**4,06,347.80**

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: Thiruvananthapuram

Date: May 22, 2023

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Retna Kumaran Nair A
Partner
Membership No.024791
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas Muthoot
Executive Director and Chief Financial Officer
DIN: 00082099
Place: Kochi

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

SIGNIFICANT ACCOUNTING POLICIES

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 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) having Corporate Identity Number (CIN) - U72200KL2012PLC032664 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 having Corporate Identity Number (CIN) - U65922KL2010PLC025624. 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 consolidated financial statements (CFS) of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI and National Housing Bank Guidelines/Regulations ('NHB directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI to the extent applicable.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption.

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 (Current Year)	% equity shareholding of MFL (Previous Year)
Muthoot Housing Finance Company Limited	India	Subsidiary	80.66%	80.66%
Muthoot Pappachan Technologies Limited	India	Subsidiary	60.00%	60.00%
Muthoot Microfin Limited	India	Subsidiary	72.36%	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, 2023. 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 50.

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) Assets held for sale are measured at fair value less cost to sell or carrying value whichever is lower

vi) Defined benefit plans.

vii) Derivative Financial Instruments

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.

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 Company 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 Income from assignment transactions

Income from assignment transactions i.e., present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

3.2.3 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.

3.2.4 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.

3.2.5 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 recognized on the date when the company becomes party to the contractual provisions. The group recognizes 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:

<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 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.

<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 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

TThe 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 Group.

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 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.

3.17 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 Employees Stock Option Schemes and Stock Appreciation Right Schemes (SAR). The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in non-financial liability and the fair value of SAR granted is recognized as an employee benefit expense having a corresponding increase in financial liability. 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 group revises its estimates of the number of options that are expected to vest.

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 excess will be refunded to the borrowers.

3.22 Taxes

Income tax expense represents the sum of current tax and deferred tax.

3.22.1 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.

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.

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.

3.28 Derivative Financial Instruments

The Group enters into derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign exchange rate risk. Derivatives are initially recognized at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each Balance Sheet date and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The resulting gain/loss is recognized in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Group has designated the derivative financial instruments as cash flow hedges of recognized liabilities and unrecognized firm commitments.

3.29 Hedge Accounting

In order to manage particular risks, the Group applies hedge accounting for transactions that meet specific criteria. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. Such hedges are expected to be highly effective if the hedging instrument is offsetting changes in fair value or cashflows of the hedged item attributable to the hedged risk. The assessment of hedge effectiveness is carried out at inception and on an ongoing basis to determine that the hedging relationship has been effective throughout the financial reporting periods for which they were designated.

3.30 Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognized directly in Other Comprehensive Income (OCI) within equity (cash flow hedging reserve). The ineffective portion of the gain or loss on the hedging instrument is recognized immediately in the Statement of Profit and Loss. When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the

Statement of Profit and Loss. When a hedging instrument is expired, sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognized in OCI at that time remains in OCI and is recognized when the hedged forecast transaction is ultimately recognized in the Statement of Profit and Loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

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 Group is a lessee, including whether the Group 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.

(Rupees in lakhs, except for share data and unless otherwise stated)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

5 Cash and cash equivalents

Particulars	As at 31st March 2023	As at 31st March 2022
Cash on hand	9,563.12	9,404.61
Balances with Banks		
- in current accounts	1,40,590.57	2,03,411.92
- in deposit accounts having original maturity less than three months	1,84,398.46	1,01,884.07
Others		
-Forex Balance	162.52	59.94
-Balance with cash collection agents	580.08	485.90
Total	**3,35,294.75**	**3,15,246.43**

6 Bank Balance other than cash and cash equilvalents

Particulars	As at 31st March 2023	As at 31st March 2022
Deposit with original maturity for more than three months but less than twelve months	50,786.25	34,849.28
Balance with Banks in escrow accounts	7,006.88	6,769.42
Total	**57,793.13**	**41,618.70**

7 Receivables

Particulars	As at 31st March 2023	As at 31st March 2022
(I) Trade Receivables		
Receivables considered good - Unsecured		
Receivables from Money Transfer business	837.00	847.35
Wind Mill income receivable	2,241.65	1,748.85
Other Trade Receivables	7,270.88	1,723.04
Sub-Total	**10,349.53**	**4,319.23**
Less: Allowances for Impairment Loss	-	-
Total Net receivable	**10,349.53**	**4,319.23**

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.

(Rupees in lakhs, except for share data and unless otherwise stated)

Ageing Schedule of Trade Receivables (At at 31st March,2023)

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	8,036.54	666.10	991.38	514.97	140.54	10,349.53
(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,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	2,467.70	719.36	1,087.64	32.90	6.55	4,314.15
(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	-	-	-	-	-	-

(Rupees in lakhs, except for share data and unless otherwise stated)

8 Loans

Particulars	As at 31st March 2023	As at 31st March 2022
Loans (at amortised cost)		
(A)		
Retail Loans	22,36,223.69	19,47,943.42
High Value Loans	29,572.39	34,191.91
Staff Loan	78.11	99.67
Housing loans & other loans	1,46,503.52	1,27,747.49
Total (A) - Gross	**24,12,377.71**	**21,09,982.49**
Less: Impairment loss allowance	(53,840.57)	(50,467.89)
Total (A) - Net	**23,58,537.14**	**20,59,514.60**
(B)		
Secured loans	19,08,181.72	18,59,653.08
Unsecured Loans	5,04,195.99	2,50,329.40
Total (B) - Gross	**24,12,377.71**	**21,09,982.49**
Less : Impairment loss allowance	(53,840.57)	(50,467.89)
Total (B) - Net	**23,58,537.14**	**20,59,514.60**
(C) Loans in India		
i) Public Sector	-	-
ii) Others	24,12,377.71	21,09,982.49
Total (C) Gross	**24,12,377.71**	**21,09,982.49**
Less: Impairment Loss Allowance	(53,840.57)	(50,467.89)
Total (C) Net	**23,58,537.14**	**20,59,514.60**
Loans (at FVOCI)		
(A)		
Other Loans	2,15,504.94	2,12,052.70
Total (A) - Gross	**2,15,504.94**	**2,12,052.70**
Less: Impairment loss allowance	(1,138.18)	(5,158.64)
Total (A) - Net	**2,14,366.76**	**2,06,894.06**
(B)		
Secured loans	-	-
Unsecured Loans	2,15,504.94	2,12,052.70
Total (B) - Gross	**2,15,504.94**	**2,12,052.70**
Less : Impairment loss allowance	(1,138.18)	(5,158.64)
Total (B) - Net	**2,14,366.76**	**2,06,894.06**
(C) Loans in India		
i) Public Sector	-	-
ii) Others	2,15,504.94	2,12,052.70
Total (C) Gross	**2,15,504.94**	**2,12,052.70**
Less: Impairment Loss Allowance	(1,138.18)	(5,158.64)
Total (C) Net	**2,14,366.76**	**2,06,894.06**
Total Loans (Net)	**25,72,903.90**	**22,66,408.66**

The Group undertakes co-lending arrangements with banks for Gold loans. A total disbursement of INR 3,40,362.20 (31st March, 2022 - INR 4,91,842.74) was undertaken during the year under the co-lending mechanism. As at 31st March, 2023, the total managed assets under the co-lending mechanism amounted to 1,15,378.42 (INR 1,36,210.74 as at 31st March, 2022).

(Rupees in lakhs, except for share data and unless otherwise stated)

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. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 43 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 43

Particulars	As at 31st March 2023				As at 31st March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	15,47,599.04	-	-	15,47,599.04	14,64,411.42	-	-	14,64,411.42
Standard grade	68,730.70	-	-	68,730.70	1,00,780.13	-	-	1,00,780.13
Sub-standard grade	-	72,625.47	-	72,625.47	-	69,190.90	-	69,190.90
Past due but not impaired	-	35,391.15	-	35,391.15	-	47,971.74	-	47,971.74
Non- performing								-
Individually impaired	-	-	37,161.13	37,161.13	-	-	49,959.29	49,959.29
Total	**16,16,329.75**	**1,08,016.61**	**37,161.13**	**17,61,507.49**	**15,65,191.55**	**1,17,162.63**	**49,959.29**	**17,32,313.47**

An analysis of changes in the gross carrying amount in relation to receivables under financing activites is, as follows:

Particulars	As at 31st March 2023				As at 31st March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening 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
New assets originated or purchased	43,34,393.64	-	-	43,34,393.64	40,89,066.60	-	-	40,89,066.60
Assets derecognised or repaid (excluding write offs)	(36,67,625.20)	(3,76,561.05)	(2,59,958.04)	(43,04,144.30)	(30,54,553.21)	(6,72,673.57)	(4,98,464.33)	(42,25,691.12)
Assets written off during the period	-	-	(1,055.32)	(1,055.32)	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(4,34,456.12)	4,34,456.12	-	-	(6,99,565.86)	6,99,565.86	-	-
Transfers to Stage 3	(1,81,174.12)	(67,041.08)	2,48,215.20	-	(4,06,963.97)	(1,05,501.21)	5,12,465.17	-
Gross carrying amount closing balance	**16,16,329.75**	**1,08,016.61**	**37,161.13**	**17,61,507.49**	**15,65,191.55**	**1,17,162.63**	**49,959.29**	**17,32,313.47**

(Rupees in lakhs, except for share data and unless otherwise stated)

Reconciliation of ECL balance is given below:

Particulars	As at 31st March 2023				As at 31st March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	7,187.86	835.83	22,768.90	30,792.59	5,921.14	697.92	17,020.78	23,639.85
New assets originated or purchased	24,153.35	-	-	24,153.35	18,778.31	-	-	18,778.31
Assets derecognised or repaid (excluding write offs)	(18,903.65)	(2,813.53)	(1,74,715.80)	(1,96,432.98)	(12,430.05)	(4,100.09)	(2,27,807.41)	(2,44,337.55)
Assets written off during the period	-	-	(1,055.32)	(1,055.32)	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(2,421.00)	2,421.00	-	-	(3,212.63)	3,212.63		-
Transfers to Stage 3	(1,009.59)	(315.05)	1,324.64	-	(1,868.91)	(752.63)	2,621.54	-
Impact on year end ECLs of exposures transferred between stages during the year	-	379.36	1,78,617.30	1,78,996.65	-	1,777.99	2,30,933.98	2,32,711.97
ECL allowance - closing balance	**9,006.98**	**507.60**	**26,939.71**	**36,454.29**	**7,187.86**	**835.83**	**22,768.90**	**30,792.59**

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 43 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 43

Particulars	As at 31st March 2023				As at 31st March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	-	-	-	-	-	-	-	**-**
Standard grade	6,94,088.21	4,366.72	-	6,98,454.92	4,06,650.15	26,422.34	-	**4,33,072.49**
Sub-standard grade	-	-	21,415.35	21,415.35	-	-	28,900.12	**28,900.12**
Past due but not impaired	-	-	-	-	-	-	-	**-**
Non- performing	**-**	**-**	**-**					
Individually impaired	-	-	-	-	-	-	-	**-**
Total	**6,94,088.21**	**4,366.72**	**21,415.35**	**7,19,870.27**	**4,06,650.15**	**26,422.34**	**28,900.12**	**4,61,972.61**

(Rupees in lakhs, except for share data and unless otherwise stated)

An analysis of changes in the gross carrying amount in relation to receivables under financing activites is, as follows:

Particulars	As at 31st March 2023				As at 31st March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening 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**
New assets originated or purchased	7,90,780.78	1,273.33	348.70	**7,92,402.81**	4,57,962.95	2,380.36	544.48	**4,60,887.78**
Assets derecognised or repaid (excluding write offs)	(4,99,579.40)	(26,245.02)	(140.97)	**(5,25,965.39)**	(3,33,089.67)	(6,684.94)	(6,711.75)	**(3,46,486.37)**
Transfers to Stage 1	293.55	(290.39)	(3.16)	**-**	4,660.61	(4,615.10)	(45.51)	**-**
Transfers to Stage 2	(3,789.25)	3,792.94	(3.69)	**-**	(25,669.64)	25,708.37	(38.73)	**-**
Transfers to Stage 3	(5,755.99)	(586.48)	6,342.47	**-**	(10,607.15)	(6,031.50)	16,638.65	**-**
Impact of exposures transferred between stages during the year	-	-	-	**-**	-	-	0.04	**0.04**
Amounts written off	-	-	(14,028.12)	**(14,028.12)**	-	-	(7,377.95)	**(7,377.95)**
Change in fair value of loan assets	5,488.37	-	-	**5,488.37**	4,491.33	-	-	**4,491.33**
Gross carrying amount closing balance	**6,94,088.21**	**4,366.72**	**21,415.35**	**7,19,870.27**	**4,06,650.15**	**26,422.34**	**28,900.12**	**4,61,972.61**

Reconciliation of ECL balance is given below:

Particulars	As at 31st March 2023				As at 31st March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	5,809.40	474.90	15,877.23	**22,161.52**	5,513.91	312.74	15,085.44	**20,912.10**
New assets originated or purchased	2,951.91	16.08	390.59	**3,358.58**	4,527.37	31.04	166.55	**4,724.97**
Assets derecognised or repaid (excluding write offs)	(2,426.24)	(234.97)	(7,683.93)	**(10,345.14)**	(2,061.72)	(0.11)	(1,323.44)	**(3,385.27)**
Transfers to Stage 1	12.97	(10.67)	(2.29)	**0.00**	88.66	(77.79)	(10.87)	**-**
Transfers to Stage 2	(104.82)	109.44	(4.62)	**(0.00)**	(469.11)	477.07	(7.97)	**-**
Transfers to Stage 3	(132.64)	(113.18)	245.83	**0.00**	(179.34)	(156.40)	335.74	**-**
Impact on year end ECLs of exposures transferred between stages during the year	(11.54)	434.13	5,896.70	**6,319.29**	(53.65)	(205.39)	4,015.37	**3,756.33**
Changes to models and inputs using ECL calculation'	(2,267.65)	(137.30)	1,571.62	**(833.33)**	(1,556.72)	93.73	992.98	**(470.02)**
Amounts written off	-	-	(447.42)	**(447.42)**	-	-	(3,509.45)	**(3,509.45)**
Additional credit loss provision made by management	-	-	(3,011.79)	**(3,011.79)**	-	-	132.86	**132.86**
ECL allowance - closing balance	**3,831.38**	**538.41**	**12,831.91**	**17,201.71**	**5,809.40**	**474.90**	**15,877.23**	**22,161.52**

(Rupees in lakhs, except for share data and unless otherwise stated)

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 43 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 43

Particulars	As at 31st March 2023				As at 31st March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	1,26,934.80	50.08	-	1,26,984.87	1,04,399.79	-	-	**1,04,399.79**
Standard grade	8,829.48	107.79	-	8,937.27	7,091.43	-	-	**7,091.43**
Sub-standard grade	-	9,333.30	-	9,333.30	-	4,998.08	-	**4,998.08**
Past due but not impaired	-	-	-	-	-	5,500.03	-	**5,500.03**
Non- performing								
Individually impaired	-	-	1,248.07	1,248.07	-	-	5,758.16	**5,758.16**
Total	**1,35,764.27**	**9,491.16**	**1,248.07**	**1,46,503.51**	**1,11,491.22**	**10,498.11**	**5,758.16**	**1,27,747.49**

An analysis of changes in principal value in relation to receivables under financing activites is, as follows:

Particulars	As at 31st March 2023				As at 31st March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening 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**
New assets originated or purchased	43,310.50	65.57	22.37	**43,398.44**	27,475.82	5.35	-	**27,481.17**
Assets derecognised or repaid (excluding write offs)	(17,740.25)	(1,416.15)	(4,400.20)	**(23,556.60)**	(14,841.19)	(1,445.96)	-	**(16,287.15)**
Transfers to Stage 1	(1,235.62)	1,188.91	46.70	**0.00**	(5,062.02)	6,770.44	(1,708.42)	**-**
Transfers to Stage 2	(1,188.91)	662.71	526.20	**-**	(6,770.44)	5,805.88	964.56	**-**
Transfers to Stage 3	(46.70)	(526.20)	572.90	**-**	(964.56)	(1,699.18)	2,663.74	**-**
Impact of exposures transferred between stages during the year	1,235.62	(662.71)	(572.90)	**(0.00)**	5,062.02	(5,805.88)	(964.57)	**(1,708.43)**
Gross carrying amount closing balance	**1,37,466.67**	**9,610.17**	**1,263.72**	**1,48,340.57**	**1,13,132.03**	**10,298.05**	**5,068.65**	**1,28,498.73**

(Rupees in lakhs, except for share data and unless otherwise stated)

Reconciliation of ECL balance is given below:

Particulars	As at 31st March 2023				As at 31st March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	411.11	440.95	1,820.36	**2,672.42**	372.91	304.69	1,681.06	**2,358.67**
New assets originated or purchased	66.35	1.17	18.33	**85.85**	95.04	0.27	-	**95.31**
Additional provision/ (reversal of) provision	(420.26)	(162.53)	779.17	**196.38**	(63.07)	234.02	764.65	**935.60**
Assets derecognised or repaid (excluding write offs)	(48.72)	(33.70)	(1,549.48)	**(1,631.90)**	(37.51)	(38.95)	(640.69)	**(717.16)**
Transfers to Stage 1	222.59	(53.14)	(169.45)	-	43.75	(9.74)	(34.01)	-
Transfers to Stage 2	53.14	(13.13)	(40.01)	-	9.74	(59.08)	49.34	-
Transfers to Stage 3	169.45	40.01	(209.46)	-	34.01	(49.34)	15.34	-
Impact on year end ECLs of exposures transferred between stages during the year	(222.59)	13.13	209.46	-	(43.75)	59.08	(15.34)	-
ECL allowance - closing balance	**231.07**	**232.76**	**858.92**	**1,322.75**	**411.11**	**440.95**	**1,820.36**	**2,672.42**

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 2023	As at 31st March 2022
Carrying amount of derecognised financial assets	1,80,975.19	1,67,158.19
Gain/(loss) from derecognition	11,153.74	9,140.61

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% - 12.5% (7.25% - 12% as at March 31, 2022) 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.

(Rupees in lakhs, except for share data and unless otherwise stated)

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 2023	As at 31st March 2022
Carrying amount of assets re - recognised due to non transfer of assets	82,330.07	38,497.06
Carrying amount of associated liabilities	82,563.93	41,304.17

The carrying amount of above assets and liabilities is a reasonable approximation of fair value.

9 Investments

Particulars	As at 31st March 2023	As at 31st March 2022
(i) At Amortized Cost / At Cost		
Debt securities (At Amortized Cost)		
Unlisted Debentures		
Investment Richa Lifespace Private Limited	612.50	612.50
Investment Diyug Construction Private Limited	282.85	282.85
Investment Richa Realtors Private Limited	1,300.00	1,300.00
Others		
Investment in ARC Trust	6,331.37	-
Sub-total for investments at amortised cost / cost	**8,526.72**	**2,195.35**
(ii) At Fair Value through Profit or Loss		
Others - Quoted		
Investment in JM Financial India Fund II	236.50	156.37
Investments in Mutual Fund	650.10	4,076.39
Others - Unquoted		
Investment in Strugence Debt Fund	997.61	997.48
Investment in BPEA India Credit - Trust II	168.86	514.24
Investments in Security Receipts	2,662.07	-
Sub-total for investments at fair value through Profit or loss	**4,715.14**	**5,744.48**
(iii) At Fair Value through Other Comprehensive Income		
Equity instruments		
Others-Quoted		
Investment in Equity Shares (DP account with Motilal Oswal)	1,690.38	1,646.32
Investment in PMS - Motilal Oswal	231.12	465.24
Others-Unquoted		
Investment in Muthoot Pappachan Chits Private Limited	14.94	15.14
Investment in Avenues India Private Limited	479.10	477.67
Investment in Fair Asset Technologies (P) Limited	720.64	719.85
Investment in The Thinking Machine Media Private Limited	18.00	18.00
Investment In Speckle Internet Solutions Private Limited	42.86	198.10
Sub-total for investments at fair value through other comprehensive income	**3,197.04**	**3,540.32**
Total Gross (A)	**16,438.90**	**11,480.15**
i) Investments outside India	-	-
ii) Investments in India	16,438.90	11,480.15
Total Gross (B)	**16,438.90**	**11,480.15**
Less : Allowance for impairment loss (C)	(1,207.44)	(1,207.44)
Total - Net D = (A) - (C)	**15,231.46**	**10,272.71**

(Rupees in lakhs, except for share data and unless otherwise stated)

Debt Instruments measured at Amortised Cost

Credit Quality of Assets

Particulars	31-03-2023				31-03-2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	-	-	-	-	-	-	-	-
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**	**-**	**-**	**2,195.35**	**2,195.35**

An analysis of changes in the gross carrying amount in relation to Debt Instruments measured at Amortised Cost is, as follows

Particulars	31-03-2023				31-03-2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	-	-	2,195.35	2,195.35	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**	**-**	**-**	**2,195.35**	**2,195.35**

Reconciliation of ECL balance is given below:

Particulars	2022-23				2021-22			
	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**

(Rupees in lakhs, except for share data and unless otherwise stated)

10 Other financial assets

Particulars	As at 31st March 2023	As at 31st March 2022
Security deposits	6,601.57	7,059.96
Interest accrued on fixed deposits with banks	626.97	345.94
Advance for financial assets	-	2,209.63
Deposits	171.62	169.00
Deposit with original maturity for more than twelve months	107.54	1,084.26
Receivables from auction proceeds	4,803.44	-
EIS receivable (net)	478.56	815.25
Other financial assets	2,608.43	2,581.08
Total	**15,398.13**	**14,265.13**

11 Investment property

Particulars	As at 31st March 2023	As at 31st March 2022
Inventory – Projects		
Opening Balance	30,236.55	30,096.71
Transferred from / (to) property, plant and equipment	-	-
Acquisitions / (Disposals)	(4,116.78)	139.83
Closing balance	**26,119.76**	**30,236.55**
Depreciation and Impairment		
Opening balance	-	-
Charge for the year	-	-
Closing Balance	-	-
Net Block	**26,119.76**	**30,236.55**

11.1. Investment Property includes lien marked properties of INR 9,460.56 as at 31st March, 2023 (March 31, 2022 - INR 9,460.56)

11.2. Fair Value of Investment Property as at March 31, 2023 - INR 27,823.11 (March 31, 2022 - INR 31,593.16)

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	Electrical Equipments	Leasehold Improvem -ents	Equipment - Finance Lease	Total
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**
Addition during the year	448.51	1,261.03	2,318.60	-	2,254.79	1.42	-	1,060.88	532.51	71.22	-	7,948.96
Disposals	(39.60)	(3.22)	(2.65)	(22.77)	-	-	-	(47.78)	(3.62)	-	-	(119.63)
As at 31st March 2023	**6,259.52**	**7,620.38**	**29,992.46**	**12,532.78**	**17,367.91**	**317.01**	**7,449.78**	**3,918.70**	**713.77**	**251.59**	**(0.00)**	**86,423.89**
Accumulated Depreciation:												
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**
Addition during the year	102.06	855.69	1,989.32	-	1,474.46	15.71	511.74	602.95	37.71	38.08	-	5,627.72
Disposals	-	(2.57)	(2.14)	-	-	-	-	(43.50)	(3.98)	-	-	(52.18)
As at 31st March 2023	**564.17**	**6,185.39**	**17,157.08**	**-**	**11,575.85**	**240.07**	**3,071.86**	**1,728.01**	**122.95**	**131.95**	**(0.00)**	**40,777.32**
Net book value:												
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**
As at 31st March 2023	**5,695.35**	**1,434.99**	**12,835.38**	**12,532.78**	**5,792.06**	**76.94**	**4,377.92**	**2,190.68**	**590.82**	**119.64**	**(0.00)**	**45,646.57**

(Rupees in lakhs, except for share data and unless otherwise stated)

13 Intangible assets under development and other intangible assets

Particulars	Intangible assets under development	Computer Software
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**
Addition during the year	880.25	594.19
Capitalised during the year		-
Disposals		-
As at 31st March 2023	**880.25**	**5,136.18**
Accumulated Depreciation:		
As at 31st March 2021	-	1,951.45
Charged for the year	-	637.49
Disposals	-	-
As at 31st March 2022	**-**	**2,588.95**
Charged for the year	-	815.46
Disposals	-	-
As at 31st March 2023	**-**	**3,404.41**
Net book value:		
As at 31st March 2022	**-**	**1,953.04**
As at 31st March 2023	**880.25**	**1,731.77**

14 Right-of-use assets

Particulars	As at 31st March 2023	As at 31st March 2022
Depreciation charge for Right-of-use assets		
Leasehold Property	15,184.69	16,337.44
Equipments	2.65	34.17
Interest expense on lease liabilities	10,145.50	6,901.55
Income from subleasing right-of-use assets	161.53	158.79
Total cash outflow for leases	21,067.96	19,575.16
Carrying amount of right-of-use assets		
Leasehold Property	91,866.12	66,254.37
Equipments	1.56	4.21
Lease Liability		
Leasehold Property	1,02,701.17	74,228.21
Equipments	1.75	4.90

14.1 The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	As at 31st March 2023	As at 31st March 2022
Short-term leases	24.66	23.38
Leases of low value assets	-	-
Variable lease payments	-	-

(Rupees in lakhs, except for share data and unless otherwise stated)

14.2 Carrying value of right-of-use assets at the end of the reporting period:

Particulars	As at 31st March 2023	As at 31st March 2022
Balance as at the beginning	66,258.57	50,836.70
Additions	40,924.22	32,133.64
Deletions	(298.20)	(261.74)
Depreciation charge for the year	(15,187.34)	(16,371.61)
Other Adjustment	170.42	(78.43)
Balance at the end	91,867.68	66,258.57

14.3 Movement in lease liabilities:

Particulars	As at 31st March 2023	As at 31st March 2022
Balance as at the beginning	74,233.11	55,998.55
Additions	39,547.34	31,309.79
Interest on lease liabilities	10,145.50	6,901.55
Payment of lease liabilities	(21,067.97)	(19,575.17)
Other Adjustment	(155.07)	(401.63)
Balance at the end	1,02,702.92	74,233.11

14.4 Maturity analysis of lease liabilities

Particulars	As at 31st March 2023	As at 31st March 2022
Less than one year	20,739.20	15,955.68
One to five years	78,479.99	54,630.83
More than five years	57,518.43	41,210.26
Total undiscounted lease liabilities as at March 31, 2023 / March 31, 2022	1,56,737.62	1,11,796.77

15 Other non financial assets

Particulars	As at 31st March 2023	As at 31st March 2022
Prepaid expenses	2,884.40	934.98
Advance to Creditors	600.60	632.78
Advance for Property (refer note a)	19,000.17	23,790.54
Pre-Deposit Fee	753.95	619.45
GST / Service Tax Receivables	1,175.66	1,041.51
Other Receivable	112.47	2,553.71
Assets held for sale (refer note b)	819.46	1,452.46
Capital advances	99.65	92.24
Total	**25,446.36**	**31,117.67**

(a) Advance for Property as on March 31, 2023 consists of - INR 0.00 (P.Y. INR 1,722.40), INR 1,487.26 (P.Y. INR 1,487.26) and INR 17,512.91 (P.Y.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.

(Rupees in lakhs, except for share data and unless otherwise stated)

16 Payables

Particulars	As at 31st March 2023	As at 31st March 2022
(I) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	18.22	6.41
Total outstanding dues of creditors other than micro enterprises and small enterprise	535.71	337.28
(II) Other payables		
Total outstanding dues of micro enterprises and small enterprises.	813.40	79.03
Total outstanding dues of creditors other than micro enterprises and small enterprise.	4,797.02	5,701.66
Total	**6,164.34**	**6,124.37**

Disclosure under Micro, Small, and Medium Enterprises Development Act, 2006 :

Particulars	As at 31st March 2023	As at 31st March 2022
Principal amount remaining unpaid during the year	831.62	85.44
Interest due thereon	-	-
Interest remaining accrued and unpaid at the end of the year	-	-
Total interest accrued and remained unpaid at year end	831.62	85.44

(i) Ageing Schedule of Trade Payables (As on 31/03/2023)

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	17.95	-	-	-	17.95
(ii) Others	151.01	2.99	0.59	6.51	161.10
(iii) Disputed Dues- MSME	-	-	-	0.26	0.26
(iv) Disputed Dues- Others	-	-	-	11.38	11.38
Total	**168.97**	**2.99**	**0.59**	**18.15**	**190.69**
Unbilled (Undisputed outstanding of non MSME trade payables)					363.23
Total					**553.92**

(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	6.62	0.03	-	0.26	6.91
(ii) Others	70.80	5.96	-	13.96	90.71
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-
Total	**77.42**	**5.99**	**-**	**14.22**	**97.63**
Unbilled (Undisputed outstanding of non MSME trade payables)					246.06
Total					**343.69**

(Rupees in lakhs, except for share data and unless otherwise stated)

17 Debt Securities (At Amortised Cost)

Particulars*	As at 31st March 2023	As at 31st March 2022
Secured		
Secured Non-Convertible Debentures	88.00	587.29
Secured Non-Convertible Debentures- Listed	3,86,884.58	2,98,706.31
Secured Non-Convertible Debentures - Covered Bonds - Listed	49,837.07	1,43,079.15
Unsecured		
Commercial Paper	4,848.39	4,968.27
Total	**4,41,658.04**	**4,47,341.02**
Debt securities in India	4,41,658.04	4,47,341.02
Debt securities outside India	-	-
Total	**4,41,658.04**	**4,47,341.02**

**Includes issue expenses amortised as per Effective Interest Rate (EIR)*

Maturity Profile of Non-Convertible Debentures as on 31/03/2023:

Particulars	Amount
FY 2023-24	2,09,452.23
FY 2024-25	94,614.56
FY 2025-26	81,397.38
FY 2026-27	36,016.62
FY 2027-28	8,320.74
FY 2029-30	9,728.70
FY 2030-31	4,008.43
Adjustments on account of effective rate of interest	(1,880.62)
TOTAL	**4,41,658.04**

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 2023	Outstanding as at March 31st 2022
Privately placed (Listed & Unlisted)		
Secured by subservient charge on all current assets (both present and future) and immovable property of the Company	88.00	88.00
Exclusive charge over book debts equivalent to 100% of the loan and interest amount	28,320.00	19,000.00
Exclusive charge over book debts equivalent to 110% of the loan and interest amount	15,000.00	44,540.00
Exclusive charge over book debts equivalent to 115% of the loan and interest amount	90,040.00	-
Hypothecation of Loan Receivables of the Company equivalent to 1.1 times of the amount outstanding	-	500.00
First Pari-passu charge on the present and future standard loan receivables equivalent to 1.10 times of the loan	10,000.00	10,000.00
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	2,36,910.67	1,83,294.62
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	8,331.60	43,596.53

(Rupees in lakhs, except for share data and unless otherwise stated)

Secured debentures are secured in either of the following ways by the respective Company issuing the instrument: *cont.*

Nature of security	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022
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	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
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
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	30,000.00	62,500.00

18 Borrowings (other than debt securities) - At Amortised Cost

Particulars	As at 31st March 2023	As at 31st March 2022
(a) Term loans		
(i) from banks	9,08,291.16	6,84,220.85
(ii) from other parties		
- financial institutions	1,24,425.38	1,27,840.12
- financial institutions (in foreign currency)	20,477.63	-
- financial institutions (unsecured)	5,477.27	15,597.70
(iii) under securitisation arrangement	82,306.31	41,210.91
(b) Loans repayable on demand		
(i) from banks (OD & CC)	7,52,795.24	7,31,762.24
(ii) from other parties (unsecured)	770.00	460.09
Total	**18,94,542.99**	**16,01,091.91**
Borrowings in India	18,94,542.99	16,01,091.91
Borrowings outside India	-	-

(Rupees in lakhs, except for share data and unless otherwise stated)

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 security	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022
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 4,74,755 (31st March 2022 : INR 4,14,367)	5,03,400.35	4,25,216.06
Hypothecation of Loan Receivables equivalent to security cover stipulated by respective banks (Guaranteed by promoter directors)	1,13,327.67	96,368.32
Hypothecation of all present and future current assets including Book Debts, Trade Receivables, Fixed Assets, Intangible assets and all other Receivables	231.77	631.77
Cash margin of 10%	-	7,328.11
Exclusive charge over book debts equivalent to 100% of loan amount and Cash margin of 10%	7,330.12	10,000.00
Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 5%	62,004.68	24,100.37
Exclusive charge over book debts equivalent to 108% of loan amount and Cash margin of 8%	-	778.16
Exclusive charge over book debts equivalent to 108% of loan amount and Cash margin of 10%	-	1,039.57
Exclusive charge over book debts equivalent to 108.30% of loan amount and Cash margin of 10%	-	345.05
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%	254.42	10,764.10
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%	91,537.68	73,682.79
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 7.25%	-	5,361.62
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 8%	-	1,076.04
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 10%	8,674.53	-
Exclusive charge over book debts equivalent to 111% of loan amount and Cash margin of 10%	17,641.32	-
Exclusive charge over book debts equivalent to 111% of loan amount and Cash margin of 12.5%	3,386.18	-
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%	691.40	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%	5,766.28	5,100.00
Exclusive charge over book debts equivalent to 112.74% of loan amount	880.00	2,750.00

(Rupees in lakhs, except for share data and unless otherwise stated)

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 security	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022
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 114% of loan amount and Cash margin of 10%.	5,540.35	-
Exclusive charge over book debts equivalent to 114% of loan amount and Cash margin of 5.5%.	40,191.91	-
Exclusive charge over book debts equivalent to 114% of loan amount and Cash margin of 7.4%.	9,407.16	-
Exclusive charge over book debts equivalent to 114% of loan amount and Cash margin of 7.5%.	7,292.79	-
Exclusive charge over book debts equivalent to 114% of loan amount and Cash margin of 8%.	2,116.21	-
Exclusive charge over book debts equivalent to 114% of loan amount and Cash margin of 9.5%.	5,757.34	-
Exclusive charge over book debts equivalent to 115% of loan amount and Cash margin of 5%.	-	3,494.14
Exclusive charge over book debts equivalent to 125% of loan amount and Cash margin of 5%.	27,021.44	-
Exclusive charge over book debts equivalent to 117% of loan amount and Cash margin of 5%	13,493.53	2,332.36
Exclusive charge over book debts equivalent to 133% of loan amount and Cash margin of 5%	6,643.63	13,250.66
Exclusive charge over book debts equivalent to 100% of loan amount	23,062.11	30,612.37
Exclusive charge over book debts equivalent to 105% of loan amount	10,646.20	22,961.21
Exclusive charge over book debts equivalent to 110% of loan amount	1,54,974.45	64,316.27
Exclusive charge over book debts equivalent to 111% of loan amount	2,614.01	-
Exclusive charge over book debts equivalent to 115% of loan amount	4,642.06	1,767.0
From other parties		
Hypothecation of Loan Receivables of the Company equivalent to security cover stipulated by respective lender	6,970.90	8,149.58
Loans repayable on demand		
Hypothecation of Loan Receivables equivalent to security cover stipulated by respective banks (Guaranteed by promoter directors)	7,46,415.46	7,28,350.96

(Rupees in lakhs, except for share data and unless otherwise stated)

b) Terms of repayment

Secured loans from Banks

Name of Party	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022	Terms of Repayment
Term Loan from Banks			
State Bank of India Car Loan	0.50	6.51	Repayable in 16 monthly instalments on diminishing value method
State Bank of India Car Loan	-	4.20	Repayable in 24 monthly instalments on diminishing value method
Axis Bank	17,000.00	-	Repayable in 7 quarterly instalments of INR 2,429 each from July 2023
Axis Bank	15,714.29	17,500.00	Repayable in 4 quarterly instalments of INR 3,928 each from May 2023 (INR 10,000 availed additionally during the year ended March, 2023)
Bandhan Bank	7,498.24	-	Repayable in 11 quarterly instalments of INR 682 each from April 2023
Bandhan Bank	17,500.00	-	Repayable in 11 quarterly instalments of INR 1,590 each from Sept 2023
Bank of Baroda	-	2,000.00	Repayable in 2 quarterly instalments of INR 1,000 each from June 2022
Bank of Baroda	6,000.00	18,000.00	Repayable in 2 quarterly instalments of INR 3,000 each from April 2023
Bank of India	-	12,000.00	Repayable in 4 quarterly instalments of INR 3,000.00 each from June 2022
Bank of Maharashtra	25,186.85	-	Repayable in 10 quarterly instalments of INR 2,500 each from Sept 2023
Bank of Maharashtra	4,536.31	10,580.28	Repayable in 3 quarterly instalments of INR 1,500 each from June 2023
Canara Bank	8,636.00	25,908.00	Repayable in 2 quarterly instalments of INR 4,318 each from June 2023
Canara Bank	18,000.00	30,000.00	Repayable in 6 quarterly instalments of INR 3,000 each from June 2023
Canara Bank	16,363.64	-	Repayable in 9 quarterly instalments of INR 1,818 each from June 2023
Canara Bank	30,000.00	-	Repayable in 16 quarterly instalments of INR 1,875 each from June 2023
Central Bank of India	-	5,914.92	Repayable in 2 quarterly instalments of INR 3,000.00 each from May 2022
Central Bank of India	-	3,697.76	Repayable in June 2022
Central Bank of India	1,837.03	5,599.23	Repayable in 2 quarterly instalments of INR 937.5 each from May 2023
Central Bank of India	1,844.01	5,612.06	Repayable in 2 quarterly instalments of INR 937.50 each from May 2023
Central Bank of India	5,974.51	9,999.44	Repayable in 6 quarterly instalments of INR 1,000 each from June 2023
Central Bank of India	20,981.01	-	Repayable in 7 quarterly instalments of INR 3,000 each from June 2023
Central Bank of India	11,962.16	19,986.36	Repayable in 6 quarterly instalments of INR 2,000 each from June 2023
DBS Bank	2,857.14	5,000.00	Repayable in 12 monthly instalments of INR 238 each from April 2023
DBS Bank	2,857.14	5,000.00	Repayable in 12 monthly instalments of INR 238 each from April 2023
Federal Bank	10,000.00	-	Repayable in 10 quarterly instalments of INR 1,000 each from June 2023
Indian Bank	6,043.06	18,134.56	Repayable in 2 quarterly instalments of INR 3,000 each from June 2023

(Rupees in lakhs, except for share data and unless otherwise stated)

Name of Party	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022	Terms of Repayment
Indian Bank	12,591.27	24,349.30	Repayable in 15 monthly instalments of INR 833 each from April 2023 (two instalments were prepaid during the year ended March, 2023)
Indian Bank	16,117.74	10,002.26	Repayable in 12 quarterly instalments of INR 1,333 each from June 2023 (INR 10,000 availed additionally during the year ended March, 2023)
Indian Bank	9,161.20	-	Repayable in 10 quarterly instalments of INR 909 each from March 2023
Indian Bank	20,148.77	-	Repayable in 11 quarterly instalments of INR 1,819 each from September 2023
Oriental Bank of Commerce	-	3,309.56	Repayable in 2 quarterly instalments of INR 1,666.67 each in June 2022, September 2022
Punjab National Bank	36,002.31	30,000.00	Repayable in 8 quarterly instalments of INR 4,546 each from June 2023 (INR 20,000 availed additionally during the year ended March, 2023. INR 341.80 was paid in excess during the year ended March 31, 2023)
Punjab & Sind Bank	2,999.96	8,000.00	Repayable in 3 quarterly instalments of INR 1,000 each from June 2023 (one instalment was prepaid during the year ended March, 2023)
Punjab & Sind Bank	8,843.42	15,000.00	Repayable in 6 quarterly instalments of INR 1,500 each from May 2023
Punjab & Sind Bank	12,799.92	7,500.00	Repayable in 8 quarterly instalments of INR 1,600 each from June 2023 (INR 8,500 availed additionally during the year ended March, 2023)
Punjab & Sind Bank	9,000.00	-	Repayable in 9 quarterly instalments of INR 1,000 each from April 2023
State Bank of India	10,499.44	24,499.66	Repayable in 3 quarterly instalments of INR 3,500 each from May 2023
State Bank of India	22,749.09	32,499.85	Repayable in 7 quarterly instalments of INR 3,250 each from May 2023
State Bank of India	44,549.97	-	Repayable in 18 quarterly instalments of INR 2,778 each from Oct 2023
UCO Bank	3,112.07	5,617.37	Repayable in 5 quarterly instalments of INR 625 each from June 2023
UCO Bank	6,246.70	9,371.72	Repayable in 8 quarterly instalments of INR 781.25 each from May 2023
UCO Bank	3,740.59	8,740.60	Repayable in 3 quarterly instalments of INR 1,250 each from April 2023
UCO Bank	4,982.31	9,982.33	Repayable in 4 quarterly instalments of INR 1,250 each from May 2023
UCO Bank	9,374.70	13,124.73	Repayable in 10 quarterly instalments of INR 937.50 each from April 2023
UCO Bank	14,999.93	13,000.00	Repayable in 12 quarterly instalments of INR 1,250 each from June 2023 (INR 7,000 availed additionally during the year ended March, 2023)
UCO Bank	17,500.00	-	Repayable in 14 quarterly instalments of INR 1,250 each from May 2023
United Bank of India	-	3,308.46	Repayable in May 2022
Ujjivan Bank	-	2,600.00	Repayable in 2 quarterly instalments of INR 1,300.00 each from June 2022
Ujjivan Bank	1,785.71	-	Repayable in 5 quarterly instalments of INR 357 each from May 2023
Ujjivan Bank	1,785.71	-	Repayable in 5 quarterly instalments of INR 357 each from May 2023

(Rupees in lakhs, except for share data and unless otherwise stated)

Name of Party	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022	Terms of Repayment
Yes Bank	5,684.84	8,528.84	Repayable in 8 quarterly installments of INR 711 each from June 2023
AU Small Finance Bank Limited	125.19	625.00	Repayable in 20 quarterly instalments after 1 month from the date of full disbursement
Axis Bank	2,303.41	1,235.29	Repayable in 17 quarterly instalments after 12 months from the date of first disbursement
Bank of Baroda	1,032.12	1,309.97	Repayable in 36 quarterly instalments after 12 months from the disbursement
Bank of Baroda	5,000.00	-	Repayable in 32 quarterly instalments after 3 months from the disbursement
Bank of India	4,579.09	4,997.42	Repayable in 36 quarterly instalments after 12 months from the date of first disbursement
Canara Bank	2,175.93	2,731.48	Repayable in 108 monthly instalments after 13 months from the disbursement
Canara Bank	-	3,024.88	Repayable in 48 monthly instalments after 13 months from the disbursement
Canara Bank	1,388.89	1,666.67	Repayable in 36 equal quarterly instalments after 15 months from the disbursement
Canara Bank	10,000.00	-	Repayable in 72 equal monthly instalments after 12 months from the disbursement
DBS Bank India Limited	-	194.52	Repayable in 120 monthly instalments after 12 months from the disbursement
Federal Bank Limited	1,166.52	1,833.21	Repayable in 36 monthly instalments after a month from the disbursement
ICICI Bank Limited	-	267.86	Repayable in 28 quarterly instalments after 12 months from the disbursement
IDBI Bank Limited	569.04	672.48	Repayable in 58 quarterly instalments after 6 months from the disbursement
Indian Bank	5,500.00	6,879.31	Repayable in 29 quarterly instalments after a holiday period of 3 quarters from the date of first disbursement
Indian Bank	5,397.26	6,000.00	Repayable in 72 monthly instalments after a holiday period of 12 months from the date of first disbursement
Karur Vysya Bank	1,246.39	1,527.70	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
Punjab National Bank	1,493.43	2,068.16	Repayable in 36 equal quarterly instalments after 6 months from the disbursement
Punjab National Bank	5,046.08	5,798.62	Repayable in 40 equal quarterly instalments after 15 months from the disbursement
Punjab National Bank	1,305.19	1,584.10	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
Punjab National Bank	9,999.29	1,999.09	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
South Indian Bank	-	274.35	Repayable in 84 monthly instalments after 12 months from the disbursement

(Rupees in lakhs, except for share data and unless otherwise stated)

Name of Party	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022	Terms of Repayment
South Indian Bank	368.35	868.46	Repayable in 60 instalments from the disbursement
State Bank of India	-	866.00	Repayable in 27 quarterly instalments after 6 months from the disbursement
State Bank of India	2,394.63	2,789.15	Repayable in 36 quarterly instalments after 4 months from the disbursement
State Bank of India	5,901.54	6,696.20	Repayable in 35 quarterly instalments after 12 months from the disbursement
State Bank of India	7,109.58	7,999.64	Repayable in 36 quarterly instalments after 12 months from the disbursement
State Bank of India	10,000.01	4,999.82	Repayable in 36 quarterly instalments after 12 months from the disbursement
Union Bank of India	955.24	1,724.98	Repayable in 26 equal quarterly instalments after 6 months from the disbursement
Union Bank of India	3,331.21	4,164.79	Repayable in 24 equal quarterly instalments after 15 months from the disbursement
Union Bank of India	-	98.62	Repayable in 25 quarterly instalments after 9 months from the disbursement
Union Bank of India	2,493.07	3,049.33	Repayable in 36 equal quarterly instalments after 15 months from disbursement
Yes Bank Limited	2,407.27	2,738.56	Repayable in 163 monthly instalments after 6 months from the disbursement
National Housing Bank	168.73	234.69	Repayable in 47 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	443.34	530.00	Repayable in 59 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	34.27	52.95	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	655.87	790.50	Repayable in 59 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	1,049.17	1,216.20	Repayable in 59 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	362.00	515.60	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	170.70	193.50	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	317.45	427.79	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	716.74	891.80	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	1,689.11	2,078.00	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	773.39	973.71	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	431.51	500.75	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	-	594.79	Repayable within one year
National Housing Bank	72.21	92.58	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	525.56	692.49	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	2,749.94	3,435.00	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	2,426.01	3,165.00	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	1,378.01	-	Repayable in 27 quarterly instalments after quarter succeeding the disbursement

(Rupees in lakhs, except for share data and unless otherwise stated)

Name of Party	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022	Terms of Repayment
National Housing Bank	828.10	-	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	989.19	-	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	1,560.20	-	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	3,500.00	-	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
Axis Bank VI	6,136.36	14,318.18	Repayable in 22 monthly instalments from March, 2022
Bandhan Bank IV	5,355.31	12,499.79	Repayable in 7 quarterly instalments from July, 2022
Bandhan Bank IV B	4,285.65	7,499.99	Repayable in 7 quarterly instalments from September, 2022
Bank of Bahrain and Kuwait	1,180.00	2,340.00	Repayable in 12 quarterly instalments from May 2021
Bank of Baroda	-	3,500.00	Repayable in 30 monthly instalments from March 2020
Bank of Baroda -2	5,000.00	8,333.33	Repayable in 36 monthly instalments from October, 2021
Canara Bank	4,997.59	8,331.43	Repayable in 36 monthly instalments from October, 2021
DCB IV	2,289.92	4,791.22	Repayable in 24 monthly instalments from March, 2022
DOHA Bank	-	80.56	Repayable in 36 monthly instalments from May, 2019
Equitas Small Finance Bank II	2,074.00	4,582.00	Repayable in 24 monthly instalments from February, 2022
HDFC	-	380.95	Repayable in 21 monthly instalments from March, 2021
IDBI Bank - IV	3,125.00	5,000.00	Repayable in 24 monthly instalments from July, 2022
IDBI III	2,656.25	4,531.25	Repayable in 32 monthly instalments from January, 2022
IOB	3,998.08	5,000.00	Repayable in 30 monthly instalments from September, 2022
Jana SFB	190.62	2,334.64	Repayable in 24 monthly instalments from May, 2021
Jana SFB - II	1,952.51	3,149.90	Repayable in 36 monthly instalments from September, 2021
Karnataka Bank	1,997.69	3,999.66	Repayable in 5 half yearly instalments from December, 2021
Karnataka Bank II	3,999.64	4,999.83	Repayable in 5 half yearly instalments from November, 2022
KOTAK IV	-	3,208.24	Repayable in 24 monthly instalments from March, 2021
Kotak Mahindra Bank V	4,375.00	7,499.99	Repayable in 23 monthly instalments from June, 2022
Punjab National Bank	-	18,180.51	Repayable in 33 monthly instalments from January, 2022
SBI 5	6,663.30	13,333.00	Repayable in 12 quarterly instalments from April, 2021
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	3,000.00	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

(Rupees in lakhs, except for share data and unless otherwise stated)

Name of Party	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022	Terms of Repayment
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
Union Bank of India	-	500.00	Repayable in 30 monthly instalments from April, 2020
Union Bank of India	-	1,500.00	Repayable in 30 monthly instalments from July, 2020
Utkarsh Small Finance Bank	312.50	1,562.50	Repayable in 24 monthly instalments from July, 2021
Woori Bank 3	700.00	2,100.00	Repayable in 24 monthly instalments from October, 2021
Woori Bank 4	1,033.33	2,712.50	Repayable in 24 monthly instalments from January, 2022
Axis TL	4,772.73	-	Repayable in 22 Monthly instalments from September, 2022
Axis TL	363.64	-	Repayable in 22 Monthly instalments from October, 2022
Utkarsh SFB	1,562.50	-	Repayable in 24 Monthly instalments from July, 2022
Karur Vysya Bank	2,250.00	-	Repayable in 10 Quarterly instalments from January, 2023
Bank of Bahrain & Kuwait	1,500.00	-	Repayable in 8 Quarterly instalments from October, 2022
HSBC	1,666.66	-	Repayable in 24 Monthly instalments from August, 2022
HSBC	2,393.53	-	Repayable in 24 Monthly instalments from March, 2023
ICICI TL	19,444.44	-	Repayable in 9 Quarterly instalments from December, 2022
SBI	27,261.60	-	Repayable in 11 Quarterly instalments from February, 2023
DBS Bank	4,166.67	-	Repayable in 24 Monthly instalments from December, 2022
DBS Bank	4,583.33	-	Repayable in 24 Monthly instalments from February, 2023
Suryoday SFB	3,854.27	-	Repayable in 24 Monthly instalments from October, 2022
BOB	12,428.57	-	Repayable in 35 Monthly instalments from October, 2022
ICBC	5,833.33	-	Repayable in 12 Quarterly instalments from December, 2022
Union Bank	8,787.88	-	Repayable in 33 Monthly instalments from December, 2022
UCO Bank	8,333.31	-	Repayable in 12 Quarterly instalments from December, 2022
Jana Small Finance Bank	5,862.50	-	Repayable in 24 Monthly instalments from January, 2023
Kookmin Bank	7,000.00	-	Repayable in 8 Quarterly instalments from February, 2024
Kotak Mahindra Bank	3,666.67	-	Repayable in 24 Monthly instalments from February, 2023
Kotak Mahindra Bank	1,000.00	-	Repayable in 24 Monthly instalments from May, 2023
Bandhan	20,008.51	-	Repayable in 7 Quarterly instalments from June, 2023
DCB	3,833.29	-	Repayable in 24 Monthly instalments from March, 2023
Federal Bank	4,375.00	-	Repayable in 8 Quarterly instalments from March, 2023

(Rupees in lakhs, except for share data and unless otherwise stated)

Name of Party	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022	Terms of Repayment
Woori Bank	4,583.33	-	Repayable in 24 Monthly instalments from February, 2023
Axis Bank	6,300.00	-	Repayable in 22 Monthly instalments from April, 2023
SCB	19,000.00	-	Repayable in 8 Quarterly instalments from May, 2023
SCB	3,000.00	-	Repayable in 1 Bullet Payment instalments in February, 2024
Punjab and Sind	9,999.73	-	Repayable in 36 Monthly instalments from April, 2023
ICICI	5,500.00	-	Repayable in 9 Quarterly instalments from July, 2023
IDFC	25,000.00	-	Repayable in 21 Monthly instalments from July, 2023
Interest accrued on borrowings	34.04	17.25	-
Adjustments on account of effective rate of interest	(4,994.89)	(2,889.86)	
Securitisation arrangements			
Bandhan Marvel	-	6,668.65	Repayable on a monthly basis on actual collection from September, 2021
CSB Bella	-	1,076.42	Repayable on a monthly basis on actual collection from January, 2021
CSB Peterson	692.98	8,693.07	Repayable on a monthly basis on actual collection from February, 2022
DCB Macfarland	-	778.65	Repayable on a monthly basis on actual collection from April, 2021
Federal Eaton	-	345.13	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	254.99	3,369.43	Repayable on a monthly basis on actual collection from January, 2022
ICICI Sahana	-	1,039.89	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	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
Federal Bank	2,098.37	-	Repayable in 18 Monthly instalments from June-2022
ICICI	2,670.77	-	Repayable in 18 Monthly instalments from July-2022
L&T	2,915.95	-	Repayable in 18 Monthly instalments from August-2022
Kotak Mahindra	2,121.84	-	Repayable in 17 Monthly instalments from August-2022
Federal Bank	3,388.71	-	Repayable in 17 Monthly instalments from October-2022
Axis Bank	5,556.62	-	Repayable in 17 Monthly instalments from September-2022
SBI	9,435.72	-	Repayable in 17 Monthly instalments from October-2022
IDBI	5,820.45	-	Repayable in 15 Monthly instalments from December-2022

(Rupees in lakhs, except for share data and unless otherwise stated)

Name of Party	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022	Terms of Repayment
ICICI	7,300.09	-	Repayable in 17 Monthly instalments from January-2023
SBI	27,623.06	-	Repayable in 18 Monthly instalments from March-2023
Axis Bank	12,684.37	-	Repayable in 17 Monthly instalments from April-2023
Adjustments on account of effective rate of interest	(257.63)	(93.26)	
Total	**9,90,597.47**	**7,25,431.76**	
Term Loan from Others			
Bajaj Finance	437.50	2,187.50	Repayable in 3 monthly instalments of INR 146 each from April 2023
Hinduja Housing Finance Company Limited	100.00	300.00	Repayable in 120 monthly instalments after 12 months from the disbursement
LIC Housing Finance Limited	6,925.62	7,911.15	Repayable in 108 monthly instalments after 12 months from the disbursement
Northern Arc Capital Limited	1,666.64	3,333.32	Repayable in 12 quarterly instalments
Northern Arc Capital Limited	1,300.00	2,500.00	Repayable in 10 quarterly instalments
Northern Arc Capital Limited	1,800.00	3,000.00	Repayable in 10 quarterly instalments
Capri Global	520.83	1,770.83	Repayable in 24 monthly instalments from September, 2021
Credit Saision	1,312.50	3,062.50	Repayable in 8 quarterly instalments from February, 2022
Credit Saison II	750.00	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	Repayable in 24 monthly instalments from January, 2021
MAS Financial Services Ltd - 2	1,666.67	3,666.67	Repayable in 24 monthly instalments from February, 2022
MUDRA II	-	1,070.00	Repayable in 28 monthly instalments from March, 2020
Mudra III	13,940.00	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	880.00	2,750.00	Repayable in 11 half yearly instalments from January, 2020
NABARD Refinance	1,500.00	2,500.00	Repayable in 11 half yearly instalments from July, 2019
NABARD Refinance	2,000.00	4,000.00	Repayable in 11 monthly instalments from January, 2019
NABARD Refinance	-	5,100.00	Repayable in 2 yearly instalments from December, 2021
Nabfin-2	101.27	1,145.55	Repayable in 24 monthly instalments from May, 2021
NABFINS III	1,032.68	1,800.00	Repayable in 12 quarterly instalments from June, 2022
NABKISAN II	499.36	999.57	Repayable in 12 quarterly instalments from June, 2021
NABKISAN III	2,017.41	2,999.99	Repayable in 12 quarterly instalments from June, 2022

(Rupees in lakhs, except for share data and unless otherwise stated)

Name of Party	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022	Terms of Repayment
Nabsamruddi - Microfinance	947.69	1,300.00	Repayable in 36 monthly instalments from May, 2022
Nabsamruddi - Solar	145.80	200.00	Repayable in 36 monthly instalments from May, 2022
Nabsamruddi - Wash	1,093.48	1,500.00	Repayable in 36 monthly instalments from May, 2022
OIKO	1,332.80	2,666.40	Repayable in 12 quarterly instalments from June, 2021
SIDBI	-	7,333.33	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	7,333.33	10,000.00	Repayable in 30 monthly instalments from August, 2022
Northern Arc	-	4,047.07	Repayable in 24 monthly instalments from January, 2021
Northern Arc II	734.08	2,785.40	Repayable in 24 monthly instalments from August, 2021
Muthoot Capital Services Limited	233.33	633.33	Repayable in 36 monthly instalments from disbursement
Piramal Capital and Housing Finance	1,238.10	-	Repayable in 21 Monthly instalments from August-2022
Piramal Capital and Housing Finance	2,000.00	-	Repayable in 21 Monthly instalments from September-2022
Tata Capital Services	2,750.00	-	Repayable in 24 Monthly instalments from July-2022
Sundaram Finance	4,143.69	-	Repayable in 24 Monthly instalments from August-2022
Mahindra and Mahindra	7,710.81	-	Repayable in 24 Monthly instalments from October-2022
Credit Saison	2,625.00	-	Repayable in 8 Quarterly instalments from December-2022
Hinduja Leyland Finance	2,314.44	-	Repayable in 24 Monthly instalments from October-2022
MAS Financial Services	1,500.00	-	Repayable in 24 Monthly instalments from October-2022
NABKISAN	4,999.86	-	Repayable in 11 Quarterly instalments from May-2023
Piramal Enterprises Limited	5,000.00	-	Repayable in 21 Monthly instalments from May-2023
NABARD	30,000.00	-	Repayable in 11 Quarterly instalments from June-2023
Aditya Birla Finance Ltd	3,732.32	-	Repayable in 24 Monthly instalments from February-2023
MAS Financial Services	2,625.00	-	Repayable in 24 Monthly instalments from January-2023
MAS Financial Services	1,833.33	-	Repayable in 24 Monthly instalments from February-2023
Hinduja Leyland Finance	7,500.00	-	Repayable in 24 Monthly instalments from April-2023
ECB 1 - Responsibility	12,363.00	-	Repayable in 3 Yearly instalments from October 2024
ECB 2 - Responsibility	8,185.00	-	Repayable in 3 Yearly instalments from November 2024
Interest accrued on borrowings	38.20	69.68	-
Adjustments on account of effective rate of interest	(449.46)	(569.48)	
Total	**1,50,380.29**	**1,43,437.82**	

(Rupees in lakhs, except for share data and unless otherwise stated)

19 Subordinated Liabilities

Particulars	As at 31st March 2023	As at 31st March 2022
At amortised cost		
Subordinated Debt	1,41,424.47	1,61,814.67
Subordinated Debt - Listed	38,320.83	38,292.73
Unsecured Term Loan from Financial Institutions	-	2,499.74
Tier-I Capital - Perpetual Debt Instruments	48,113.39	38,419.24
Total	**2,27,858.69**	**2,41,026.38**
Borrowings in India	2,27,858.69	2,41,026.38
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 Nil (31st March 2022 : INR 7,848) 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 2022-23	47,901.09
FY 2023-24	25,991.84
FY 2024-25	15,876.99
FY 2025-26	24,804.50
FY 2026-27	21,254.71
FY 2027-28	45,176.04
Adjustments on account of effective rate of interest	(1,259.87)
TOTAL	1,79,745.30

(c) Unamortised Borrowing Cost on Unsecured Term Loan from Financial Institutions is INR Nil (31st March 2022: INR 0.26).

(d) Perpetual Debt Instruments are perpetual, unsecured instruments, which have been issued as per RBI guidelines. Unamortised Borrowing Cost on Perpetual Debt Instruments is INR 1,786.61 (31st March 2022: INR 1,480.76).

20 Other Financial Liabilities

Particulars	As at 31st March 2023	As at 31st March 2022
Expenses Payable	3,908.57	2,470.58
Security deposits received	907.99	612.43
Unpaid matured debt and interest accrued thereon	4,828.69	3,368.83
Interest accrued but not due on borrowings	57,897.38	57,501.17
Payable to employees	2,117.75	1,524.14
Payables towards securitisation/assignment transactions	9,203.36	1,274.68
Payable to ARCIL	192.15	-
Derivative Financial Instruments	89.19	-
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	15,732.00	15,213.00
Others	6,415.69	9,788.58
Total	**1,01,292.77**	**91,753.39**

(Rupees in lakhs, except for share data and unless otherwise stated)

Note a

(i) The Group had during the previous year, 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 2023	As at 31st March 2022
Cumulative change in fair value of the preference shares attributable to changes in credit risk	732.00	213.00
Change during the year in the fair value of the preference shares attributable to changes in credit risk	519.00	213.00

(Rupees in lakhs, except for share data and unless otherwise stated)

Note c - Derivative Financial Instruments

The Group undertakes derivative transactions for hedging exposures relating to foreign currency borrowings. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Particulars	As at March 31, 2023	
	Notional Amounts	Fair Value Liabilities
(i) Currency derivatives:		
- Forward Contracts	26,062.40	89.19
Total	**26,062.40**	**89.19**
Included in above are derivatives held for hedging and risk management purposes as follows:		
(i) Fair value hedging:	-	-
(ii) Cash flow hedging:		
- Currency derivatives	26,062.40	89.19
(iii) Net Investment Hedging	-	-
(iv) Undesignated Derivatives	-	-
Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)	**26,062.40**	**89.19**

No derivative transactions were undertaken by the Group during the year ended March 31, 2022.

The primary risk managed using derivative instruments is foreign currency risk. The Group has designated forward contracts as a hedging instrument to mitigate foreign exchange risk from foreign currency exposure on its borrowings. There are no derivatives not designated as hedging instruments.

21 Provisions

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for employee benefits		
- Gratuity	761.06	692.68
- Provision for compensated absences	460.98	455.50
- Provision for employee stock option plan	355.14	-
Unspent amount on Corporate Social Responsibilty	25.04	25.04
Impairment on Loan Commitments	17.35	17.34
Total	**1,619.57**	**1,190.56**

22 Other Non-Financial Liabilities

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory dues payable	3,470.76	2,311.72
Other non financial liabilities	4.69	4.68
Total	**3,475.45**	**2,316.40**

(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 1st April 2021	22,50,00,000	22,500.00
Add: Increased during the year	-	-
At 31st March 2022	22,50,00,000	22,500.00
Add: Increased during the year	-	-
At 31st March 2023	22,50,00,000	22,500.00

Preference Shares

Particulars	No. of Shares	Amount
At 1st April 2021	20,00,00,000	20,000.00
Add: Increased during the year	-	-
At 31st March 2022	20,00,00,000	20,000.00
Add: Increased during the year	-	-
At 31st March 2023	20,00,00,000	20,000.00

(b) Issued capital

Particulars	No. of Shares	Amount
At 1st April 2021	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2022	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2023	19,38,00,800	19,380.08

(c) Subscribed and Fully Paid Up Capital

Particulars	No. of Shares	Amount
At 1st April 2021	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2022	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2023	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.

(Rupees in lakhs, except for share data and unless otherwise stated)

(e) Shareholder's having more than 5% equity shareholding in the Group

Particulars	As at 31st March 2023	As at 31st March 2022
	No. of shares and % of holding	
Mr. Thomas John Muthoot *	5,14,56,049 - 26.56%	5,14,56,049 - 26.56%
Mr. Thomas George Muthoot *	5,14,56,021 - 26.56%	5,14,56,021 - 26.56%
Mr. Thomas Muthoot *	5,14,56,053 - 26.56%	5,14,56,053 - 26.56%
Ms. Preethi John Muthoot	1,29,13,704 - 6.67%	1,29,13,704 - 6.67%
Ms. Nina George	1,29,13,704 - 6.67%	1,29,13,704 - 6.67%
Ms. Remmy Thomas	1,29,13,704 - 6.67%	1,29,13,704 - 6.67%

** Shares held by the promoters and their shareholding % of holding at the end of the year*

24 Other Equity

Particulars	As at 31st March 2023	As at 31st March 2022
Securities Premium	38,129.85	38,129.85
Statutory Reserve (Pursuant to Section 45-IC of the RBI Act 1934)	76,304.92	63,830.95
Statutory Reserve (Pursuant to Section 29C of the NHB Act 1987)	2,618.56	2,068.56
Retained Earnings	2,30,294.35	1,91,489.84
General Reserve	48.56	54.60
Employee stock options outstanding	730.55	296.38
Other Comprehensive income	5,860.25	3,538.77
Total	**3,53,987.03**	**2,99,408.96**

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.

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.

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.

General reserve

Represents the profits or losses made by the Employee Welfare Trust on account of issue or sale of treasury stock.

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

(Rupees in lakhs, except for share data and unless otherwise stated)

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.

25 Interest Income

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
On Financial Assets measured at Amortised Cost		
Interest on Loans	4,54,794.55	3,99,676.01
Interest Income from Investments	98.88	105.35
Interest on Deposit with Banks	3,610.05	2,656.96
Other Interest Income	107.40	15.15
On Financial Assets measured at fair value through other comprehensive income		
Interest on Loans	24,146.19	7,610.84
Total	**4,82,757.07**	**4,10,064.31**

26 Net gain on fair value changes

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
(i) On trading portfolio		
- Investments	201.14	92.29
(ii) On financial instruments designated at fair value through profit or loss	229.07	-
(iii) Gain on sale of loans at fair value through other comprehensive income	11,153.74	9,103.07
(iv) Loss on fair valuation of cumulative, compulsorily convertible preference shares	(519.00)	(213.00)
Total Net gain/(loss) on fair value changes	**11,064.95**	**8,982.37**
Fair Value changes:		
- Realised	11,539.12	9,208.66
- Unrealised	(474.16)	(226.29)
Total	**11,064.95**	**8,982.37**

27 Others

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Income from Money transfer	657.10	720.64
Income From Forex operations	330.17	193.22
Income From Power generation	879.84	920.85
Income from Investment	1,463.84	2,056.24
Income from Software support service	108.38	177.87
Bad debt recovered	1,435.91	711.69
Other financial services	510.00	467.07
Other income	352.03	339.24
Total	**5,737.27**	**5,586.83**

(Rupees in lakhs, except for share data and unless otherwise stated)

28 Other Income

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Non-operating income	2,143.83	158.05
Total	**2,143.83**	**158.05**

29 Finance Costs

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Interest on borrowings	1,37,383.43	1,19,843.32
Interest on debt securities	44,701.36	50,468.07
Interest on lease liabilities	10,145.50	6,901.55
Interest on subordinate liablities	22,495.63	22,250.56
Dividend on CCCPS	2,100.00	1,050.00
Other charges	6,425.76	6,893.51
Total	**2,23,251.68**	**2,07,407.01**

30 Impairment of Financial Instruments

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
At Amortised Cost		
Loans- at amortised cost	7,850.67	8,571.18
Impairment on loan commitments	-	4.56
Loans written off / waived off	20,958.23	10,486.17
Total	**28,808.90**	**19,061.91**

31 Employee Benefits

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Salaries and Wages	86,473.24	72,932.58
Contributions to Provident and Other Funds	5,558.63	4,976.30
Incentives	2,193.44	1,738.93
Bonus & Exgratia	1,412.78	1,793.85
Gratuity & Leave encashment	277.19	462.46
Share based payments	1,020.25	131.73
Staff Welfare Expenses	1,803.58	876.57
Total	**98,739.11**	**82,912.41**

(Rupees in lakhs, except for share data and unless otherwise stated)

32 Depreciation expense

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Depreciation of Tangible Assets	5,624.90	6,574.74
Depreciation of Right of Use Assets	15,187.34	16,371.61
Amortization of Intangible Assets	815.46	637.49
Total	**21,627.70**	**23,583.84**

33 Other Expenses

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Advertisement and publicity	8,910.35	8,463.77
AMC Charges	52.76	71.44
Auditor's fees and expenses	131.65	123.39
Communication costs	9,057.51	11,182.33
Director's fees, allowances and expenses	668.99	559.71
Donations & CSR Expenses	568.22	542.55
Impairment on assets held for sale	336.37	138.38
Insurance	1,446.87	1,162.31
Legal & Professional Charges	4,728.52	3,534.13
Office Expenses	506.26	360.05
Other Expenditure	1,499.90	1,287.78
Printing and Stationery	1,537.85	1,230.05
Rent, taxes and energy costs	6,539.16	4,511.35
Repairs and maintainence	2,775.15	2,529.28
Security Charges	4,863.51	4,679.24
Software Licence and Subscription charges	793.62	611.46
Software Development Expenses	110.30	142.29
Account written off	2,345.48	-
Travelling and Conveyance	6,332.79	4,272.38
Water Charges	16.81	16.28
Total	**53,222.07**	**45,418.18**

(a) Auditors Remuneration

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
As auditor		
Statutory Audit fees	82.50	82.30
Limited review fees	21.00	14.00
Tax Audit fees	7.00	9.00
For other services		
Certification and other matters	9.00	9.73
For reimbursement of expenses		
Out of pocket expenses	2.70	2.00
Total	**122.20**	**117.03**

Above figures are exclusive of GST

(Rupees in lakhs, except for share data and unless otherwise stated)

(b) CSR Expenditure

As required under Section 135 of the Companies Act, 2013, the Group was required to spend INR 959.62 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 566.39 towards CSR expenditure. The unspent portion of INR 393.23 has been transferred to the designated bank account for Unspent Corporate Social Responsibility by the Group.

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
(a) Amount required to be spent by the Group during the year	959.62	942.28
(b) Amount of expenditure incurred	566.39	515.51
(c) Shortfall at the end of the year	393.23	426.77
(d) Total of previous year shortfall	426.77	-
(e) Reason for shortfall	With regard to the Sports Infrastructure project at Palakkad, based on advise from Architects, a wider road alternative had to be considered, evaluation and negotiations of which delayed the start of the construction work.	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.
(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.
(g) Details of related party transactions	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

(c) In view of regulatory advise and based on approval of the Board of Directors, the Company has during the year written off non-financial assets amounting to INR 2,345.48 against Employees Provident Fund recovered from the Company in respect of dues towards provident fund of erstwhile staff.

34 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.

(Rupees in lakhs, except for share data and unless otherwise stated)

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Net profit attributable to ordinary equity holders of the parent	58,877.43	39,170.72
Weighted average number of equity shares for basic earnings per share	19,37,05,560	19,37,05,560
Effect of dilution	74,92,507	60,96,643
Weighted average number of equity shares for diluted earnings per share	20,11,98,067	19,98,02,203
Earnings per share		
Basic earnings per share (INR)	30.40	20.22
Diluted earnings per share (INR)	29.26	19.60

35 Income Tax

The components of income tax expense for the year ended March 31st 2023 and year ended March 31st 2022 are:

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Current tax	25,252.16	16,820.60
Deferred tax relating to origination and reversal of temporary differences	(2,663.94)	(2,389.50)
Income tax expense reported in statement of profit and loss	**22,588.22**	**14,431.10**
OCI Section		
Deferred tax related to items recognised in OCI during the period:		
Net gain / (loss) on equity instruments measured through other comprehensive income	138.87	16.25
Remeasurement of loan assets	(1,380.92)	(1,130.45)
Remeasurement of the defined benefit liabilities	38.99	(4.61)
Income tax charged to OCI	**(1,203.06)**	**(1,118.82)**

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 year ended March 31st 2023 and year ended March 31st 2022 are as follows:

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Accounting profit before tax	87,230.54	55,686.22
At India's statutory income tax rate of 25.168%* (2022: 25.168%)	**21,954.18**	**14,015.11**
Tax effects of adjustments		
Non deductible items	625.51	409.43
Adjustment on account of different tax rates	5.85	2.84
Others	2.68	3.73
Income tax expense reported in the statement of profit or loss	**22,588.21**	**14,431.10**
Effective Income Tax Rate	**25.89%**	**25.92%**

(Rupees in lakhs, except for share data and unless otherwise stated)

Income Tax (contd...)

Movement in deferred tax assets/(liabilities)

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**

Particulars	As at 31st March 2022	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 2023
Deductible temporary difference on account of depreciation and amortisation	3,083.02	75.56	-	-	3,158.58
Bonus disallowed due to non-payment	476.56	28.30	-	-	504.86
Provision for employee benefits	97.78	77.88	(16.58)	-	159.08
Provision for Investment Rate Fluctuation	57.48	-	-	-	57.48
Expected credit loss provision on financial assets	9,085.80	840.48	-	-	9,926.28
Financial assets measured at amortised cost	1,195.67	960.80	-	-	2,156.47

(Rupees in lakhs, except for share data and unless otherwise stated)

Particulars	As at 31st March 2022	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 2023
Fair Valuation of Financial Assets	1,984.38	(101.18)	129.27	-	2,012.48
Financial liabilities measured at amortised cost	(1,386.18)	(630.72)	-	-	(2,016.89)
Financial liabilities measured at fair value	53.61	911.09	-	-	964.70
Direct assignment transactions	(5,666.84)	24.09	(1,381.44)	-	(7,024.19)
Special reserve	(444.19)	(138.44)	-	-	(582.63)
EIS receivable	(206.63)	84.74	-	-	(121.89)
Fair value of future lease obligations in accordance with Ind AS 116	327.79	168.57	-	-	496.37
Other items giving rise to temporary differences	691.02	362.80	55.60	-	1,109.42
Cash flow hedge reserve	-	-	10.11	-	10.11
Minimum Alternate tax credit entitlement	56.62	-	-	-	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	(0.04)	(0.02)	-	0.02
Total	**5,964.28**	**2,663.94**	**(1,203.06)**	**-**	**7,425.19**

36 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 2023	As at 31st March 2022
Contributions to Provident Fund	4,411.06	3,883.35
Contributions to Employee State Insurance	1,103.65	1,057.38
Defined Contribution Plan	**5,514.70**	**4,940.73**

Defined Benefit Plan

The Group 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 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 2023	As at 31st March 2022
Present value of funded obligations	4,763.27	4,322.66
Fair value of planned assets	4,002.20	3,629.98
Defined Benefit obligation/(asset)	**761.06**	**692.68**

(Rupees in lakhs, except for share data and unless otherwise stated)

Post employment defined benefit plan

Net benefit expense recognised in statement of profit and loss	As at 31st March 2023	As at 31st March 2022
Current service cost	710.04	732.36
Net Interest on net defined benefit liablity/ (asset)	43.08	139.67
Net benefit expense	**753.12**	**872.04**

Balance Sheet

Details of changes in present value of defined benefit obligations as follows:

Particulars	As at 31st March 2023	As at 31st March 2022
Defined benefit obligation at the beginning of the year	4,322.66	3,757.45
Current service cost	710.04	732.36
Interest cost on benefit obligations	291.96	237.70
Actuarial (Gain) / Loss on Total Liabilities	133.93	36.19
Benefits paid	(695.32)	(441.05)
Benefit obligation at the end of the year	**4,763.27**	**4,322.66**

Details of changes fair value of plan assets are as follows: -

Particulars	As at 31st March 2023	As at 31st March 2022
Fair value of plan assets at the beginning of the year	3,629.98	1,570.65
Actual Return on Plan Assets	227.88	152.56
Employer contributions	808.88	2,342.96
Benefits paid	(664.54)	(436.18)
Fair value of plan assets as at the end of the year	**4,002.20**	**3,629.99**

Remeasurement gain/ (loss) in other comprehensive income (OCI)	As at 31st March 2023	As at 31st March 2022
Actuarial changes arising from changes in financial assumptions	*108.21*	*84.02*
Experience adjustments	(242.13)	(187.95)
Return on Plan assets, excluding amount included in net interest on the net defined benefit liablity/(asset)	(21.00)	122.27
Actuarial (gain) / loss (through OCI)	**(154.93)**	**18.34**

The principal assumptions used in determining gratuity obligations for the Group's plans are shown below:

Particulars	As at 31st March 2023	As at 31st March 2022
Salary Growth Rate	3% to 12%	0 % to 10%
Discount Rate	7.29% to 7.46%	4.25 % to 5.79%
Withdrawal Rate	5% to 31%	5 % to 23%
Mortality	100% of IALM 2012-14	100% of IALM 2006-2008
Interest rate on net DBO	5.15% to 7.12%	4.25 % to 5.79%
Expected average remaining working life	2 Yrs to 32.76 Yrs	2 Yrs to 33.08Yrs

(Rupees in lakhs, except for share data and unless otherwise stated)

Investments quoted in active markets:

Particulars	As at 31st March 2023	As at 31st March 2022
Equity instruments	-	-
Debt instruments	-	-
Real estate	-	-
Derivatives	-	-
Investment Funds with Insurance Group	0 - 100%	0 - 100%
Of which, Unit Linked	-	-
Of which, Traditional/ Non-Unit Linked	0 - 100%	0 - 100%
Asset-backed securities	-	-
Structured debt	-	-
Cash and cash equivalents	-	-
Total	**0-100%**	**0-100%**

A quantitative sensitivity analysis for significant assumptions as at March 31, 2023 and March 31, 2022 are as shown below:

Assumptions	Sensitivity Level	As at 31st March, 2023	As at 31st March, 2022
Discount Rate	Increase by 1%	4,500.20	4,090.48
Discount Rate	Decrease by 1%	5,063.50	4,617.29
Further Salary Increase	Increase by 1%	5,063.16	4,645.79
Further Salary Increase	Decrease by 1%	4,498.16	4,034.70
Employee turnover	Increase by 1%	4,817.51	4,366.69
Employee turnover	Decrease by 1%	4,699.67	4,271.16
Mortality Rate	Increase in expected lifetime by 1 year	4,749.34	4,353.86
Mortality Rate	Increase in expected lifetime by 3 years	4,720.92	4,263.10

1. The weighted average duration of the defined benefit obligation as at 31st March 2023 is 4 to 11 years (2022: 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.

(Rupees in lakhs, except for share data and unless otherwise stated)

37 Maturity analysis of assets and liabilities

Particulars	As at 31st March 2023			As at 31st March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	3,35,294.75	-	3,35,294.75	3,15,246.43	-	3,15,246.43
Bank Balance other than above	34,666.76	23,126.37	57,793.13	30,453.94	11,164.76	41,618.70
Trade receivables	8,232.85	2,116.67	10,349.53	4,319.23	-	4,319.23
Loans	21,13,089.89	4,59,814.01	25,72,903.90	19,61,933.61	3,04,475.05	22,66,408.66
Investments	4,287.97	10,943.49	15,231.46	6,187.95	4,084.76	10,272.71
Other financial assets	10,696.14	4,701.99	15,398.13	4,691.06	9,574.07	14,265.13
Non-financial Assets						
Current tax assets (net)	-	1,249.67	1,249.67	2,997.82	4,199.89	7,197.71
Deferred tax assets (net)	-	13,547.86	13,547.86	-	9,959.42	9,959.42
Investment Property	-	26,119.76	26,119.76	-	30,236.55	30,236.55
Property, plant and equipment	-	45,646.57	45,646.57	-	43,392.79	43,392.79
Intangible assets under development	-	880.25	880.25	-	-	-
Other intangible assets	-	1,731.77	1,731.77	-	1,953.04	1,953.04
Right-of-use assets	13,703.08	78,164.60	91,867.68	9,896.03	56,362.54	66,258.57
Other non financial assets	23,845.11	1,601.25	25,446.36	6,697.03	24,420.64	31,117.67
Total assets	**25,43,816.54**	**6,69,644.27**	**32,13,460.81**	**23,42,423.09**	**4,99,823.51**	**28,42,246.60**
Liabilities						
Financial Liabilities						
Trade payables	553.93	-	553.93	343.69	-	343.69
Other Payables	5,610.42	-	5,610.42	5,749.19	31.49	5,780.68
Debt Securities	2,08,071.50	2,33,586.54	4,41,658.04	1,59,738.41	2,87,602.62	4,47,341.02
Borrowings (other than debt security)	13,17,039.46	5,77,503.53	18,94,542.99	11,66,704.05	4,34,387.87	16,01,091.91
Lease Liability	20,644.13	82,058.78	1,02,702.92	15,524.02	58,709.09	74,233.12
Subordinated Liabilities	47,775.65	1,80,083.04	2,27,858.69	45,996.80	1,95,029.58	2,41,026.38
Other Financial liabilities	59,307.26	41,985.50	1,01,292.77	52,086.19	39,667.21	91,753.39
Non-financial Liabilities						
Current tax liabilities (net)	2,305.00	-	2,305.00	58.26	-	58.26
Provisions	483.41	1,136.17	1,619.57	303.70	886.86	1,190.56
Deferred tax liabilities (net)	-	6,122.67	6,122.67	-	3,995.14	3,995.14
Other non-financial liabilities	3,475.45	-	3,475.45	2,316.40	-	2,316.40
Total Liabilities	**16,65,266.21**	**11,22,476.23**	**27,87,742.45**	**14,48,820.70**	**10,20,309.85**	**24,69,130.56**
Net	**8,78,550.33**	**(4,52,831.97)**	**4,25,718.36**	**8,93,602.39**	**(5,20,486.34)**	**3,73,116.05**

(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 2023	As at 31st March 2022
(I) Contingent Liabilities		
(i) Income Tax Demands	3,420.85	3,419.85
(ii) Service Tax Demands	5,106.18	5,106.18
(iii) Value Added Tax Demands	1,327.12	1,327.12
(iv) Bank Guarantees	43.81	36.90
(v) Claims not acknowledged as debt in view of counter claims raised	-	917.78
(vi) Cash Margin on Securitisation	33,819.60	20,253.40

(vii) 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 has filed a writ petition before the Honorable High Court of Kerala proceedings of which are ongoing.

(viii) Other commitments

Loan commitment in respect of partly disbursed loans is ₹ 5,556.85 (31 March 2022 : ₹ 4,419.14).

39 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	Director
Kurian Peter Arattukulam	Director
Vikraman Ampalakkat	Director
Badal Chandra Das	Director
Ravi Ramchandran	Director
Sachu Sivas	Company Secretary

(Rupees in lakhs, except for share data and unless otherwise stated)

(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
Speckle Internet Solutions 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

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 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022
Revenue						
Auction of Gold Ornaments	-	-	-	-	2,653.27	6,104.86
Commission Received	-	-	-	-	1,359.67	1,225.44
Rent received	-	-	-	-	304.74	286.39
Revenue from Travel Services	1.54	1.59	0.40	-	47.81	10.10
Interest accrued on loans & advances	1,964.98	2,388.00	-	-	-	29.66
Processing fee received	37.50	-	-	-	-	-
Interest on ICD	-	-	-	-	44.49	-
Sale of Used Assets	-	-	-	-	-	0.03
Professional Charges-IT support	-	-	-	-	107.63	177.87

(Rupees in lakhs, except for share data and unless otherwise stated)

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 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022
Expense						
Commission Paid	600.00	500.00	-	-	2.10	17.09
Interest paid	544.07	531.66	71.83	78.74	318.80	336.22
Hotel Service payments	-	-	-	-	28.16	28.31
Professional & Consultancy Charges	-	-	-	-	2,095.55	2,104.14
Purchase of Gold Coins	-	-	-	-	3.02	90.77
Reimbursement of Expenses	-	-	-	-	(32.82)	(20.46)
Rent paid	199.68	174.90	-	-	19.60	17.51
Remuneration Paid	6,008.79	5,039.60	52.37	41.00	-	-
Annuity insurance	203.60	-	-	-	-	-
Sitting Fee paid	13.75	13.50	-	-	-	-
Incentive paid	-	-	-	-	63.34	-
Marketing Expense	-	-	-	-	50.00	-
Trademark fee	1.00	6.00	-	-	-	-
Repairs and maintenance	-	-	-	-	4.73	1.89
Asset						
Advance for CSR Activities	-	-	-	-	577.09	523.31
Investment made in Equity	-	-	-	-	-	200.00
Loans Advanced	15,000.00	-	-	-	-	-
Loan repayments received	(19,900.00)	-	-	-	-	(290.00)
Purchase of shares of MML	18,608.52	-	4,616.48	-	-	-
ICD advanced	-	-	-	-	7,000.00	-
ICD repaid	-	-	-	-	(7,000.00)	-
Purchase of Vehicle	-	-	-	-	-	10.74
Refund received against advance for property	(1,588.53)	-	(133.87)	-	(5,277.60)	(3,000.00)
Liability						
Advance received towards Owners share	-	-	-	-	600.00	432.15
Investment in Debt Instruments	-	-	0.50	0.50	-	1.00
Redemption of Investment in Debt Securities	-	-	(155.00)	(1.14)	(24.99)	-
Security Deposit Accepted	-	-	-	-	87.36	141.44
Security Deposit Repaid	-	-	-	-	(70.95)	(167.13)
Loan Availed	350.00	-	-	-	860.00	60.00
Loan Repaid	(400.09)	-	-	-	(900.00)	(1,400.00)
Dividend Paid	1,170.97	10,036.91	180.80	1,549.71	4.17	35.72

(Rupees in lakhs, except for share data and unless otherwise stated)

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	
	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022
Asset						
Advance for CSR Activities	-	-	-	-	10.71	8.05
Advance for Property/Shares	-	1,588.53	-	133.87	19,000.17	24,277.77
Advance received towards Owners share	-	-	-	-	2,859.42	903.13
Commission Receivable	-	-	-	-	129.53	73.67
Expense Reimbursements Receivable	-	-	-	-	1.09	1.48
Interest on Loan Receivable	774.25	61.55	-	-	-	-
Loans Advanced	15,000.00	19,900.00	-	-	-	-
Rent Receivable	-	-	-	-	14.60	12.40
Travel Service Receivables	1.99	0.79	-	-	7.90	4.06
Security Deposit advanced	-	3.58	-	-	-	-
Debtors	-	-	-	-	-	8.33
Investment in Equity Outstanding	-	-	-	-	226.00	226.00
Liability						
Collection balance payable	-	-	-	-	-	0.22
Commission Payable	-	-	-	-	0.04	0.27
Interest Payable	13.88	83.00	6.44	54.22	15.35	13.93
Rent Payable	10.68	6.66	-	-	1.77	0.92
Investment in Debt Instruments	395.00	267.30	305.55	332.33	159.66	107.53
PDI issued	4,045.00	3,845.00	390.00	355.00	2,793.00	1,025.00
Professional & Consultancy Charges payable	-	-	-	-	-	0.12
Security Deposit received	3.58	-	-	-	49.01	31.94
Loan outstanding	350.00	400.09	-	-	653.33	693.33
Expense Payable	1.08	1.08	-	-	1.15	4.15

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 2023	Year Ended 31st March 2022
Short–term employee benefits	6,022.54	5,053.10
Post-employment benefits	203.60	-
Total compensation paid to key managerial personnel	**6,226.14**	**5,053.10**

(Rupees in lakhs, except for share data and unless otherwise stated)

40 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 2023:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in JM Financial India Fund II	236.50	-	-	236.50
Investment in Strugence Debt Fund	997.61	-	-	997.61
Investment in BPEA India Credit - Trust II	168.86	-	-	168.86
Investments in Mutual Fund	650.10	-	-	650.10
Investments in Security Receipts	-	-	2,662.07	2,662.07
Financial Liabilities				
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	-	-	15,732.00	15,732.00
Derivative financial instruments (Liability)	-	89.19	-	89.19

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in Muthoot Pappachan Chits Private Limited	-	14.94	-	14.94
Investment in Avenues India Private Limited	-	479.10	-	479.10
Investment in Fair Asset Technologies (P) Limited	-	720.64	-	720.64
Investment In The Thinking Machine Media Private Limited	-	18.00	-	18.00
Investment In Speckle Internet Solutions Private Limited	-	42.86	-	42.86
Investment in Equity Shares (DP account with Motilal Oswal)	1,690.38	-	-	1,690.38
Investment in PMS - Motilal Oswal	231.12	-	-	231.12
Loans	-	-	2,14,366.76	2,14,366.76

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
Inv-Strugence Debt Fund	997.48			997.48
Inv-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

(Rupees in lakhs, except for share data and unless otherwise stated)

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 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.

Investments in Security receipts (SRs) are classified as Financial Assets measured at FVTPL. Since the investment was made in the month of March 2023 and the investment value approximates the net asset value as at March 31, 2023 as confirmed by the Asset Reconstruction Company (ARC), disclosure of sensitivity of fair value measurement in unobservable inputs is not considered relevant.

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.

(Rupees in lakhs, except for share data and unless otherwise stated)

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, 2023		As at March 31, 2022	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount Rate of CCCPS Coversion Feature	(544.00)	564.72	(511.25)	531.08
Discount for Lack of Marketability	(242.03)	242.03	(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

Loan portfolio	Fair valuation as at March 31, 2023	Fair valuation as at March 31, 2022
Monthly	1,51,105.20	1,46,330.73
Weekly	48,833.30	65,938.08
Total	**1,99,938.50**	**2,12,268.82**

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, 2023	Fair valuation as at March 31, 2022
Impact on fair value if change in risk adjusted discount rate		
- Impact due to increase of 0.50 %	(850.00)	(916.00)
- Impact due to decrease of 0.50 %	855.00	922.00
Impact on fair value if change in probability of default (PD)		
- Impact due to increase of 0.50 %	(347.00)	(316.00)
- Impact due to decrease of 0.50 %	348.00	317.00
Impact on fair value if change in loss given default (LGD)		
- Impact due to increase of 0.50 %	(14.00)	(89.00)
- Impact due to decrease of 0.50 %	14.00	89.00

(Rupees in lakhs, except for share data and unless otherwise stated)

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 2023		As at 31st March 2022	
	Loan assets	Preference Shares other than those that qualify as Equity	Loan assets	Preference Shares other than those that qualify as Equity
Opening balance	2,12,268.82	15,213	98,845.07	-
Loan originated / Preference shares issued	1,99,176.19	-	2,06,558.91	15,000.00
Sales/derecognition	(65,517.95)	-	(32,655.95)	-
Total gain and losses				
in profit and loss	-	519.00	-	213.00
in OCI	5,488.43	-	4,491.27	-
Settlements / conversion	(1,51,476.98)	-	(64,970.47)	-
Closing balance	**1,99,938.50**	**15,732.00**	**2,12,268.82**	**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, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Financial assets					
Cash and cash equivalents	1	3,35,294.75	3,15,246.43	3,35,294.75	3,15,246.43
Bank Balance other than above	1	57,793.13	41,618.70	57,793.13	41,618.70
Trade receivables	3	10,349.53	4,319.23	10,349.53	4,319.23
Loans	3	23,58,537.14	20,59,514.60	23,58,537.14	20,59,514.60
Investments - at amortised cost	3	7,319.28	987.91	7,319.28	987.91
Other Financial assets	3	15,398.13	14,265.13	15,398.13	14,265.13
Financial assets		**27,84,691.96**	**24,35,951.99**	**27,84,691.96**	**24,35,951.99**
Financial Liabilities					
Payable	3	6,164.34	6,124.37	6,164.34	6,124.37
Debt securities	3	4,41,658.04	4,47,341.02	4,41,658.04	4,47,341.02
Borrowings (other than debt securities)	3	18,94,542.99	16,01,091.91	18,94,542.99	16,01,091.91
Lease Liabilities		1,02,702.92	74,233.11	1,02,702.92	74,233.11
Subordinated liabilities	3	2,27,858.69	2,41,026.38	2,27,858.69	2,41,026.38
Other financial liabilities	3	85,471.58	76,540.39	85,471.58	76,540.39
Financial Liabilities		**27,58,398.56**	**24,46,357.19**	**27,58,398.56**	**24,46,357.19**

(Rupees in lakhs, except for share data and unless otherwise stated)

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. 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.

41 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".

42 Change in liabilities arising from financing activities

Particulars	As at 31st March, 2022	Cash Flows	Changes in fair value (gain)/loss	Ind AS 116 - Lease Liabilities	Others	As at 31st March, 2023
Debt Securities	4,47,341.02	(6,198.72)	-	-	515.74	4,41,658.04
Borrowings other than debt securities	16,01,091.91	2,95,485.68	-	-	(2,034.60)	18,94,542.99
Lease Liabilities	74,233.11	(21,067.96)	-	49,537.77	-	1,02,702.92
Subordinated Liabilities	2,41,026.38	(12,095.29)	-	-	(1,072.40)	2,27,858.69
Total liabilities from financing activities	**23,63,692.42**	**2,56,123.70**	**-**	**49,537.77**	**(2,591.25)**	**26,66,762.64**

(Rupees in lakhs, except for share data and unless otherwise stated)

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	-	-	(2,121.44)	16,01,091.91
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**	**(4,173.11)**	**23,63,692.42**

43 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

(Rupees in lakhs, except for share data and unless otherwise stated)

- Comprehensive credit risk assessment and cash flow analysisIn 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.

The Group considers a financial instrument as 'cured' and therefore re-classified out of Stage 3 during the year only once the entire dues have been received.

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 2023 and 31st March 2022.

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.

(Rupees in lakhs, except for share data and unless otherwise stated)

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 treasury team sources funds from multiple sources, including from banks, financial institutions, capital & retail markets to maintain a healthy mix of sources. They are 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 2023:

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	3,10,730.82	19,517.03	1,427.90	-	3,619.00	-	-	-	3,35,294.75
Bank Balance other than (a) above	8,728.04	141.04	32.02	7,112.17	18,653.49	23,126.37	-	-	57,793.13
Receivables	2,833.52	4,612.92	35.83	248.11	502.47	2,116.67	-	-	10,349.53
Loans	2,83,181.21	1,41,156.73	1,72,799.54	7,15,748.12	8,00,204.28	2,92,580.16	26,243.08	1,40,990.77	25,72,903.90
Investments	2,631.50	59.90	59.90	179.69	1,356.99	1,233.69	7,209.85	2,499.95	15,231.46
Other Financial assets	9,316.11	106.25	74.51	181.93	1,017.34	1,580.97	761.93	2,359.09	15,398.13
Total	**6,17,421.21**	**1,65,593.87**	**1,74,429.70**	**7,23,470.02**	**8,25,353.57**	**3,20,637.86**	**34,214.87**	**1,45,849.81**	**30,06,970.90**
Payables	165.99	77.59	77.59	232.77	-	-	-	-	553.93
Other Payables	5,506.34	-	-	-	104.08	-	-	-	5,610.42
Debt Securities	22,409.62	9,996.89	8,445.98	56,780.82	1,10,438.19	1,60,667.90	59,210.70	13,707.93	4,41,658.04
Borrowings (other than Debt Securities)	2,54,271.33	71,234.57	1,48,938.92	2,00,659.65	6,41,934.99	4,82,175.96	68,102.58	27,225.00	18,94,542.99
Subordinated Liabilities	5,889.30	4,040.52	3,174.20	9,075.22	25,596.41	41,934.45	45,729.27	92,419.32	2,27,858.69
Other Financial liabilities	31,960.70	2,019.41	1,565.31	7,028.12	16,733.72	30,929.10	8,330.13	2,726.28	1,01,292.77
Total	**3,20,203.27**	**87,368.98**	**1,62,202.00**	**2,73,776.58**	**7,94,807.39**	**7,15,707.41**	**1,81,372.68**	**1,36,078.52**	**26,71,516.83**

(Rupees in lakhs, except for share data and unless otherwise stated)

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	3,08,003.26	2,405.67	1,180.50	-	3,657.00	-	-	-	3,15,246.43
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	3,882.66	24.75	19.67	59.02	333.14	-	-	-	4,319.23
Loans	3,26,581.87	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	22,66,408.66
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	**6,51,702.16**	**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**	**26,52,130.86**
Payables	197.39	146.30	-	-	-	-	-	-	343.69
Other Payables	5,600.72	131.15	2.32	11.75	3.26	16.98	14.51	-	5,780.68
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)	57,425.76	51,136.15	57,501.68	2,09,159.77	7,91,480.69	3,70,643.71	37,938.85	25,805.30	16,01,091.91
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	18,576.64	2,614.18	2,000.61	6,553.14	22,341.62	32,078.45	5,991.94	1,596.82	91,753.39
Total	**1,15,712.01**	**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**	**23,87,337.09**

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.

(Rupees in lakhs, except for share data and unless otherwise stated)

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 2023	31st March 2022
On Borrowings		
1% increase	(17,478.17)	(15,288.07)
1% decrease	17,478.17	15,288.07

Particulars	31st March 2023	31st March 2022
On Debt Securities		
1% increase	(4,445.00)	(4,650.86)
1% decrease	4,445.00	4,650.86

Particulars	31st March 2023	31st March 2022
On Subordinate Liabilities		
1% increase	(2,344.43)	(2,465.17)
1% decrease	2,344.43	2,465.17

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, 2023	10/(10)	65.01 /(65.01)	319.74 /(319.74)
As at March 31, 2022	10/(10)	407.64 / (407.64)	354.10 / (354.10)

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.

44 Employee Stock Option Plan and Stock Appreciation Plan

The Company has launched MFL Employee Stock Option Schemes and MFL Employee Stock Appreciation Right Schemes during the year with an objective to reward employees for their association with the Company, their performance as well as to attract, retain and motivate employees to contribute to the growth and profitability of the Company.

(Rupees in lakhs, except for share data and unless otherwise stated)

44.1 Employee Stock Option Plan

(i) The particulars on the Stock Option Plan are as follows:

Scheme name	MFL Employee Stock Option Scheme 2018
Date of Shareholders Meeting, where approval to introduce and implement ESOP was granted	July 13, 2018
Date of Board Meeting where grant of options were approved	August 12, 2022
Date of grant	August 30, 2022
No. of employees to whom such options were granted	301
Number of options granted	8,64,566
Method of settlement	Equity
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options, performance based parameters and such other conditions as mentioned in the ESOP Scheme.
Vesting period	**For ESOP Scheme II & IV, 2018** Option will be vested at the: End of year 1 from grant date : 20% End of year 2 from grant date : 30% End of year 3 from grant date : 50% **For ESOP Scheme V, 2018** Option will be vested at the: End of year 1 from grant date : 33.33% End of year 2 from grant date : 33.33% End of year 3 from grant date : 33.33%
Exercise Price (Amount in INR as per MFL ESOP Scheme 2018)	100.00
Exercise period	The options can be exercised over a period of 10 years from the date of grant.
Pricing Formula	As per valuation from a registered valuer

(ii) Movement during the year in Options:

Particulars	MFL ESOP 2018
No. of Options :	
Outstanding at the beginning of the year	-
Granted during the year	8,64,566
Vested during the year	-
Exercised during the year	-
Lapsed during the year	-
Cancelled during the year*	76,647
Outstanding at the end of year	7,87,919
Unvested at the end of year	7,87,919
Exercisable at the end of year	-

** Due to employee separations post grant of option during the year*

(Rupees in lakhs, except for share data and unless otherwise stated)

(iii) The fair value of the options was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	MFL ESOP 2018
Weighted average option fair value (Amount in INR)	141
Exercise price (Amount in INR)	100.00
Expected volatility of share price (%) *	42.06% - 43.20%
Option Life (years)	5.51 to 6.51 years
Expected dividends yield (%)	-
Risk free interest rate (%)	7.07% to 7.12%

**The expected volatility was determined based on historical volatility data of comparable peers whose are shares are listed*

44.2 Employee Stock Appreciation Plan

(i) The particulars on the Stock Appreciation Plan are as follows:

Scheme name	MFL Employee SAR Scheme 2018
Date of Shareholders Meeting, where approval to introduce and implement SAR was granted	July 13, 2018
Date of Board Meeting where grant of SAR were approved	August 12, 2022
Date of grant	August 30, 2022
No. of employees to whom such SAR were granted	2,315
Number of SAR granted	12,42,793
Method of settlement	Cash
Vesting conditions	The actual vesting of SAR will depend on continuation to hold the services being provided to the Company at the time of exercise, performance based parameters and such other conditions as mentioned in the SAR Scheme.
Vesting period	**For SAR Scheme Scheme II & III, 2018** SAR will be vested at the: End of year 1 from grant date : 20% End of year 2 from grant date : 30% End of year 3 from grant date : 50%
Exercise Price (Amount in INR as per MFL SAR Scheme 2018)	225.00
Pricing Formula	As per valuation from a registered valuer

(ii) Movement during the year in SAR Options:

Particulars	MFL SAR 2018
No. of SAR:	
Outstanding at the beginning of the year	-
Granted during the year	12,42,793
Vested during the year	-
Exercised during the year	-
Lapsed during the year	-
Cancelled during the year*	79,201
Outstanding at the end of year	11,63,592
Unvested at the end of year	11,63,592
Exercisable at the end of year	-

** Due to employee separations post grant of option during the year*

(Rupees in lakhs, except for share data and unless otherwise stated)

(iii) The fair value of the options was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	MFL SAR 2018
Weighted average option fair value (Amount in INR)	74.18
Exercise price (Amount in INR)	225.00
Expected volatility of share price (%)*	26.97% - 34.30%
Option Life (years)	0.46 to 2.46 years
Expected dividends yield (%)	-
Risk free interest rate (%)	6.79% to 7.10%

**The expected volatility was determined based on historical volatility data of comparable peers whose are shares are listed*

45 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).

(Rupees in lakhs, except for share data and unless otherwise stated)

(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 March 31, 2023, no portion of such allotted proceeds remain unutilized.

(iv) Others:

Particulars	At 31st March, 2023	At 31st March, 2022
Loans & advances in the nature of loans to subsidiaries	Nil	Nil
Loans & advances in the nature of loans to associates	Nil	Nil
Loans & advances in the nature of loans where there is-		
(i) no repayment schedule or repayment beyond seven years	Nil	Nil
(ii) no interest or interest below section 186 of the Companies Act	Nil	Nil
Loans & advances in the nature of loans to other firms/companies in which directors are interested	-	-

46 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.

47 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). However, the Company has acquired 1,19,18,814 equity shares of Muthoot Microfin Limited from its shareholders during the year ended March 31, 2023. (Previous Year: Nil)

48 Additional disclosures as per Schedule III of Companies Act, 2013

(i) The Group does not have any immovable property whose title deeds are not held in the name of the respective Company.

(ii) The fair value of investment property measured for disclosure purposes in the financial statements is based on the valuation by an independent registered valuer.

(iii) The Group has not revalued its Property, Plant and Equipment or Right of Use Assets during the current or previous year.

(iv) The Group has not revalued Intangible Assets during the current or previous year.

(v) The Group has not given any loans or advances in the nature of loans that are a) repayable on demand or b) without specifying any terms or period of repayment; to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person during the current or previous year.

(vi) The Group does not have any Capital Work in Progress as at the end of the current or previous year.

(vii) The ageing schedule of Intangible Assets under development as at March 31, 2023 is as below (March 31, 2022: Nil):

Amount in CWIP for a period of	Projects in progress	Projects temporarily suspended
Less than 1 year	880.25	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total	**880.25**	**-**

(Rupees in lakhs, except for share data and unless otherwise stated)

(viii) The Group does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and no proceedings have been initiated or is pending against the group for the same.

(ix) The quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

(x) The Group has not made any default in repayment of its financial obligations and is not declared wilful defaulter by any bank or financial Institution or other lender.

(xi) The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(xii) There are no charges or satisfaction to be registered with ROC beyond the statutory period.

(xiii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(xiv) The Group has not entered into any Scheme of Arrangements which requires the approval of the Competent Authority in terms of sections 230 to 237 of the Companies Act,2013 for the financial years ended March 31, 2023 and March 31, 2022.

(xv) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(xvi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xvii) The Group does not have any transaction which is not recorded in the books of account but has been surrendered or disclosed as income during the year in tax assessments under the Income tax Act, 1961.

(xviii) The Group has not traded or invested in Crypto currency or Virtual Currency during the current or previous financial year.

49 The previous year figures have been reclassified and regrouped wherever required.

(Rupees in lakhs, except for 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 2023		Share in profit or loss for the year ended 31st March 2023		Share in other comprehensive income for the year ended 31st March 2023	
	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	91.45%	3,89,303.45	71.13%	45,981.08	(7.58%)	(271.03)
Subsidiaries						
Indian						
1. Muthoot Microfin Limited	27.08%	1,15,283.83	17.23%	11,140.17	74.91%	2,679.32
2. Muthoot Housing Finance Company Limited	4.99%	21,239.30	3.23%	2,087.70	(0.79%)	(28.27)
3. Muthoot Pappachan Technologies Limited	0.00%	16.90	0.04%	23.24	(0.01%)	(0.31)
Non-controlling interests in all subsidiaries						
Indian subsidiaries	12.30%	52,360.77	8.92%	5,764.90	35.10%	1,255.39
Other Adjustment / Consol adjustment	(35.82%)	(1,52,485.89)	(0.55%)	(354.76)	(1.63%)	(58.25)
Total		**4,25,718.36**		**64,642.33**		**3,576.86**

Jab zindagi badalni ho

MUTHOOT FINCORP LIMITED

CIN: U65929KL1997PLC011518

Registered Office: Muthoot Centre, TC No. 27/3022, Punnen Road, Trivandrum, Kerala - 695 001.

Tel: +91 471- 2331427, 4911400, Fax: +91 471 2331560, Email: cs@muthoot.com, Website: www.muthootfincorp.com

ATTENDANCE SLIP

26th Annual General Meeting (AGM) on September 29, 2023

Regd. DP ID/Client ID No: ....

Full Name of the Shareholder in Block Letters: ....

No. of Shares held: ....

Name of Proxy (if any) in Block Letters: ....

I certify that I am a registered Shareholder/Proxy for the Registered Shareholder of the Company.

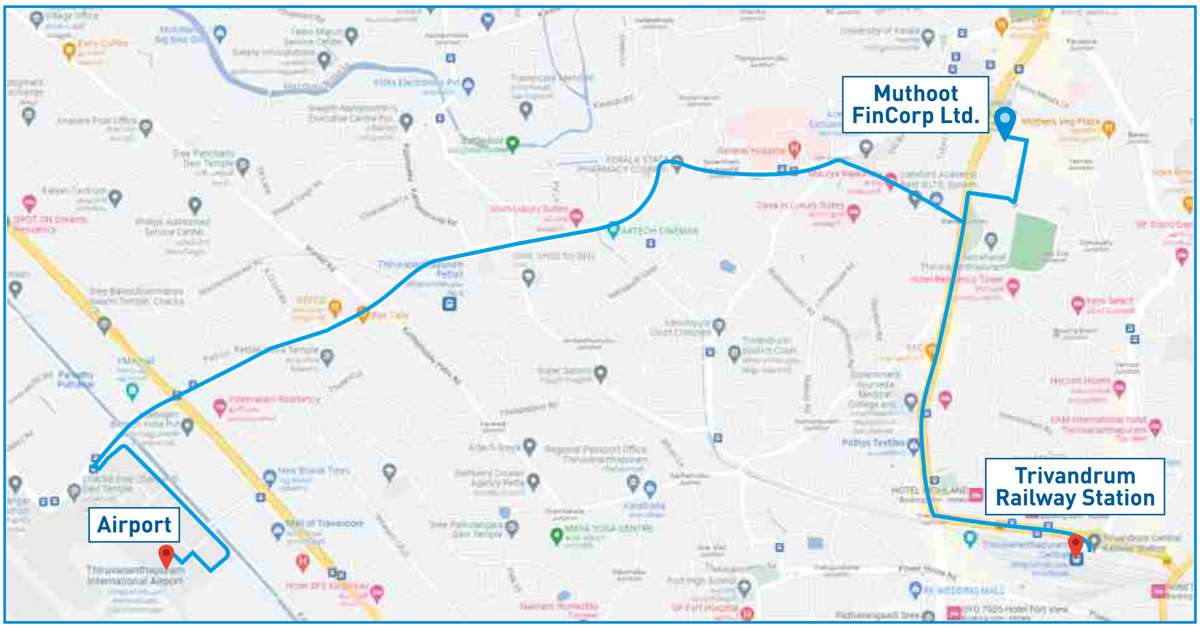
I hereby record my presence at the 26th Annual General Meeting of the Company, to be held on Friday the 29th day of September 2023 at the Registered Office of the Company at Muthoot Centre, TC No. 27/ 3022, Punnen Road, Trivandrum, Kerala - 695 001, at 10.30 A.M.

....

Signature of the Shareholder/Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

ROUTE MAP TO THE VENUE



Jab zindagi badalni ho

MUTHOOT FINCORP LIMITED

CIN: U65929KL1997PLC011518

Registered Office: Muthoot Centre, TC No. 27/3022, Punnen Road, Trivandrum, Kerala - 695 001.
Tel: +91 471- 2331427, 4911400, Fax: +91 471 2331560, Email: cs@muthoot.com, Website: www.muthootfincorp.com

PROXY FORM

(Form MGT-11)

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Venue of the meeting	:	Muthoot Fincorp Limited, Muthoot Centre, TC No. 27/3022 Punnen Road, Trivandrum, Kerala - 695 001
Date & Time	:	29th September 2023 at 10.30 A.M.
Name of the Member(s)	:	
Registered Address	:	
E-mail ID	:	
Regd. DP ID/Client ID No.	:	

I/We, being the Member(s) of .... equity shares of Rs.10 each of above-named Company, hereby appoint:

1. Name: ....

   E-mail Id: ....

   Address:...................................

   Signature: ....

   or failing him/her

2. Name: ....

   E-mail Id: ....

   Address:...................................

   Signature: ....

   or failing him/her

3. Name: ....

   E-mail Id: ....

   Address:...................................

   Signature: ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Friday the 29th day of September 2023, at 10.30 A.M. at the Registered Office of the Company at Muthoot Centre, TC No. 27/3022, Punnen Road, Trivandrum, Kerala - 695 001 and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

Resolution Numbers	Particulars of Business	For	Against
	Ordinary Business		
1.	To adopt the audited financial statements of the Company for the financial year ended March 31, 2023, together with the reports of the Board of Directors and the auditors thereon.		
2.	To confirm the interim dividend		
3.	To appoint Mrs. Preethi John Muthoot as a director, liable to retire by rotation		
	Special Business		
4.	To approve the adoption of new set of Articles of Association of Company		

Signature of Shareholder.. Signature of Proxy holder(s). ....

Signed this .... day of 2023

AFFIX
Revenue
Stamp of
Re. 1

....

Signature of Shareholder Signature of proxy holder (s)

Note:

1. *This form of proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.*
2. *It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'for' or 'against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate*

#MuthootBlue

Muthoot FinCorp has **3,619** Branches spread across **24** States/Union Territories as detailed below and serving about **1,25,000+** customers a day on an average.