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PROSPECTUS
Dated: December 21, 2023
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

MUTHOOT MICROFIN LIMITED

CORPORATE IDENTITY NUMBER: U65190MH1992PLC066228

REGISTERED OFFICE	ADMINISTRATIVE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra, India	5th Floor, Muthoot Towers, M.G. Road, Ernakulam 682 035, Kerala, India	Neethu Ajay, *Company Secretary and Chief Compliance Officer*	**Email:** info@muthootmicrofin.com **Telephone:** +91 48 4427 7500	www.muthootmicrofin.com

THE PROMOTERS OF OUR COMPANY: THOMAS JOHN MUTHOOT, THOMAS MUTHOOT, THOMAS GEORGE MUTHOOT, PREETHI JOHN MUTHOOT, REMMY THOMAS, NINA GEORGE AND MUTHOOT FINCORP LIMITED

DETAILS OF THE OFFER TO THE PUBLIC

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIB, RIB, NIB AND ELIGIBLE EMPLOYEES
Fresh Issue and Offer for Sale	26,134,205*^ Equity Shares of face value of ₹10 each aggregating to ₹7,600.00* million	6,872,849*^ Equity Shares of face value of ₹10 each aggregating to ₹2,000.00* million	33,007,054*^ Equity Shares of face value of ₹10 each aggregating to ₹9,600.00* million	The Offer was made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**") as our Company fulfils the requirements under Regulation 6(1) of the SEBI ICDR Regulations. For further details, see *"Other Regulatory and Statutory Disclosures – Eligibility for the Offer"* on page 447. For details in relation to the share reservation among QIBs, RIBs, NIBs and Eligible Employees, see "*Offer Structure*" on page 467.

^This includes 361,010 Equity Shares aggregating to ₹100.00* million issued at a discount of ₹14 per Equity Share to Eligible Employees applied in the Employee Reservation Portion*
**Subject to finalisation of the Basis of Allotment*

DETAILS OF THE OFFER FOR SALE

NAME OF THE SELLING SHAREHOLDERS	TYPE	NUMBER OF EQUITY SHARES OFFERED / AMOUNT	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE^ (IN ₹)#^
Thomas John Muthoot	Promoter Selling Shareholder	562,302* Equity Shares of face value of ₹10 each aggregating to ₹163.63 million*	90.91
Thomas Muthoot	Promoter Selling Shareholder	563,024* Equity Shares of face value of ₹10 each aggregating to ₹163.84 million*	90.74
Thomas George Muthoot	Promoter Selling Shareholder	562,233* Equity Shares of face value of ₹10 each aggregating to ₹163.61 million*	90.93
Preethi John Muthoot	Promoter Selling Shareholder	1,159,415* Equity Shares of face value of ₹10 each aggregating to ₹337.39 million*	150.00
Remmy Thomas	Promoter Selling Shareholder	1,147,319* Equity Shares of face value of ₹10 each aggregating to ₹333.87 million*	150.00
Nina George	Promoter Selling Shareholder	1,160,343* Equity Shares of face value of ₹10 each aggregating to ₹337.66 million*	150.00
Greater Pacific Capital WIV Ltd	Investor Selling Shareholder	1,718,213* Equity Shares of face value of ₹10 each aggregating to ₹500.00 million*	165.40

**Subject to finalisation of the Basis of Allotment*
#Calculated on a fully diluted basis.
^As certified by Rangamani & Co., Chartered Accountants, by way of their certificate dated December 21, 2023.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Offer Price as determined by our Company, acting through its IPO Committee in consultation with the Book Running Lead Managers ("**BRLMs**"), in accordance with the SEBI ICDR Regulations, and on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in *"Basis for Offer Price"* on page 109 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders were required to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders were required to rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer were neither recommended, nor approved by the Securities and Exchange Board of India ("**SEBI**"), nor did SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors was invited to "*Risk Factors*" on page 31.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only the statements made by it in this Prospectus to the extent of information specifically pertaining to itself and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus and this Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**" together with BSE, the "**Stock Exchanges**"). For the purposes of the Offer, BSE is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

NAMES AND LOGOS OF THE BRLMS		CONTACT PERSON	TELEPHONE AND E-MAIL
	ICICI Securities Limited	Sumit Singh	**Tel**: +91 22 6807 7100 **E-mail:** mmflipo@icicisecurities.com
	Axis Capital Limited	Harish Patel	**Tel**: +91 22 4325 2183 **E-mail:** mmfl.ipo@axiscap.in
	JM Financial Limited	Prachee Dhuri	**Tel**: +91 22 6630 3030 **E-mail:** muthootmicrofin.ipo@jmfl.com
	SBI Capital Markets Limited	Aditya Deshpande	**Tel**: +91 22 4006 9807 **E-mail:** mml.ipo@sbicaps.com

REGISTRAR TO THE OFFER

NAME OF THE REGISTRAR	CONTACT PERSON	E-MAIL AND TELEPHONE
KFin Technologies Limited	M. Murali Krishna	**Tel**: +91 40 6716 2222 **E-mail:** muthoot.ipo@kfintech.com

BID/ OFFER PERIOD

ANCHOR OFFER PORTION OPENED/ CLOSED ON	**FRIDAY, DECEMBER 15, 2023**
BID/OFFER OPENED ON	**MONDAY, DECEMBER 18, 2023**
BID/OFFER CLOSED ON	**WEDNESDAY, DECEMBER 20, 2023**

PROSPECTUS
Dated: December 21, 2023
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

MUTHOOT MICROFIN LIMITED

Our Company was incorporated as 'Panchratna Stock and Investment Consultancy Services Private Limited' on April 6, 1992 at Mumbai, Maharashtra, India as a private limited company under the Companies Act, 1956. Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders on April 30, 1994 and consequently, the name of our Company was changed to 'Panchratna Stock and Investment Consultancy Services Limited'. A fresh certificate of change of name, consequent upon conversion to a public limited company was issued by the Registrar of Companies, Maharashtra at Mumbai ("**RoC**") on June 9, 1994. Thereafter, the name of our Company was changed to 'Panchratna Securities Limited', in order to align with the object clause and activity being carried on by our Company, pursuant to a resolution passed by the Shareholders on June 11, 1994. A fresh certificate of incorporation, consequent to the change of name was granted to our Company by the RoC on June 22, 1994. The Reserve Bank of India ("**RBI**") granted a certificate of registration dated March 18, 1998 bearing no. 13.00365 to our Company, under its erstwhile name 'Panchratna Securities Limited' for registration as an NBFC under Section 45-IA of the Reserve Bank of India Act, 1934. Subsequently, the name of our Company was changed to 'Muthoot Microfin Limited', in order to reflect the group's identity of the shareholders i.e., the Muthoot Pappachan Group and the operations of our Company, pursuant to a resolution passed by the Shareholders on October 29, 2012. A fresh certificate of incorporation, consequent to the change of name was granted to our Company by the RoC on November 6, 2012. Pursuant to a change in the objects clause of our Company, which was approved by way of special resolution dated January 21, 2013, our Company was granted a certificate of registration of the special resolution confirming alteration of object clause dated February 12, 2013. Subsequently, the RBI granted a revised certificate of registration dated March 18, 1998, reflecting the change of our Company's name to Muthoot Microfin Limited, with effect from March 25, 2015. The RBI has granted NBFC-Microfinance Institution ("**NBFC-MFI**") status to our Company with effect from March 25, 2015, pursuant to an endorsement on our certificate of registration dated March 18, 1998. For further details in relation to the changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 221.

Registered Office: 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra, India; **Administrative Office:** 5th Floor, Muthoot Towers, M.G. Road, Ernakulam 682 035, Kerala, India;
Tel: +91 48 4427 7500
Website: www.muthootmicrofin.com; **Contact person**: Neethu Ajay, Company Secretary and Chief Compliance Officer; **E-mail**: info@muthootmicrofin.com
Corporate Identity Number: U65190MH1992PLC066228

THE PROMOTERS OF OUR COMPANY: THOMAS JOHN MUTHOOT, THOMAS MUTHOOT, THOMAS GEORGE MUTHOOT, PREETHI JOHN MUTHOOT, REMMY THOMAS, NINA GEORGE AND MUTHOOT FINCORP LIMITED

INITIAL PUBLIC OFFER OF 33,007,054* EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF MUTHOOT MICROFIN LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹291^ PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹281 PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING TO ₹9,600.00 MILLION* COMPRISING A FRESH ISSUE OF 26,134,205* EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING TO ₹7,600.00 MILLION* BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF 6,872,849* EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING TO ₹2,000.00 MILLION* ("OFFERED SHARES") BY THE SELLING SHAREHOLDERS, CONSISTING 562,302* EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING TO ₹163.63 MILLION* BY THOMAS JOHN MUTHOOT, 563,024* EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING TO ₹163.84 MILLION* BY THOMAS MUTHOOT, 562,233* EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING TO ₹163.61 MILLION* BY THOMAS GEORGE MUTHOOT, 1,159,415* EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING TO ₹337.39 MILLION* BY PREETHI JOHN MUTHOOT, 1,147,319* EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING TO ₹333.87 MILLION* BY REMMY THOMAS AND 1,160,343* EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING TO ₹337.66 MILLION* BY NINA GEORGE (COLLECTIVELY, THE "PROMOTER SELLING SHAREHOLDERS") AND 1,718,213* EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING TO ₹500.00 MILLION* BY GREATER PACIFIC CAPITAL WIV LTD (THE "INVESTOR SELLING SHAREHOLDER" AND COLLECTIVELY WITH THE PROMOTER SELLING SHAREHOLDERS REFERRED TO AS THE "SELLING SHAREHOLDERS") AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS ("OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER")

THE OFFER INCLUDED A RESERVATION OF 361,010* EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AGGREGATING TO ₹100.00^^ MILLION (CONSTITUTING 0.21% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). OUR COMPANY, ACTING THROUGH ITS IPO COMMITTEE IN CONSULTATION WITH THE BRLMS, IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS, HAS OFFERED A DISCOUNT OF 4.81% OF THE OFFER PRICE (EQUIVALENT OF ₹14 PER EQUITY SHARE) TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER CONSTITUTE 19.36% AND 19.15%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹10 EACH. THE OFFER PRICE IS 29.10 TIMES THE FACE VALUE OF THE EQUITY SHARES.

^A DISCOUNT OF ₹ 14 PER EQUITY SHARE WAS OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION
****SUBJECT TO FINALISATION OF THE BASIS OF ALLOTMENT***
^^AFTER EMPLOYEE DISCOUNT

This Offer has been made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. The Offer was made through the Book Building Process and is in compliance with Regulation 6(1) of the SEBI ICDR Regulations wherein in terms of Regulation 32(1) of the SEBI ICDR Regulations, not more than 50% of the Net Offer was made available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**") provided that our Company, acting through its IPO Committee in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), of which at least one-third was made available for allocation to domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion was made available for allocation on a proportionate basis only to Mutual Funds and the remainder of the Net QIB Portion was made available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors) including Mutual Funds, subject to valid Bids having been received at or above the Offer Price.. Further, not less than 15% of the Net Offer was made available for allocation to Non-Institutional Bidders out of which (a) one-third of such portion was reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-third of such portion was reserved for applicants with application size of more than ₹1,000,000. Further, Equity Shares were allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids having been received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) were required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank accounts (including UPI ID for UPI Bidders using UPI Mechanism) (*as defined hereinafter*) in which the Bid amount were blocked by the SCSBs or the Sponsor Banks, as applicable, to participate in the Offer. Anchor Investors were not permitted to participate in the Anchor Investor Portion of the Offer through the ASBA process. For details, see "*Offer Procedure*" on page 471.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each. The Offer Price as determined by our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, and on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in "*Basis for Offer Price*" on page 109 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders were required to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders were required to rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer was neither recommended, nor approved by SEBI, nor did SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the Bidders was invited to "*Risk Factors*" on page 31.

COMPANY'S AND THE SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only the statements made by it in this Prospectus to the extent of information specifically pertaining to itself and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares that have been offered through the Red Herring Prospectus and this Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated September 27, 2023 and September 28, 2023, respectively. For the purposes of the Offer, the Designated Stock Exchange is BSE. A signed copy of the Red Herring Prospectus was filed with the RoC and a signed copy of this Prospectus has been delivered to the RoC for filing in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents that were made available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 495.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
ICICI Securities Limited ICICI Venture House Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Maharashtra, India **Tel**: +91 22 6807 7100 **E-mail**: mmflipo@icicisecurities.com **Investor grievance e-mail**: customercare@icicisecurities.com **Website**: www.icicisecurities.com **Contact Person**: Sumit Singh **SEBI Registration No.**: INM000011179	**Axis Capital Limited** 1st Floor, C-2, Axis House Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India **Tel**: +91 22 4325 2183 **E-mail**: mmfl.ipo@axiscap.in **Investor grievance e-mail**: complaints@axiscap.in **Website**: www.axiscapital.co.in **Contact Person**: Harish Patel **SEBI Registration No.**: INM000012029	**JM Financial Limited** 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel**: +91 22 6630 3030 **E-mail**: muthootmicrofin.ipo@jmfl.com **Investor grievance e-mail**: grievance.ibd@jmfl.com **Website**: www.jmfl.com **Contact Person**: Prachee Dhuri **SEBI Registration No.**: INM000010361	**SBI Capital Markets Limited** 1501, 15th Floor, Parinee Crescenzo G Block, Bandra Kurla Complex Bandra (East), Mumbai 400051 Maharashtra, India **Tel**: +91 22 4006 9807 **E-mail**: mml.ipo@sbicaps.com **Investor grievance e-mail**: investor.relations@sbicaps.com **Website**: www.sbicaps.com **Contact Person**: Aditya Deshpande **SEBI Registration No.**: INM000003531	**KFin Technologies Limited** Selenium, Tower B, Plot No. 31 and 32, Gachibowli, Financial District Nanakramguda, Serilingampally Hyderabad 500 032 Telangana, India **Tel**: +91 40 6716 2222 **E-mail**: muthoot.ipo@kfintech.com **Investor grievance e-mail**: einward.ris@kfintech.com **Website**: www.kfintech.com **Contact Person**: M. Murali Krishna **SEBI Registration No.**: INR000000221

BID/ OFFER PERIOD	
BID/ OFFER OPENED ON	**MONDAY, DECEMBER 18, 2023(1)**
BID/ OFFER CLOSED ON	**WEDNESDAY, DECEMBER 20, 2023**

(1) The Anchor Investor Bid/ Offer Period was one Working Day prior to the Bid/ Offer Opening Date.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislations, acts, regulations, rules, guidelines, circulars, notifications, clarifications, directions, or policies shall be to such legislations, acts, regulations, rules, guidelines, circulars, notifications, clarifications, directions, or policies as amended, updated, supplemented, re-enacted or modified, from time to time, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.

The words and expressions used in this Prospectus, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the SEBI Act, the SEBI Listing Regulations, the Companies Act, the SCRA, the SCRR, the Depositories Act and the rules and regulations notified thereunder, as applicable. Further, the Offer related terms used but not defined in this Prospectus shall have the meaning ascribed to such terms under the General Information Document (as defined hereinafter). In case of any inconsistency between the definitions used in this Prospectus and the definitions included in the General Information Document, the definitions used in this Prospectus shall prevail.

Notwithstanding the foregoing, the terms not defined herein but used in "Basis for Offer Price", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies", "History and Certain Corporate Matters", "Restated Financial Statements", "Financial Indebtedness", "Outstanding Litigation and Material Developments", "Other Regulatory and Statutory Disclosures", "Offer Procedure" and "Description of Equity Shares and Terms of Articles of Association" on pages 109, 127, 133, 208, 221, 278, 418, 426, 446, 471 and 491, respectively, shall have the meanings ascribed to such terms in the relevant sections.

General Terms

Term	Description
"our Company" or "the Company"	Muthoot Microfin Limited, a public limited company incorporated under the Companies Act, 1956 with its Registered Office at 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai, 400 051, Maharashtra, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company

Company Related Terms

Term	Description
Administrative Office	5th Floor, Muthoot Towers, M.G. Road, Ernakulam 682 035, Kerala, India
"Articles of Association" or "AoA" or "Articles"	Articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in "*Our Management – Committees of our Board – Audit Committee*" on page 235
"Board" or "Board of Directors"	The board of directors of our Company or a duly constituted committee thereof where applicable or implied by context
CCPS	Compulsorily convertible preference shares of our Company of face value ₹10 each
"Chief Executive Officer" or "CEO"	Chief executive officer of our Company, namely, Sadaf Sayeed
"Chief Financial Officer" or "CFO"	Chief financial officer of our Company, namely, Praveen T.
Committee(s)	Duly constituted committee(s) of our Board
Company Secretary and Chief Compliance Officer	Company Secretary and Chief Compliance Officer of our Company, namely, Neethu Ajay
Corporate Promoter	The corporate promoter of our Company, namely, Muthoot Fincorp Limited
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and as described in "*Our Management – Committees of the Board – Corporate Social Responsibility Committee*" on page 239
Creation	Creation Investments India LLC

Term	Description
Directors	Directors on our Board
Equity Shares	Equity shares of face value of ₹10 each of our Company
ESOP 2016	Muthoot Microfin Employee Stock Option Plan 2016
ESOP 2022	Muthoot Microfin Limited Employee Stock Option Plan 2022
ESOP Schemes	Collectively, ESOP 2016 and ESOP 2022
ESOP Trust	MML Employee Welfare Trust
Executive Director(s)	Executive director(s) of our Company
GPC	Greater Pacific Capital WIV Ltd
GPC CCPS	23,360,260 CCPS held by Greater Pacific Capital WIV Ltd which were outstanding, as on the date of the Draft Red Herring Prospectus, that were converted to 27,520,722 Equity Shares as on the date of the Red Herring Prospectus. For details, see "*Capital Structure*" on page 83
Group Companies	The group companies of our Company in accordance with the SEBI ICDR Regulations, namely M-Liga Sports Excellence Private Limited; Muthoot Exim Private Limited; Muthoot Pappachan Technologies Limited; and The Thinking Machine Media Private Limited, as described in "*Our Group Companies*" on page 443
Independent Director(s)	The independent director(s) of our Company, appointed as per the Companies Act, 2013 and the SEBI Listing Regulations, as described in "*Our Management*" on page 228
Individual Promoters	The individual promoters of our Company, namely, Thomas John Muthoot, Thomas Muthoot, Thomas George Muthoot, Preethi John Muthoot, Remmy Thomas and Nina George
IPO Committee	The IPO committee of our Board, as described in "*Our Management – Committees of the Board - IPO Committee*" on page 239
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, as described in "*Our Management - Key Managerial Personnel*" on page 243
"Managing Director" or "MD"	Managing Director of our Company, namely, Thomas Muthoot
"Memorandum of Association" or "MoA"	The memorandum of association of our Company, as amended from time to time
MFL	Muthoot Fincorp Limited
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in "*Our Management – Committees of the Board - Nomination and Remuneration Committee*" on page 237
Non-Executive Director(s)	Non-executive directors on our Board, as described in "*Our Management*" on page 228
Principal License Agreement	Agreement dated February 14, 2017 entered into between our Company, Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot
Promoters	The Individual Promoters of our Company, namely, Thomas John Muthoot, Thomas Muthoot, Thomas George Muthoot, Preethi John Muthoot, Remmy Thomas and Nina George and the Corporate Promoter of our Company, namely, Muthoot Fincorp Limited
Promoter Group	Individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" on page 246
Registered Office	13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra, India
"Registrar of Companies" or "RoC"	The Registrar of Companies, Maharashtra at Mumbai
Restated Financial Statements	The restated financial information of our Company, comprising of the restated balance sheet as at September 30, 2023 and September 30, 2022 and as at March 31, 2023, March 31, 2022 and March 31,

Term	Description
	2021, and the restated statement of profit and loss (including other comprehensive income), and restated statement of cash flows and restated statement of changes in equity for the six months ended September 30, 2023 and September 30, 2022 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, together with its notes, annexures and schedules are derived from our audited financial statements for the six months ended September 30, 2023 and September 30, 2022 and as at for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with Ind AS, and restated in accordance with requirements of Section 26 of Part I of Chapter III of Companies Act, SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI, as amended
Risk Management Committee	The risk management committee of our Board constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in "*Our Management – Committees of the Board – Risk Management Committee*" on page 238
"Senior Management Personnel" or "SMP"	Senior Management Personnel of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as described in "*Our Management – Senior Management Personnel*" on page 243
"SHA" or "Shareholders' Agreement"	The amended and restated shareholders' agreement dated November 2, 2021 entered into between and amongst our Company, Muthoot Fincorp Limited, Thomas Muthoot, Thomas George Muthoot, Thomas John Muthoot, Nina George, Preethi John Muthoot, Remmy Thomas, Creation Investments India LLC and Greater Pacific Capital WIV Ltd, as amended by the first amendment agreement dated June 26, 2023 and the second amendment agreement dated November 29, 2023
Shareholder(s)	The shareholder(s) of our Company from time to time
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in "*Our Management – Committees of the Board - Stakeholders' Relationship Committee*" on page 238
"Statutory Auditors" or "Auditors"	The current statutory auditors of our Company, namely, Sharp & Tannan Associates, Chartered Accountants
Tier I Capital	Tier I capital include (i) paid-up capital (ordinary shares), statutory reserves, and other disclosed free reserves, if any; (ii) perpetual non-cumulative preference shares eligible for inclusion as Tier I capital, subject to laws in force from time to time; (iii) innovative perpetual debt instruments eligible for inclusion as Tier I capital; and (iv) capital reserves representing surplus arising out of sale proceeds of assets, as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances, including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10.00% of the owned fund as defined in the Master Circular on Prudential Norms on Capital Adequacy, Basel I Framework dated July 1, 2015 issued by the RBI
Tier II Capital	Tier II capital include undisclosed reserves, revaluation reserves, general provisions and loss reserves, hybrid capital instruments, subordinated debt and investment reserve account to the extent the aggregate does not exceed Tier I Capital

Offer Related Terms

Term	Description
Abridged Prospectus	The memorandum containing such salient features of a prospectus as may be specified by SEBI in this regard
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
"Allot" or "Allotment" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor(s)	A Qualified Institutional Buyer, who applied under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus who had Bid for an amount of at least ₹100 million

Term	Description
Anchor Investor Allocation Price	₹291 per Equity Share being the price at which Equity Shares were allocated to the Anchor Investors in terms of the Red Herring Prospectus and this Prospectus, which was decided by our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations
Anchor Investor Application Form	Application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which was considered as an application for Allotment in terms of the requirements specified under the SEBI ICDR Regulations and the Red Herring Prospectus and this Prospectus
Anchor Investor Bid/ Offer Period	One Working Day prior to the Bid/ Offer Opening Date i.e., Friday, December 15, 2023 on which Bids by Anchor Investors were submitted, prior to and after which the Book Running Lead Managers did not accept any Bids from Anchor Investors, and allocation to Anchor Investors was completed
Anchor Investor Offer Price	₹291 per Equity Share being the final price at which Equity Shares were Allotted to Anchor Investors in terms of the Red Herring Prospectus and this Prospectus. The Anchor Investor Offer Price was decided by our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/ Offer Period
Anchor Investor Portion	60% of the QIB Portion, constituting 9,793,812* Equity Shares which has been allocated by our Company, acting through its IPO Committee in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations **Subject to finalisation of the Basis of Allotment*
"Application Supported by Blocked Amount" or "ASBA"	Application, whether physical or electronic, used by ASBA Bidders to make a Bid and to authorise an SCSB to block the Bid Amount in the relevant ASBA Account and which included applications made by UPI Bidders where the Bid Amount was blocked by the SCSB upon acceptance of the UPI Mandate Request by UPI Bidders
ASBA Account	Bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and included the account of an UPI Bidders which was blocked upon acceptance of a UPI Mandate Request in relation to a Bid made by the UPI Bidders
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which was considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Axis Capital	Axis Capital Limited
Bankers to the Offer	Collectively, Escrow Collection Bank(s), Public Offer Account Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Procedure*" on page 471
Bid(s)	Indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto in accordance with the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	In relation to each Bid, the highest value of Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity

Term	Description
	Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid. Eligible Employees who applied in the Employee Reservation Portion could apply at the Cut Off Price and the Bid amount was Cap Price (net of the Employee Discount), multiplied by the number of Equity Shares Bid for such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee did not exceed ₹500,000 (net of the Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion did not exceed ₹200,000. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of the Employee Discount)
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	51 Equity Shares of face value of ₹10 each and in multiples of 51 Equity Shares of face value of ₹10 each thereafter
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries were required not to accept any Bids, being Wednesday, December 20, 2023, which was notified in all editions of The Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and all editions of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries started accepting Bids, being Monday, December 18, 2023, which was notified in all editions of The Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and all editions of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders submitted their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus, being Monday December 18, 2023 and Wednesday December 20, 2023.
"Bidder" or "Applicant"	An investor who made a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries have accepted the Bid cum Application Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer was made
"Book Running Lead Managers" or "BRLMs"	Book running lead managers to the Offer, namely, ICICI Securities Limited, Axis Capital Limited, JM Financial Limited and SBI Capital Markets Limited
Broker Centres	Centres notified by the Stock Exchanges where ASBA Bidders could submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"CAN" or "Confirmation of Allocation Note"	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who had been allocated the Equity Shares, on or after the Anchor Investor Bid/ Offer Period
Cap Price	Higher end of the Price Band being ₹291 per Equity Share

Term	Description
Cash Escrow and Sponsor Bank Agreement	The cash escrow and sponsor banks agreement dated December 11, 2023 entered into amongst our Company, the Selling Shareholders, the BRLMs, the Bankers to the Offer, the Syndicate Member(s) and Registrar to the Offer for, inter alia, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refund of the amounts collected from the Anchor Investors, on the terms and conditions thereof, in accordance with the UPI Circulars
Client ID	Client identification number maintained with one of the Depositories in relation to dematerialised account
“Collecting Depository Participant” or “CDP”	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who was eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and other applicable circulars issued by SEBI as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
CRISIL	CRISIL Market Intelligence & Analytics, a division of CRISIL Limited
CRISIL Report	The report titled “Industry Report on Microfinance” dated November 27, 2023 prepared by CRISIL, which has been commissioned by and paid for by our Company pursuant to an engagement letter with CRISIL dated May 29, 2023, exclusively for the purposes of the Offer. The CRISIL Report was made available on the website of our Company at https://muthootmicrofin.com/wp-content/uploads/2023/11/Updated-Industry-Report_27Nov2023.pdf
Cut-off Price	Offer Price being ₹291 per Equity Share, finalised by our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations. Only RIBs Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion were entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders were not entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders including the Bidders’ address, name of the Bidders’ father/husband, investor status, occupation, bank account details, PAN and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which collected the ASBA Forms from relevant Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where relevant ASBA Bidders submitted the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders, instruction issued through the Sponsor Banks) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and this Prospectus after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to RIBs using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who were authorised to collect Bid cum Application Forms from the relevant Bidders, in relation to the Offer. In relation to ASBA Forms submitted by RIBs Bidding in the Retail Portion, Eligible Employees Bidding in the Employee Reservation Portion by authorising an SCSB to block the Bid Amount in the ASBA Account and HNIs bidding with an application size of up to ₹500,000 (not using the UPI Mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries meant SCSBs.

Term	Description
	In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount was blocked upon acceptance of UPI Mandate Request by such UPI Bidders, Designated Intermediaries meant Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs (excluding Anchor Investors) and Non-Institutional Bidders (not using the UPI mechanism), Designated Intermediaries meant Syndicate, sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders submitted the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated SCSB Branches	Such branches of the SCSBs which collected the ASBA Forms, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	BSE
"Draft Red Herring Prospectus" or "DRHP"	The draft red herring prospectus dated June 30, 2023 issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer
Eligible Employees	Permanent employees, working in India or outside India (excluding such employees who are not eligible to invest in the Offer under applicable laws), of our Company; or a Director of our Company, whether whole-time or not, as on the date of the filing of the Red Herring Prospectus with the RoC and on date of submission of the Bid cum Application Form, but not including (i) Promoters; (ii) persons belonging to the Promoter Group; (iii) Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, held more than 10% of the outstanding Equity Shares of our Company; and (iv) Independent Directors. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee could not exceed ₹500,000 (net of the Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion could not exceed ₹200,000. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion was made available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of the Employee Discount)
Eligible FPI(s)	FPI(s) that are eligible to participate in the Offer in terms of the applicable law and from such jurisdictions outside India where it was not unlawful to make an offer/invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constituted an invitation to subscribe to the Equity Shares offered thereby
Eligible NRI(s)	NRI(s) eligible to invest under Schedule 3 and Schedule 4 of the FEMA Rules, from jurisdictions outside India where it was not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constituted an invitation to subscribe to or to purchase the Equity Shares
Employee Discount	Our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, offered a discount of 4.81% to the Offer Price (equivalent of ₹14 per Equity Share) to Eligible Employee(s) Bidding in the Employee Reservation Portion
Employee Reservation Portion	The portion of the Offer being 361,010* Equity Shares of face value of ₹10 each aggregating ₹100.00 million^, available for allocation to Eligible Employees, on a proportionate basis **Subject to finalisation of Basis of Allotment* *^After Employee Discount*
Escrow Account(s)	The 'no-lien' and 'non-interest bearing' account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding ASBA Bidders) transferred money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) has been opened, in this case being ICICI Bank Limited

Term	Description
"First Bidder" or "Sole Bidder"	Bidder whose name was mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appeared as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, ₹277 per Equity Share
Fraudulent Borrower	A company or person, as the case may be, categorised as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on fraudulent borrowers issued by the RBI and as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Fresh Issue	Fresh issue of 26,134,205 *^ Equity Shares of face value of ₹10 each aggregating to ₹7,600.00 million* by our Company **Subject to finalisation of Basis of Allotment* *^This includes 361,010 Equity Shares aggregating to ₹100.00 million issued at a discount of ₹14 per Equity Share to Eligible Employees applied in the Employee Reservation Portion*
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document or GID	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, the UPI Circulars, as amended from time to time. The General Information Document was made available on the website of the Stock Exchanges, and the Book Running Lead Managers
Gross Proceeds	The gross proceeds of the Fresh Issue that will be available to our Company
I-Sec	ICICI Securities Limited
Investor Selling Shareholder	Greater Pacific Capital WIV Ltd
JMFL	JM Financial Limited
Materiality Policy	The policy adopted by our Board in its meeting dated June 26, 2023, as amended by our Board in its meeting dated November 25, 2023 for determining identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Monitoring Agency	CARE Ratings Limited, being a credit rating agency registered with SEBI
Monitoring Agency Agreement	The agreement dated December 11, 2023 to be entered into between and amongst our Company and the Monitoring Agency
Mutual Fund Portion	5% of the Net QIB Portion or 326,461 * Equity Shares of face value of ₹10 each which was made available for allocation only to Mutual Funds on a proportionate basis, subject to valid Bids having been received at or above the Offer Price **Subject to finalisation of Basis of Allotment*
Net Offer	The Offer, less the Employee Reservation Portion
Net Proceeds	The proceeds of the Fresh Issue less our Company's share of the Offer related expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see "*Objects of the Offer*" on page 104
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
"Non-Institutional Bidders" or "NIBs"	All Bidders that were not QIBs, RIBs or Eligible Employees Bidding in the Employee Reservation Portion and who had Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer comprising 4,896,907 * Equity Shares of face value of ₹10 each which were made available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids having been received at or above the Offer Price, in the following manner: (a) One-third of the portion available to Non-Institutional Bidders was reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and

Term	Description
	(b) Two-third of the portion available to Non-Institutional Bidders was reserved for applicants with an application size of more than ₹1,000,000. **Subject to finalisation of Basis of Allotment*
"Non-Resident Indians" or "NRI(s)"	A non-resident Indian as defined under the FEMA Non-debt Instruments Rules
Offer	The initial public offer of 33,007,054*^ Equity Shares of face value of ₹10 each for cash at a price of ₹291^ each (including a share premium of ₹281 per Equity Share) aggregating to ₹9,600.00 million* comprising of the Fresh Issue and the Offer for Sale, comprising of Net Offer and Employee Reservation Portion **Subject to finalisation of Basis of Allotment* *^A discount of ₹ 14 per Equity Share was offered to Eligible Employees Bidding in the Employee Reservation Portion*
Offer Agreement	The offer agreement dated June 30, 2023, as amended pursuant to the amendment agreement dated November 30, 2023 entered into amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements have been agreed upon in relation to the Offer
Offer for Sale	Offer for Sale of 6,872,849 * Equity Shares of face value of ₹10 each aggregating to ₹2,000.00 million* by the Selling Shareholders consisting 562,302 * Equity Shares of face value of ₹10 each aggregating to ₹163.63 million* by Thomas John Muthoot, 563,024 * Equity Shares of face value of ₹10 each aggregating to ₹163.84 million* by Thomas Muthoot, 562,233 * Equity Shares of face value of ₹10 each aggregating to ₹163.61 million* by Thomas George Muthoot, 1,159,415 * Equity Shares of face value of ₹10 each aggregating to ₹337.39 million* by Preethi John Muthoot, 1,147,319 * Equity Shares of face value of ₹10 each aggregating to ₹333.87 million* by Remmy Thomas, 1,160,343 * Equity Shares of face value of ₹10 each aggregating to ₹337.66 million* by Nina George and 1,718,213 * Equity Shares of face value of ₹10 each aggregating to ₹500.00 million* by Greater Pacific Capital WIV Ltd **Subject to finalisation of Basis of Allotment*
Offer Price	₹291^ per Equity Share, being the final price at which Equity Shares will be Allotted to successful ASBA Bidders (except for the Anchor Investors) in terms of the Red Herring Prospectus and this Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which was decided by our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and this Prospectus. The Offer Price was decided by our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus. A discount of (a) 4.81% on the Offer Price (equivalent of ₹14 per Equity Share) was offered to Eligible Employees Bidding in the Employee Reservation Portion. The Employee Discount was decided by our Company, acting through its IPO Committee in consultation with the BRLMs in accordance with the SEBI ICDR Regulations *^A discount of ₹ 14 per Equity Share was offered to Eligible Employees Bidding in the Employee Reservation Portion*
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" on page 104
Offered Shares	6,872,849* Equity Shares of face value of ₹10 each aggregating to ₹2,000.00 million* offered by the Selling Shareholders in the Offer for Sale **Subject to finalisation of Basis of Allotment*
Price Band	Price band of a minimum price of ₹277 per Equity Share (i.e., the Floor Price) and the maximum price of ₹291 per Equity Share (i.e., the Cap Price)
Pricing Date	The date on which our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, finalised the Offer Price, being December 20, 2023
Promoter Selling Shareholders	Collectively, Thomas John Muthoot, Thomas Muthoot, Thomas George Muthoot, Preethi John Muthoot, Remmy Thomas and Nina George

Term	Description
Prospectus	This prospectus dated December 21, 2023 filed with the RoC on the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information
Public Offer Account	The 'no-lien' and 'non-interest bearing' account to be opened with the Public Offer Account Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts maintained with the SCSBs on the Designated Date
Public Offer Account Bank(s)	A bank which is a clearing member and which is registered with SEBI as a banker to an issue and with which the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts has been opened, in this case being Axis Bank Limited
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer consisting of 16,323,021* Equity Shares of face value of ₹10 each which was made available for allocation on a proportionate basis to QIBs (including Anchor Investors in which allocation was made on a discretionary basis, as determined by our Company, acting through its IPO Committee in consultation with the BRLMs), in accordance with the SEBI ICDR Regulations, subject to valid Bids having been received at or above the Offer Price or Anchor Investor Offer Price **Subject to finalisation of Basis of Allotment*
"Qualified Institutional Buyers" or "QIBs" or "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
"Red Herring Prospectus" or "RHP"	The red herring prospectus dated December 11, 2023 issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which did not have complete particulars of the Offer Price and the size of the Offer. The Red Herring Prospectus was filed with the RoC at least three Working Days before the Bid/Offer Opening Date
Refund Account(s)	The 'no-lien' and 'non-interest bearing' account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	Banker(s) to the Offer and with whom the Refund Account has been opened, in this case being ICICI Bank Limited
Registered Brokers	The stock brokers registered under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, as amended with the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	The registrar agreement dated June 29, 2023 entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
"Registrar and Share Transfer Agents" or "RTAs"	The registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations in terms of SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI and available on the websites of NSE at www.nseindia.com and BSE at www.bseindia.com
"Registrar to the Offer" or "Registrar"	KFin Technologies Limited
"Retail Individual Bidder(s)" or "RIB(s)"	Individual Bidders, who had Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Resident Indian	A person resident in India, as defined under FEMA
Retail Portion	Portion of the Offer being not less than 35% of the Net Offer consisting of 11,426,116* Equity Shares of face value of ₹10 each which were made available for allocation to Retail Individual Bidders (subject to valid Bids having been received at or above the Offer Price) **Subject to finalisation of Basis of Allotment*
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Form(s) or any previous Revision Form(s), as applicable.

Term	Description
	QIB Bidders and Non-Institutional Bidders were not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion could revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date
SBICAP	SBI Capital Markets Limited
"Self-Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, which offered the facility (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer could be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders applied through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=4 0) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019
Selling Shareholders	Collectively, the Promoter Selling Shareholders and the Investor Selling Shareholder
Share Escrow Agent	Share escrow agent appointed pursuant to the Share Escrow Agreement, namely, KFin Technologies Limited *(formerly known as KFin Technologies Private Limited)*
Share Escrow Agreement	The share escrow agreement dated December 11, 2023 entered into amongst our Company, the Selling Shareholders, and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate accepted ASBA Forms from Bidders
Sponsor Banks	Axis Bank Limited and ICICI Bank Limited, being the Bankers to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and/or payment instructions of the UPI Bidders and carry out other responsibilities, in terms of the UPI Circulars
Sub Syndicate	The sub syndicate members appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms
Supplemental Agreement	Supplementary Agreement to the Principal License Agreement, dated December 1, 2021, entered into between our Company, Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot
"Syndicate" or "Members of the Syndicate"	Together, the BRLMs and the Syndicate Members
Syndicate Agreement	The syndicate agreement dated December 11, 2023 entered into amongst our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar, in relation to collection of Bids by the Syndicate
Syndicate Member(s)	Intermediaries (other than BRLMs) registered with SEBI who are permitted to carry out activities in relation to collection of Bids and as an underwriters, namely, JM Financial Services Limited, Investec Capital Services (India) Private Limited and SBICAP Securities Limited
Underwriters	The Book Running Lead Managers and the Syndicate Members
Underwriting Agreement	The underwriting agreement dated December 21, 2023 entered into amongst our Company, the Selling Shareholders, Registrar and the Underwriters

Term	Description
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors who applied as (i) Retail Individual Bidders Bidding in the Retail Portion, (ii) Eligible Employees Bidding in Employee Reservation Portion; and (iii) Non-Institutional Bidders with an application size of up to ₹500,000, Bidding in the Non-Institutional Portion, and Bid under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use UPI Mechanism and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/ HO/CFD/DIL2/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022, and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022, and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidders by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidders initiated by the Sponsor Banks to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by an UPI Bidders in accordance with the UPI Circulars to make an ASBA Bid in the Offer
Wilful Defaulter	A company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, as per circulars issued by SEBI

Technical, Industry Related Terms or Abbreviations

Term	Description
AML	Anti-money laundering
ALM	Asset-liability management
AUM	Asset under management
BBPS	Bharat Bill Payment Systems
CGT	Comprehensive group training
COVID-19	Coronavirus disease 2019

Term	Description
CRAR	Capital to risk weighted assets ratio
CRR	Cash reserve ratio
CSR	Corporate social responsibility
DFI	Development financial institution
DPD	Days past due
ECL	Expected credit loss
ICAAP	Internal capital adequacy assessment process
ID	Identification document
JLG	Joint liability group
MFI	Microfinance institution
MSGB Loans	Muthoot Small & Group Business loans
NBFC-MFI	Non-banking financial company – microfinance institution
NGO	Non-governmental organisation
NPA	Non-performing asset
OTP	One-time password
PAR	Portfolio at risk
PIN	Personal identification number
QR code	Quick response code
RoA	Return on assets
RoE	Return on equity
SFB	Small finance bank
SLR	Statutory liquidity ratio
SMA	Special mention account
SMS	Short message service

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
ACIT	The Assistant Commissioner of Income Tax
AIFs	Alternative Investment Funds, as defined in, and registered under the SEBI AIF Regulations
AGM	Annual general meeting
BSE	BSE Limited
Category I AIFs	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
Category II AIFs	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as “Category II Foreign Portfolio Investors” under the SEBI FPI Regulations
Category III AIFs	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CESAT	The Customs Excise and Service Tax Appellate Tribunal
CENVAT	Central Value Added Tax
CIN	Corporate identification number
Companies Act, 1956	The erstwhile Companies Act, 1956, along with the relevant rules, regulations, clarifications and modifications made thereunder
“Companies Act” or “Companies Act, 2013”	Companies Act, 2013, along with the relevant rules made thereunder
CPC	Code of Civil Procedure, 1908
CrPC	Code of Criminal Procedure, 1973
DA	Direct assignment
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion)
DP ID	Depository Participant Identification
DP/ Depository Participant	Depository participant as defined under the Depositories Act
EBITDA	Earnings before interest, taxes, depreciation, and amortisation. EBITDA is calculated as restated profit for the year plus total tax expenses, depreciation and amortisation expenses, and finance costs
ECBs	External commercial borrowings
ED	The Directorate of Enforcement, Ministry of Finance, Government of India
EGM	Extraordinary general meeting
EPS	Earnings per Equity Share
ESOP	Employee Stock Option Plan
FCNR	Foreign Currency Non-Resident
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 effective from October 15, 2020

Term	Description
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Non-debt Instruments Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FEMA Regulations	FEMA Non-debt Instruments Rules, the Foreign Exchange Management (Mode of Payment and Reporting of Non debt Instruments) Regulations, 2019 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as applicable
Financial Year/ Fiscal/ FY/ Fiscal Year	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIR	First information report
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
"GoI" or "Government" or "Central Government"	Government of India
GST	Goods and services tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
Indian GAAP/ IGAAP	Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
IPAB	Intellectual Property Appellate Board
IPC	Indian Penal Code, 1860, as amended
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
IT Act	The Information Technology Act, 2000, as amended
Income Tax Act	The Income Tax Act, 1961
KYC	Know your customer
LEI	Legal Entity Identifier
MCA	Ministry of Corporate Affairs
MCLR	Marginal Cost of Funds Based Lending Rate
Microfinance Loans Directions	Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022, dated March 14, 2022
MLD	Market-Linked Debentures
MSMEs	Micro, Small, and Medium Enterprises
Mutual Fund(s)	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N/A	Not applicable
"NAV" or "Net Asset Value"	Net asset value
NACH	National Automated Clearing House
NBFC	Non-Banking Financial Company
"NBFC-ND-SI" or "Systemically Important NBFCs"	A non-banking financial company registered with the Reserve Bank of India and recognised as systemically important non-banking financial company by the Reserve Bank of India
NCD	Non-convertible debentures
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Funds Transfer
NI Act	Negotiable Instruments Act, 1881, as amended
NPCI	National Payments Corporation of India
NRE	Non Resident External
NRI	Individual resident outside India, who is a citizen of India
NRO	Non Resident Ordinary
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs were not allowed to invest in the Offer
P/E	Price/earnings
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
PSSA	Payments and Settlement Systems Act, 2007
RBI	Reserve Bank of India

Term	Description
RBI Act	Reserve Bank of India Act, 1934
RBIA	Risk-based internal audit
Regulation S	Regulation S under the U.S. Securities Act
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI SBEB & SE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations, as amended
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TDS	Tax Deducted at Source
U.S./USA/United States	United States of America, its territories and possessions, any State of the United States, and the District of Columbia
USD/US$	United States Dollars
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references to "India" contained in this Prospectus are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references to the "U.S.", "USA" or the "United States" are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Prospectus is in IST. Unless indicated otherwise, all references to a year in this Prospectus are to a calendar year.

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

Financial Data

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Unless stated otherwise, all references in this Prospectus to the terms Fiscal or Fiscal Year or Financial Year unless stated otherwise, are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Unless stated otherwise or where the context otherwise requires, the financial information and financial ratios in this Prospectus is derived from the Restated Financial Statements.

The restated financial information of our Company, comprising of the restated balance sheet as at September 30, 2023 and September 30, 2022 and as at March 31, 2023, March 31, 2022 and March 31, 2021, and the restated statement of profit and loss (including other comprehensive income), and restated statement of cash flows and restated statement of changes in equity for the six months ended September 30, 2023 and September 30, 2022 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, together with its notes, annexures and schedules are derived from our audited financial statements for the six months ended September 30, 2023 and September 30, 2022 and as at for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with Ind AS, and restated in accordance with requirements of Section 26 of Part I of Chapter III of Companies Act, SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI, as amended.

For further information, see "*Restated Financial Statements*", "*Other Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 278, 387 and 388, respectively.

There are significant differences between the Ind AS, the IFRS and the Generally Accepted Accounting Principles in the United States of America (the "**U.S. GAAP**"). Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with accounting standards in India, the Ind AS, the Companies Act, 2013 and the SEBI ICDR Regulations, on the financial disclosures presented in this Prospectus should accordingly be limited. We have not attempted to quantify or identify the impact of the differences between the financial data (prepared under Ind AS and IFRS/ U.S. GAAP), nor have we provided a reconciliation thereof. We urge you to consult your own advisors regarding such differences and their impact on our financial data included in this Prospectus.

In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Unless the context otherwise indicates, any percentage amounts, or ratios (excluding certain operational metrics), relating to the financial information of our Company as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 31, 181 and 388, respectively, and elsewhere in this Prospectus have been calculated on the basis of amounts derived from our Restated Financial Statements.

Non-GAAP Financial Measures

Certain Non-GAAP measures relating to our financial performance, such as, EBITDA, Net Worth, RoNW and NAV (together, "**Non-GAAP Measures**"), and certain other industry metrics relating to our operations and financial performance presented in this Prospectus are a supplemental measure of our performance that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its utility as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance. For further details see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 388 and "*Other Financial Information*" on page 387.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented certain numerical information in this Prospectus in "million" units or in whole numbers where the numbers have been too small to represent in such units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Exchange Rates

This Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and USD:

Currency	Six months ended		As at		
	September 30, 2023*	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	83.06	81.55	82.22	75.81	73.50

Source: www.rbi.org.in and www.fbil.org.in
Note: Exchange rate is rounded off to two decimal places.
** The previous working day, not being a public holiday, has been considered.*

Industry and Market Data

Unless stated otherwise, information pertaining to the industry in which our Company operates in and market data used in this Prospectus has been obtained or derived from the CRISIL Report and publicly available information as well as other industry publications and sources.

CRISIL is an independent agency which has no relationship with our Company, our Promoters, any of our Directors, KMPs, SMPs or the Book Running Lead Managers. The CRISIL Report has been commissioned by and paid for by our Company pursuant to an engagement letter with CRISIL dated May 29, 2023, exclusively for the purposes of confirming our understanding of the industry in which the Company operates, in connection with the Offer. The CRISIL Report was available on the website of our Company at https://muthootmicrofin.com/wp-content/uploads/2023/11/Updated-Industry-Report_27Nov2023.pdf.

This Prospectus contains data and statistics from the CRISIL Report which is subject to the following disclaimer:

"*CRISIL MI&A, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Muthoot Microfin Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval*."

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Accordingly, no investment decisions should be based on such information. Although we believe that the industry and market data used in this Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – This Prospectus contains information from third parties and from the CRISIL Report prepared by CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks*", on page 51. Accordingly, investment decision should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" on page 109 includes information relating to our peer group companies. Such information has been obtained from publicly available sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Accordingly, no investment decisions should be based on such information.

Notice to prospective investors in the United States

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares offered in the Offer have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Prospectus as "U.S. QIBs") pursuant to Section 4(a) of the U.S. Securities Act, and (b) outside of the United States in offshore transactions as defined in and in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Prospectus as "QIBs".

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain "forward-looking statements". All statements contained in this Prospectus that are not statements of historical fact constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are "forward-looking statements".

These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "likely to", "seek to", "shall", "objective", "plan", "project", "propose" "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our expected financial condition, results of operations, business, prospects, strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements whether made by us or any third parties in this Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to, regulatory changes pertaining to the industry in which our Company has businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions, in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry, incidence of natural calamities and/or acts of violence.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

1. The microfinance industry in India faces certain risks due to the category of customers that it services, which are not generally associated with other forms of lending. As a result, we may experience increased levels of non-performing assets and related provisions and write-offs that may adversely affect our business, financial condition and results of operations.

2. Our business is vulnerable to interest rate risk, and volatility in interest rates could have an adverse effect on our net interest income and net interest margin, thereby affecting our results of operations.

3. The Directorate of Enforcement, Ministry of Finance, Government of India ("**ED**") has issued summons to our Managing Director directing him to provide certain information in relation to himself and our Company. There is no assurance that the ED will not take any action against us or our Managing Director, which may adversely impact our business and operations, financial condition and reputation.

4. The market capitalization to revenue, market capitalisation to tangible assets, and enterprise value ("**EV**") to EBITDA, based on the Offer Price of our Company, may not be indicative of the market price of our Company on listing or thereafter.

5. We are unable to trace some of our historical records including minutes of the Board and Shareholders meetings and corresponding form filings. Further, certain of our secretarial records have not been adequately maintained. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation.

6. We are subject to certain conditions under our financing arrangements, which could restrict our ability to conduct our business and operations in the manner we desire.

7. Concerns about terms of loans provided by us may adversely affect our reputation and thereby the growth and the market acceptance of our products and services.

8. We may not be able to sustain the significant growth in our business and relatively high profit after tax that we recorded for the Financial Year 2023 in the future.

9. The audit reports on our audited financial statements as at and for the Financial Years 2021, 2022 and 2023 contain an emphasis of matter paragraph and certain negative observations.

10. We have experienced negative cash flows from operating, investing and financing activities in the past.

Certain information in "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations* on pages 133, 181 and 388, respectively, of this Prospectus have been obtained from the report titled "*Industry Report on Microfinance*", dated November 27, 2023 prepared by CRISIL, which has been commissioned by and paid for by our Company pursuant to an engagement letter with CRISIL dated May 29, 2023, exclusively for the purposes of the Offer. The CRISIL Report was available on the website of our Company at https://muthootmicrofin.com/wp-content/uploads/2023/11/Updated-Industry-Report_27Nov2023.pdf.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 31, 133, 181, 388, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements reflect current views as of the date of this Prospectus and are not a guarantee of future performance. There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance. Neither our Company, the Selling Shareholders, our Promoters, our Directors, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the requirements of SEBI ICDR Regulations, our Company was required to ensure that Bidders in India were informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings made by them in the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer. Further, each Selling Shareholder, severally and not jointly (solely to the extent of statements specifically made or confirmed by such Selling Shareholder in relation to its portion of Offered Shares in the Red Herring Prospectus), ensured that Bidders in India were informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings specifically made or confirmed by such Selling Shareholder in the Red Herring Prospectus and this Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

OFFER DOCUMENT SUMMARY

The following is a general summary of certain disclosures included in this Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Prospectus or the Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Prospectus, including "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Our Promoters and Promoter Group", "Restated Financial Statements", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", *"Outstanding Litigation and Material Developments", "Offer Procedure" and "Description of Equity Shares and Terms of Articles of Association" on pages 31, 65, 83, 104, 133, 181, 246, 278, 388, 426, 471 and 491, respectively.*

Summary of the primary business of our Company

We are a microfinance institution providing micro-loans to women customers (primarily for income generation purposes) with a focus on rural regions of India. Our loan products comprise, among others, (i) group loans for livelihood solutions such as income generating loans, Pragathi loans (which are interim loans made to existing customers for working capital and income generating activities) and individual loans; (ii) life betterment solutions including mobile phones loans; (iii) health and hygiene loans such as sanitation improvement loans; and (iv) secured loans in the form of gold loans and our Muthoot Small & Growing Business loans.

Summary of the industry in which our Company operates

The microfinance industry's gross loan portfolio increased at a compounded annual growth rate of 21% since the financial year 2018 to reach approximately ₹3.3 trillion in the third quarter of the financial year 2023. The growth rate for non-banking financial companies – microfinance institutions, is the fastest as compared to other player groups. Going forward, the microfinance industry will continue to see strong growth due to the Government's continued focus on strengthening the rural financial ecosystem, robust credit demand, and higher-ticket loans disbursed by microfinance lenders *(Source: CRISIL Report)*.

Name of our Promoters

Thomas John Muthoot, Thomas Muthoot, Thomas George Muthoot, Preethi John Muthoot, Remmy Thomas, Nina George and Muthoot Fincorp Limited are the Promoters of our Company. For further details, see "*Our Promoters and Promoter Group*" on page 246.

Offer size

The details of the Offer are set out below:

Offer of Equity Shares of face value of ₹10 each (1)(2)(3)	33,007,054*^ Equity Shares of face value of ₹10 each aggregating to ₹9,600.00 million*
of which:	
(i) Fresh Issue(1)	26,134,205*^ Equity Shares of face value of ₹10 each aggregating to ₹7,600.00 million*
(ii) Offer for Sale(2)(3)	6,872,849* Equity Shares of face value of ₹10 each aggregating to ₹2,000.00 million*
The Offer comprises:	
Employee Reservation Portion	361,010* Equity Shares of face value of ₹10 each aggregating to ₹100.00 million*
Net Offer	32,646,044* Equity Shares of face value of ₹10 each aggregating to ₹9,500.00 million*

(1) *The Offer including the Fresh Issue has been approved by our Board pursuant to the resolution passed at its meeting held on May 6, 2023 and by our Shareholders pursuant to a special resolution passed at their meeting held on June 14, 2023. The Offer has been revised by the IPO Committee pursuant to its resolution passed at its meeting held on November 29, 2023.*

(2) *Our Board has pursuant to its resolution dated June 26, 2023 and the IPO Committee has pursuant to its resolution dated November 29, 2023 taken on record the approval for the Offer for Sale by the Selling Shareholders.*

(3) *The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale in the terms of SEBI ICDR Regulations. Each of the Selling Shareholders, severally and not jointly, has confirmed and authorized its participation in the Offer for Sale in relation to its portion of the Offered Shares. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 65 and 446, respectively.*

(4) *Our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, may offer a discount of 4.81% to the Offer Price (equivalent of ₹14 per Equity Share) to Eligible Employees Bidding in the Employee Reservation Portion, subject to necessary approvals as may be required, and which were announced at least two Working Days prior to the Bid / Offer Opening Date.*

^This includes 361,010 Equity Shares aggregating to ₹100.00 million issued at a discount of ₹14 per Equity Share to Eligible Employees applied in the Employee Reservation Portion

**Subject to finalisation of Basis of Allotment*

The face value of Equity Shares is ₹10 each. The Offer and Net Offer shall constitute 19.36% and 19.15% of the post-Offer paid-up Equity Share capital of our Company.

Objects of the Offer

The objects for which the Net Proceeds from the Offer shall be utilized are as follows:

Particulars	Amount* (₹ in million)
Augmenting our capital base to meet future capital requirements	7,048.10
Total	**7,048.10**

** Net Proceeds = Gross Proceeds – Offer Expenses*

For further details, see "*Objects of the Offer*" on page 104.

Aggregate pre-Offer shareholding of our Promoters, members of our Promoter Group, and Selling Shareholders as a percentage of our paid-up Equity Share capital

The aggregate pre-Offer shareholding of our Promoters and the Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:

Sr. No.	Name	Number of Equity Shares as on the date of this Prospectus	Percentage of the pre-Offer paid-up Equity Share capital (%)^	Percentage of the post-Offer paid-up Equity Share capital (%)**
Promoters				
1.	Thomas John Muthoot#	3,544,831	2.46	1.76
2.	Thomas Muthoot#	3,556,959	2.46	1.76
3.	Thomas George Muthoot#	3,543,909	2.45	1.75
4.	Preethi John Muthoot#	1,163,411	0.81	-
5.	Remmy Thomas#	1,151,282	0.80	-
6.	Nina George#	1,164,332	0.81	-
7.	MFL	85,595,744	59.29	50.21
Selling Shareholder (other than Promoter Selling Shareholders)				
1.	GPC*	27,520,822&	19.06	15.14
Total		**127,241,290**	**88.14**	**70.62**

^ *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon exercise of vested options held by them under the ESOP Schemes, as applicable.*

* *Pursuant to resolutions, each dated November 25, 2023, passed by our Board and our Shareholders, 23,360,260 CCPS held by GPC were converted to 27,520,722 Equity Shares of face value of ₹10 each. For details, see "Capital Structure – Notes to Capital Structure – Share Capital history of our Company" on page 83.*

Also the Selling Shareholders.

& *The price per Equity Share upon conversion is ₹165.40.*

** *Subject to finalisation of the Basis of Allotment.*

Except as disclosed above, none of the members of our Promoter Group hold any Equity Shares on our Company.

Summary of Selected Financial Information

The details of our Equity Share capital, Other equity, Net Worth, revenue from operations, profit after tax, EPS (Basic and diluted), NAV per Equity Share and total borrowings (current and non-current) for the six months ended September 30, 2023 and September 30, 2022 and for the financial years ended March 31, 2023, 2022 and 2021 derived from the Restated Financial Statements are as follows:

(₹ in million, unless otherwise stated)

Particulars	Six months ended		As at and for the year ended March 31,		
	September 30, 2023	**September 30, 2022**	**2023**	**2022**	**2021**
Equity Share capital	1,401.98	1,401.98	1,401.98	1,333.33	1,141.71
Other equity	17,018.97	13,063.86	14,856.51	12,032.46	7,757.19
Net Worth	18,420.95	14,465.84	16,258.49	13,365.79	8,898.90
Revenue from operations	10,423.27	6,047.42	14,287.64	8,325.06	6,841.67
Profit after tax	2,052.57	124.66	1,638.89	473.98	70.54
Earnings per Equity Share					
- Basic (₹)	17.57	1.09	14.19	4.15	0.62
- Diluted (₹)	14.22	0.91	11.66	3.94	0.62
NAV per Equity Share (₹)	127.61	100.21	112.63	97.74	77.94
Total borrowings (current and non-current)	77,461.10	52,307.15	64,931.76	39,966.09	30,156.58

Notes:

1. *Basic EPS = Basic earnings per share are calculated by dividing the net restated profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year.*
2. *Diluted EPS = Diluted earnings per share are calculated by dividing the net restated profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares outstanding during the year.*
3. *Net Asset Value per share = Total Equity derived from the Restated Financial Statements divided by number of Equity Shares outstanding as at the end of year.*
4. *Equity Shares on fully diluted basis is considered for the purpose of calculation of EPS and NAV*

For further details, see "*Restated Financial Statements*" and "*Other Financial Information*" on pages 278 and 387, respectively.

Summary of the Selected Statistical Information of our Company

The table below sets forth a summary of the selected statistical information of our Company:

Particulars	Six months ended		As at and for the year ended March 31,		
	September 30, 2023	September 30, 2022	2023	2022	2021
Gross loan portfolio (₹ million)	1,08670.66	74,494.86	92,082.96	62,549.42	49,867.11
Revenue from operations on average monthly gross loan portfolio (%)	20.61%	17.76%	18.84%	16.24%	14.64%
Cost to income ratio (%)	46.61%	53.69%	51.39%	65.02%	64.41%

Auditor's qualifications which have not been given effect to in the Restated Financial Statements

There are no qualifications of Statutory Auditor which has not been given effect to in the Restated Financial Statements.

For details of emphasis of matter in the Restated Financial Statements, see "*Risk Factors – The audit reports on our audited financial statements as at and for the Financial Year 2021 contain an emphasis of matter paragraph*" on page 37.

Summary table of outstanding litigations

A summary of outstanding litigation proceedings involving our Company, Promoters, Group Companies and Directors, if applicable, as disclosed in the section titled "*Outstanding Litigation and Other Material Developments*" in terms of the SEBI ICDR Regulations and the Materiality Policy as of the date of this Prospectus is provided below:

Category of individuals / entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material civil litigation	Aggregate amount involved (₹ in million)(1)
Company						
By the Company	340	Nil	Nil	NA	Nil	122.02
Against the Company	2	Nil	2	NA	Nil	Non-quantifiable
Directors (excluding Promoters)						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	1	Nil	Nil	Nil	Nil	Non-quantifiable
Promoters						
By Promoters	60	Nil	Nil	Nil	3	218.77
Against Promoters	8	74	1	4	6	5,141.86

(1) To the extent ascertainable and quantifiable

Our Group Companies are not party to any pending litigation which will have a material impact on our Company.

For further details, see "*Outstanding Litigation and Material Developments*" on page 426.

Risk Factors

The following is a summary of the top ten risk factors in relation to our Company:

Risk Factor No.	Risk Category	Description of Risk
1.	Operational	The microfinance industry in India faces certain risks due to the category of customers that it services, which are not generally associated with other forms of lending. As a result, we may experience increased levels of non-performing assets and related provisions and write-offs that may adversely affect our business, financial condition and results of operations.
2.	Operational and Financial	Our business is vulnerable to interest rate risk, and volatility in interest rates could have an adverse effect on our net interest income and net interest margin, thereby affecting our results of operations.
3.	Legal	The Directorate of Enforcement, Ministry of Finance, Government of India ("**ED**") has issued summons to our Managing Director directing him to provide certain information in relation to himself and our Company. There is no assurance that the ED will not take any action against us or our Managing Director, which may adversely impact our business and operations, financial condition and reputation.
4.	Risks relating to the Offer	The market capitalization to revenue, market capitalisation to tangible assets, and enterprise value ("**EV**") to EBITDA, based on the Offer Price of our Company, may not be indicative of the market price of our Company on listing or thereafter.
5.	Operational and Legal	We are unable to trace some of our historical records including minutes of the Board and Shareholders meetings and corresponding form filings. Further, certain of our secretarial

Risk Factor No.	Risk Category	Description of Risk
		records have not been adequately maintained. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation.
6.	Operational and Financial	We are subject to certain conditions under our financing arrangements, which could restrict our ability to conduct our business and operations in the manner we desire.
7.	Operational	Concerns about terms of loans provided by us may adversely affect our reputation and thereby the growth and the market acceptance of our products and services.
8.	Financial	We may not be able to sustain the significant growth in our business and relatively high profit after tax that we recorded for the Financial Year 2023 in the future.
9.	Operational and Financial	The audit reports on our audited financial statements as at and for the Financial Years 2021, 2022 and 2023 contain an emphasis of matter paragraph and certain negative observations.
10.	Operational	We have experienced negative cash flows from operating, investing and financing activities in the past.

For further details of the risks applicable to us, see "*Risk Factors*" on page 31.

Summary table of contingent liabilities

The following is a summary table of our contingent liabilities as at September 30, 2023 as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

(₹ in million)

Particulars	As at September 30, 2023
Credit enhancements provided by the Company towards securitisation transactions	5,196.22

For further details of our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, see "*Restated Financial Statements – Note 52A: Contingent Liabilities and Commitments*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 359 and 388, respectively.

Summary of related party transactions

The details of related party transactions of our Company for the six months ended September 30, 2023 and September 30, 2022 and for the Fiscal ended March 31, 2023, March 31, 2022 and March 31, 2021, as per Ind AS 24 – Related Party Disclosures as per Restated Financial Statements are set forth in the table below:

(₹ in million)

Particulars	Nature of Transaction	Nature of Relationship	For the six months ended						For the Financial year ended								
			September 30, 2023	% of revenue from operations	% of total similar transaction	September 30, 2022	% of revenue from operations	% of total similar transaction	March 31, 2023	% of revenue from operations	% of total similar transaction	March 31, 2022	% of revenue from operations	% of total similar transaction	March 31, 2021	% of revenue from operations	% of total similar transaction
Muthoot Fincorp Limited	Cash Management Charges*^	Holding Company	26.42	0.25%	31.19%	25.94	0.43%	35.29%	50.16	0.35%	35.20%	34.11	0.41%	30.31%	20.28	0.30%	22.79%
	Commission Income^		0.02	0.00%	0.01%	0.05	0.00%	0.09%	0.07	0.00%	0.04%	2.87	0.03%	4.65%	22.25	0.33%	69.28%
	Rent Expe		1.08	0.01%	0.72%	1.22	0.02%	1.11%	2.31	0.02%	0.95%	3.15	0.04%	1.73%	3.62	0.05%	2.33%

Particulars	Nature of Transaction	Nature of Relationship	For the six months ended						For the Financial year ended								
			September 30, 2023	% of revenue from operations	% of total similar transaction	September 30, 2022	% of revenue from operations	% of total similar transaction	March 31, 2023	% of revenue from operations	% of total similar transaction	March 31, 2022	% of revenue from operations	% of total similar transaction	March 31, 2021	% of revenue from operations	% of total similar transaction
	nses*^																
	Rental deposits given / 9refunded)		0.00	0.00%	0.00%	0.21	0.00%	0.38%	(0.25)	0.00%	(0.43%)	0.13	0.00%	0.26%	0.72	0.01%	3.31%
	Travel Expenses*		0.00	0.00%	0.00%	0.04	0.00%	0.03%	0.26	0.00%	0.07%	0.35	0.00%	0.16%	0.33	0.00%	0.32%
Muthoot EXIM Private Limited	Commission Income^	Entities in which KMP are able to exercise control or have significant influence	6.27	0.06%	3.92%	2.63	0.04%	4.37%	5.05	0.04%	2.91%	3.56	0.04%	5.78%	1.09	0.02%	3.40%
	Gold Auction		-	-	-	0.91	0.01%	4.07%	0.91	0.01%	4.07%	-	-	-	-	-	-
Muthoot Pappachan Foundation	CSR Expenditure**	Entities in which KMP are able to exercise control or have significant influence	-	-	-	-	-	-	6.23	0.04%	100.00%	19.93	0.24%	99.87%	34.99	0.51%	100.00%
Muthoot Pappachan Technologie	Software Support charg	Fellow subsidiary	6.00	0.06%	15.25%	6.00	0.10%	28.00%	12.15	0.09%	26.54%	12.88	0.15%	31.47%	30.24	0.44%	55.33%

Particulars	Nature of Transaction	Nature of Relationship	For the six months ended						For the Financial year ended								
			September 30, 2023	% of revenue from operations	% of total similar transaction	September 30, 2022	% of revenue from operations	% of total similar transaction	March 31, 2023	% of revenue from operations	% of total similar transaction	March 31, 2022	% of revenue from operations	% of total similar transaction	March 31, 2021	% of revenue from operations	% of total similar transaction
s	es*^																
M-Liga Sports Excellence Private Limited	Marketing Expenses*^	Common Directorship	-	-	-	-	-	-	5.00	0.03%	36.92%	-	-	-	-	-	-
Thomas Muthoot	Rent Expenses*^	Managing Director	1.55	0.01%	1.02%	1.42	0.02%	1.30%	2.90	0.02%	1.20%	2.69	0.03%	1.47%	2.55	0.04%	1.64%
	Trademark fees		-	-	-	-	-	-	0.03	0.00%	33.33%	0.20	0.00%	33.33%	-	-	-
Thomas George Muthoot	Rent Expenses*^	Non-Executive Director	3.67	0.04%	2.42%	1.65	0.03%	1.51%	4.96	0.03%	2.05%	3.17	0.04%	1.74%	3.03	0.04%	1.94%
	Trade Mark Fees		-	-	-	-	-	-	0.03	0.00%	33.33%	0.20	0.00%	33.33%	-	-	-
Thomas John Muthoot	Rent Expenses*^	Non-Executive Director	0.88	0.01%	0.58%	0.61	0.01%	0.56%	1.29	0.01%	0.53%	1.16	0.01%	0.64%	1.11	0.02%	0.72%
	Trade Mark Fees		-	-	-	-	-	-	0.03	0.00%	33.33%	0.20	0.00%	33.33%	-	-	-
The Thinking Machine Media Private Limited	Investment made in equity instrument	Common Directorship	-	-	-	-	-	-	-	-	-	-	-	-	0.45	0.01%	100.00%
Pushpy Babu Muricken	Sitting Fees*	Non-Executive Independent Director	0.33	0.00%	15.29%	0.24	0.00%	20.39%	0.54	0.00%	18.35%	0.66	0.01%	21.25%	0.49	0.01%	24.59%

Particulars	Nature of Transaction	Nature of Relationship	For the six months ended						For the Financial year ended								
			September 30, 2023	% of revenue from operations	% of total similar transaction	September 30, 2022	% of revenue from operations	% of total similar transaction	March 31, 2023	% of revenue from operations	% of total similar transaction	March 31, 2022	% of revenue from operations	% of total similar transaction	March 31, 2021	% of revenue from operations	% of total similar transaction
Thai Salas Vijayan	Sitting Fees*	Non-Executive Independent Director	0.36	0.00%	16.68%	0.27	0.00%	22.94%	0.66	0.00%	22.43%	0.63	0.01%	20.28%	0.46	0.01%	22.95%
Alok Prasad	Sitting Fees*	Non-Executive Independent Director	0.45	0.00%	20.85%	0.30	0.00%	25.48%	0.75	0.01%	25.48%	0.78	0.01%	25.11%	0.49	0.01%	24.59%
Bhama Krishnamurthy	Sitting Fees*	Non-Executive Independent Director	0.45	0.00%	20.85%	0.27	0.00%	22.94%	0.66	0.00%	22.43%	0.78	0.01%	25.11%	0.56	0.01%	27.87%
Anand Raghavan	Sitting Fees*	Non-Executive Independent Director	0.39	0.00%	18.07%	-	-	-	0.09	0.00%	3.06%	-	-	-	-	-	-
Sadaf Sayeed	Remuneration	KMP (Chief Executive Officer)	28.50	0.27%	1.49%	24.93	0.41%	1.87%	37.31	0.26%	1.28%	43.17	0.52%	2.03%	18.31	0.27%	1.10%
Praveen T.	Remuneration	KMP (Chief Financial Officer)	3.38	0.03%	0.18%	2.86	0.05%	0.21%	4.95	0.03%	0.17%	4.17	0.05%	0.20%	3.05	0.04%	0.18%
Neethu Ajay	Remuneration	KMP (Company Secretary and Complian	1.32	0.01%	0.07%	1.06	0.02%	0.08%	1.92	0.01%	0.07%	1.62	0.02%	0.08%	1.22	0.02%	0.07%

Particulars	Nature of Transaction	Nature of Relationship	For the six months ended						For the Financial year ended								
			September 30, 2023	% of revenue from operations	% of total similar transaction	September 30, 2022	% of revenue from operations	% of total similar transaction	March 31, 2023	% of revenue from operations	% of total similar transaction	March 31, 2022	% of revenue from operations	% of total similar transaction	March 31, 2021	% of revenue from operations	% of total similar transaction
		ce officer)															

** For the purpose of calculating the percentage (%) of total similar transaction:*
- The amounts pertaining to transactions involving related parties are presented exclusive of taxes except for sitting fees which is exclusive of taxes for financial years 2020-2021.
- total transaction comprises of transaction with all parties including related parties.
- the aggregated total transaction figure is inclusive of associated taxes
*** In the fiscal year 2020-2021 an actual payment of 34.99 million was disclosed as CSR expenditure to an associated entity. This sum equates 10 129% of the overall CSR expenditure of ₹26.95 million. For reporting clarity, the figure has been represented as 100% of total expenditure.*
^ excluding taxes

For further details, see "*Restated Financial Statements –Notes to the Restated Financial Statements– Note 47: Related Parties Disclosure*" on page 343.

Financing Arrangements

Our Promoters, members of our Promoter Group, our Directors and their relatives have not financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity in the last three years immediately preceding the date of filing of the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

Weighted average price at which the specified securities were acquired by our Promoters and Selling Shareholders in the one year preceding the date of this Prospectus

The weighted average price at which the Equity Shares were acquired by our Promoters and the Selling Shareholders, in the last one year preceding the date of this Prospectus is as follows:

Name	Number of Equity Shares acquired in the last one year	Weighted average price of acquisition per Equity Share*(in ₹)
Promoters		
Thomas John Muthoot^	Nil	Nil
Thomas Muthoot^	Nil	Nil
Thomas George Muthoot^	Nil	Nil
Preethi John Muthoot^	Nil	Nil
Remmy Thomas^	Nil	Nil
Nina George^	Nil	Nil
MFL	1,051,481	290.00
Selling Shareholder (other than Promoter Selling Shareholders)		
GPC	27,520,722	165.40

* *As certified by Rangamani & Co., Chartered Accountants, by way of certificate dated December 21, 2023.*
^ *Also the Selling Shareholders.*
Note: Pursuant to resolutions, each dated November 25, 2023, passed by our Board and our Shareholders, 23,360,260 CCPS held by GPC were converted to 27,520,722 Equity Shares of face value of ₹10 each. The CCPS were issued to GPC at a price of ₹ 194.86 per CCPS and post conversion of the CCPS to Equity Shares, the resulting price per Equity Share is ₹ 165.40. No additional consideration was paid at the time of conversion of the GPC CCPS into Equity Shares. For details, see "Capital Structure – Notes to Capital Structure – Share Capital history of our Company" on page 83.

Average cost of acquisition of Equity Shares of our Promoters and the Selling Shareholders

The average cost of acquisition of our Promoters and the Selling Shareholders as on the date of this Prospectus is as follows:

Name	Number of Equity Shares as on the date of this Prospectus	Average cost of acquisition per Equity Share* (in ₹)
Promoters		
Thomas John Muthoot^	3,544,831	90.91
Thomas Muthoot^	3,556,959	90.74
Thomas George Muthoot^	3,543,909	90.93
Preethi John Muthoot^	1,163,411	150.00
Remmy Thomas^	1,151,282	150.00

Name	Number of Equity Shares as on the date of this Prospectus	Average cost of acquisition per Equity Share* (in ₹)
Nina George^	1,164,332	150.00
MFL	85,595,744	44.39
Selling Shareholder (other than Promoter Selling Shareholders)		
GPC**	27,520,822**	165.40

* *As certified by Rangamani & Co., Chartered Accountants, by way of certificate dated December 21, 2023.*

^ *Also the Selling Shareholders.*

** *Pursuant to resolutions, each dated November 25, 2023, passed by our Board and our Shareholders, 23,360,260 CCPS held by GPC were converted to 27,520,722 Equity Shares of face value of ₹10 each. The CCPS were issued to GPC at a price of ₹ 194.86 per CCPS and post conversion of the CCPS to Equity Shares, the resulting price per Equity Share is ₹ 165.40. No additional consideration was paid at the time of conversion of the GPC CCPS into Equity Shares. For details, see "Capital Structure – Notes to Capital Structure – Share Capital history of our Company" on page 83.*

Details of price at which specified securities were acquired by the Promoters, members of our Promoter Group, Selling Shareholders and Shareholders with special rights in the last three years preceding the date of this Prospectus

Except as stated below, there have been no specified securities that were acquired in the last three years preceding the date of this Prospectus, by the Promoters, members of our Promoter Group, Selling Shareholders and Shareholders with special rights in the Company.

The details of the price at which the acquisition of Equity Shares were undertaken in the last three years preceding the date of this Prospectus are stated below:

Sr. No.	Name	Category	Date of acquisition of the Equity Shares	Number of Equity Shares acquired	Face value	Acquisition price per Equity Share* (in ₹)
1.	Thomas John Muthoot	Promoter and a Promoter Selling Shareholder	Nil	Nil	10	Nil
2.	Thomas Muthoot	Promoter and a Promoter Selling Shareholder	Nil	Nil	10	Nil
3.	Thomas George Muthoot	Promoter and a Promoter Selling Shareholder	Nil	Nil	10	Nil
4.	Preethi John Muthoot	Promoter and a Promoter Selling Shareholder	Nil	Nil	10	Nil
5.	Remmy Thomas	Promoter and a Promoter Selling Shareholder	Nil	Nil	10	Nil
6.	Nina George	Promoter and a Promoter Selling Shareholder	Nil	Nil	10	Nil
7.	MFL	Promoter	October 3, 2022	11,918,814	10	194.86
			November 28, 2023	1,051,481	10	290.00
8.	GPC	Investor Selling Shareholder and a shareholder with special rights#	December 8, 2021	100	10	194.86
			November 25, 2023	27,520,722	10	165.40

* *As certified by Rangamani & Co., Chartered Accountants, by way of certificate dated December 21, 2023.*

\# *For further details, see "History and Certain Corporate Matters" and "Description of Equity Shares and Terms of Articles of Association" on pages 221 and 491, respectively.*

Note: Pursuant to resolutions, each dated November 25, 2023, passed by our Board and our Shareholders, 23,360,260 CCPS held by GPC were converted to 27,520,722 Equity Shares of face value of ₹10 each. The CCPS were issued to GPC at a price of ₹ 194.86 per CCPS and post conversion of the CCPS to Equity Shares, the resulting price per Equity Share is ₹ 165.40. No additional consideration was paid at the time of conversion of the GPC CCPS into Equity Shares. For details, see "Capital Structure – Notes to Capital Structure – Share Capital history of our Company" on page 83.

Weighted average cost of acquisition per Equity Share transacted in one year, eighteen months and three years preceding the date of this Prospectus:

Period	Weighted average cost of acquisition per Equity Share (in ₹)*	Cap Price is 'x' times the weighted average cost of acquisition	Range of acquisition price per Equity Share: lowest price – highest price (in ₹)*
Last one year preceding the date of this Prospectus	169.99	1.71	165.40-290.00
Last 18 months preceding the date of this Prospectus	172.66	1.69	102.06-290.00
Last three years preceding the date of this Prospectus	172.66	1.69	102.06-290.00

***** *As certified by Rangamani & Co., Chartered Accountants by way of their certificate dated December 21, 2023.*

Details of the pre-IPO placement

Our Company is not contemplating any pre-IPO placement.

Issuance of Equity Shares in the last one year for consideration other than cash

Our Company has not issued any Equity Shares for consideration other than cash in the last one year preceding the date of this Prospectus. For further details, see "*Capital Structure – Equity Share capital*" on page 83.

Any split/consolidation of Equity Shares in the last one year

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Prospectus.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

As on the date of this Prospectus, our Company had not obtained any exemption from the SEBI from strict compliance with any provisions of securities laws including the SEBI ICDR Regulations.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Prospectus, including the risks and uncertainties described below before making an investment in the Equity Shares. The risks described below may not be exhaustive or the only ones relevant to us, the Equity Shares, or the industry segments in which we currently operate or to India.

We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment.

To obtain a more detailed understanding of our business and operations, you should read this section in conjunction with the sections titled "Industry Overview", "Our Business", "Selected Statistical Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Other Regulatory and Statutory Disclosures" beginning on pages 133, 181, 255, 388 and 446, respectively, as well as other financial and statistical information contained in this Prospectus. Unless otherwise indicated or unless the context requires otherwise, our financial information used in this section are derived from our Restated Financial Statements. In making an investment decision, prospective investors must rely on their own examination of our business and the terms of the Offer, including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to them of an investment in our Equity Shares.

This Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below. For details, see "Forward-Looking Statements" beginning on page 19.

*Unless otherwise indicated, the industry-related information contained in this section is derived from the industry report dated November 27, 2023 prepared by CRISIL (the "**CRISIL Report**"). A copy of the CRISIL Report was made available on the website of our Company at https://muthootmicrofin.com/wp-content/uploads/2023/11/Updated-Industry-Report_27Nov2023.pdf. We have commissioned and paid for the CRISIL Report for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged CRISIL in connection with the preparation of the CRISIL Report pursuant to an engagement letter dated May 29, 2023. The data included in this section includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year, refers to such information for the relevant year. Any potential investor in the Equity Shares should pay particular attention to the fact that we are subject to extensive regulatory environments that may differ significantly from one jurisdiction to another.*

The terms "total outstanding loan portfolio", "average outstanding loan portfolio" and "outstanding non-performing loan portfolio" appearing in this section refer to our portfolio loans, as referred to in our Restated Financial Statements, and "gross outstanding loan portfolio" or "gross loan portfolio" includes assigned and managed loans.

Our Company's financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us" and "our" are to Muthoot Microfin Limited.

INTERNAL RISKS

Risks Relating to our Business

1. ***The microfinance industry in India faces certain risks due to the category of customers that it services, which are not generally associated with other forms of lending. As a result, we may experience increased levels of non-performing assets and related provisions and write-offs that may adversely affect our business, financial condition and results of operations.***

The primary focus customer segment for our micro-loan business is women with an annual household income of up to ₹300,000**.** Our customers generally have limited sources of income, savings and credit histories. Further, there is typically limited or no financial information available about our focus customer segment and the majority of our customers do not have any credit history supported by tax returns, proper proof of income, bank or credit card statements, statements of previous loan exposures, or other related documents. Hence, it is difficult to consistently carry out credit risk analyses on customers. As a result, such customers may pose a higher risk of default as compared to customers with greater financial resources and established credit histories, as well as customers living in urban areas with better access to education, employment opportunities and social services.

Further, we primarily make unsecured loans to customers in a high-risk category and rely primarily on non-traditional guarantee mechanisms rather than collateral. Our unsecured loans generally involve a joint liability mechanism whereby customers form an informal joint liability group ("**JLG**") (generally comprising between 8 to 45 members) and provide joint and several guarantees for loans obtained by each member of the group. We cannot assure you that such joint liability arrangements will ensure repayment by the other members of the JLG in the event of default by any one of them. Further, while we have our own due diligence and credit analysis procedures, we cannot assure you that we will be able to ensure low delinquency rates. As a result, our customers potentially present a higher risk of loss in case of a credit default compared to that of customers in other asset-backed financing products. For details relating to our due diligence and credit analysis procedures, see "*Our Business – Description of our Business – Our Business Model – Joint Liability Group Lending Business Processes*" on page 198.

In the past, our business has been adversely impacted by the COVID-19 pandemic, which increased our level of write-offs and temporarily reduced the demand for our products. Despite having a larger total loan portfolio during the Financial Year 2022 as compared to the Financial Year 2021, the amount of our loans written off for the Financial Year 2021 was higher than that for the Financial Year 2022, primarily because of the impact of the COVID-19 pandemic. Further, the loans written off increased to ₹1,402.81 million for the Financial Year 2023 from ₹737.80 million for the Financial Year 2022, primarily because of our sale of a portion of our loans to a securitization / reconstruction company for asset reconstruction pursuant to the directions of the RBI. The table below sets forth our loans written off for the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023:

Particulars	For the six months ended September 30,		For the Financial Year		
	2023	2022	2023	2022	2021
Loans written off (₹ in millions)	322.70	1,402.81	1,402.81	737.80	983.09

Further, primarily because of government imposed lockdowns and safe distancing measures which resulted in us not being able to have physical meetings with our customers during certain periods, especially the Financial Year 2021, our collection efficiency for the Financial Year 2021 was lower than that for the Financial Years 2022 and 2023, and the six months ended September 30, 2022 and 2023, as set forth in the table below:

Particulars	For the six months ended September 30,		For the Financial Year		
	2023	2022	2023	2022	2021
Collection Efficiency *(%)*	98.89%	93.71%	95.84%	85.75%	67.52%

In addition, primarily because of the impact of the COVID-19 pandemic during certain periods, especially the Financial Year 2021, our ECL allowance percentage for the Financial Year 2021 was higher than that for the Financial Years 2022 and 2023, and the six months ended September 30, 2022 and 2023, as set forth in the table below:

Particulars	For the six months ended September 30,		For the Financial Year		
	2023	2022	2023	2022	2021
ECL allowance percentage* *(%)*	2.05%	2.40%	2.39%	4.80%	6.01%

**ECL allowance percentage represents ECL allowance for the relevant year as a percentage of the total gross carrying value of our loans as of the last day of the relevant period/year derived from our Restated Financial Statements. For details, see "– Internal Risk Factors – An increase in the level of our non-performing assets or provisions may adversely affect our financial condition and results of operations" on page 39.*

Due to the nature of our customers, we may, in the future, experience increased levels of NPAs and related provisions and write- offs, which may adversely affect our business, financial condition and results of operations. We cannot assure you that our risk management policies will continue to be sufficient or that additional risk management policies for individual customers will not be required.

2. ***Our business is vulnerable to interest rate risk, and volatility in interest rates could have an adverse effect on our net interest income and net interest margin, thereby affecting our results of operations.***

Our results of operations depend to a large extent on the amount of our net interest income as our primary revenue source is interest income. The table below sets forth the breakdown of our interest income as a percentage of our total revenues:

Particulars	For the six months ended September 30,				For the Financial Year					
	2023		2022		2023		2022		2021	
	(₹ in million)	*(% of total revenues)*	*(₹ in million)*	*(% of total revenues)*	*(₹ in million)*	*(% of total revenues)*	*(₹ in million)*	*(% of total revenues)*	*(₹ in million)*	*(% of total revenues)*
Interest income	9,135.76	87.65%	5,624.14	93.00%	12,906.45	90.33%	7,286.24	87.52%	6,227.83	91.03%

Net interest income is the difference between our revenue from operations and our finance costs. The difference between the interest rates that we charge on interest-earning assets (i.e., our microfinance loans) and the interest rates that we pay on interest-bearing liabilities, and the volume of such assets and liabilities have a significant effect on our results of operations. Interest rates are highly sensitive and any fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic as well as international economic and political conditions, inflation and other factors.

Changes in market interest rates affect the interest rates we charge on our interest-earning assets differently from the interest rates we pay on our interest-bearing liabilities. An increase in interest rates could result in an increase in interest expense relative to interest income if we are not able to increase the rates charged on our portfolio loans and advances or if the volume of our interest-bearing liabilities is larger or growing faster than the volume of our interest-earning assets. Further, such increase in interest rates could affect our ability to raise low cost funds as compared to some of our competitors who may have access to lower cost funds. The table below sets forth our finance cost and cost to income ratio for the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023:

Particulars	For the six months ended September 30,		For the Financial Year		
	2023	2022	2023	2022	2021
Finance cost^ (₹ in millions)	4,153.25	2,260.76	5,490.10	3,401.55	2,993.28
Cost to income ratio* (%)	46.61%	53.69%	51.39%	65.02%	64.41%

^Finance cost comprise interest on borrowings (other than debt securities), interest on debt securities, interest on subordinated liabilities and interest cost on lease liabilities, as per our Restated Financial Statements for the relevant year.

**Cost to income ratio is the ratio of the aggregate of our fees and commission expenses, employee benefit expenses, operating expenses and depreciation and amortisation expense to total income net of finance cost as per our Restated Financial Statements for the relevant year/period.*

As per the RBI regulations, the interest rates charged by us are governed by our board policy on pricing of credit. As of September 30, 2023, the annual effective interest of our income-generating loans is between 23.90% and 24.95%. While we have been able to pass through interest rate increases during recent periods to our customers, there is no assurance that we will be able to effectively do so in the future. Any further increases in interest rates in the future could adversely impact our business, financial condition and results of operations. Further, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could lead to a reduction in our net interest income and net interest margin, thereby affecting our results of operations. Further, changes in interest rates could also affect our fixed income portfolio and treasury income.

3. ***The Directorate of Enforcement, Ministry of Finance, Government of India ("ED") has issued summons to our Managing Director directing him to provide certain information in relation to himself and our Company. There is no assurance that the ED will not take any action against us or our Managing Director, which may adversely impact our business and operations, financial condition and reputation.***

The ED has issued three summons dated December 7, 2022, January 4, 2023 and January 10, 2023, respectively, to our Managing Director under Section 37(1) and (3) of FEMA read with Section 131(1) of the Income Tax Act and Section 30 of the Code of Civil Procedure, 1908 ("**Summons**") directing him to make a personal appearance at the office of the ED to provide evidence and to produce books of accounts and other documents, *inter alia*, details of bank accounts maintained by him, his family members and our Company, movable and immovable properties purchased/ sold in their names, copies of income tax returns filed by our Managing Director from Financial Year 2016-17 onwards, details of companies, firms, concerns, where our Managing Director is a director, partner or a proprietor, source of funds together with supporting documents in relation to cash deposited amounting to ₹44,172,643 during the demonetization period and copy of financial statements including balance sheet & profit and loss of our Company from Financial Year 2016-17 onwards. In response to these Summons, our Company's representatives have personally appeared at the offices of the ED and submitted all the required information and documents as required by ED in its Summons. Subsequent to the aforesaid personal hearings, neither our Managing Director nor our Company have received any further communication from the ED in this regard. For details, please see "*Outstanding Litigation and Material Developments - Litigation involving our Company – Litigation against our Company – Criminal litigation – Actions taken by regulatory and statutory authorities*" on page 427.

While the Company's representatives have submitted the required documents as ordered by ED, we cannot assure you that the ED will not ask for any additional information in relation to our Company or our Managing Director or if we will be able to provide such information in a timely manner, and to the satisfaction of the ED or any penalty or other action will not be imposed or taken by the ED against us and/or our Managing Director. Any such imposition of penalties or adverse action against us and/or our Managing Director may have a material adverse impact on our business and operations, financial performance and/or reputation.

4. ***The market capitalization to revenue, market capitalisation to tangible assets, and enterprise value ("EV") to EBITDA, based on the Offer Price of our Company, may not be indicative of the market price of our Company on listing or thereafter.***

For the Financial Year 2023, our revenue from operations was ₹ 14,287.64 million and the EBITDA was ₹ 7,884.86 million, and (i) our market capitalization to revenue (for the Financial Year 2023) multiple is 3.47 times and 3.31 time at the lower end and the upper end of the Price Band, respectively; and (ii) our market capitalization to tangible assets (for Financial Year 2023) multiple is 2.56 times and 2.69 time at the lower end and the upper end of the Price Band, respectively. Further, our EV to EBITDA ratio is 5.99, for the Financial Year ended March 31, 2023. For details in relation to the comparison of the above parameters with the listed industry peers, please see "*Basis for Offer Price*" on page 109. The Offer Price of the Equity Shares is proposed to be determined on the basis of assessment of market demand for the Equity Shares offered through a book-building process and certain quantitative and qualitative factors as set out in the section titled "*Basis for Offer Price*" on page 109. The Price Band, Offer Price and derived multiples and ratios may not be indicative of our market price on listing or thereafter.

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Any valuation exercise undertaken for the purposes of the Offer by us (through the IPO Committee), in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations, is not based on a benchmark with our industry peers. The relevant financial parameters based on which the Price Band would be determined, shall be disclosed in the advertisement that would be issued for publication of the Price Band. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, announcements by us or our competitors of significant acquisitions, strategic alliances, COVID-19 related or similar situations, announcements by third parties or governmental entities of significant claims or proceedings against us, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

5. ***We are unable to trace some of our historical records including minutes of the Board and Shareholders meetings and corresponding form filings. Further, certain of our secretarial records have not been adequately maintained. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation.***

We do not have records of certain statutory filings made with the RoC or acknowledgements for some of the filings made with the RoC. These include, *inter alia*:

- Copies of the minutes of the Board resolution for issuance and Shareholders' resolution for issuance and allotment of Equity Shares along with Form 23 filed with the RoC in relation to the allotment of (a) 100,000 Equity Shares on November 28, 1994; and (b) 199,960 Equity Shares January 23, 1995.

- Form 23 and filed with the RoC in relation to the increase in authorized share capital from ₹2,500,000 comprising 250,000 Equity Shares of ₹10 each to ₹10,000,000 comprising 1,000,000 Equity Shares of ₹10 each.

- Form 5 filed with the RoC in relation to the increase in authorized share capital from ₹10,000,000 comprising 1,000,000 Equity Shares of ₹10 each to 35,000,000 comprising 3,500,000 Equity Shares of ₹10 each.

While certain information in relation to these allotments has been disclosed in the sections "*Capital Structure*" and "*History and Certain Corporate Matters*" beginning on pages 83 and 221, respectively, in this Prospectus, based on the board resolutions, and based on the details provided in the search report dated June 26, 2023 prepared by Kothari H. & Associates, independent practicing company secretary, and certified by their certificate dated June 26, 2023, we may not be able to furnish any further information other than as already disclosed in "*Capital Structure*" and "*History and Certain Corporate Matters*" beginning on pages 83 and 221, respectively, or that the records mentioned above will be available in the future. We also cannot assure you that we will not be subject to any adverse action by any authority in relation to such untraceable records.

There have been certain instances of factual or typographical errors and discrepancies in certain allotment related forms and the corresponding secretarial records filed by us. For instance, (i) while filing the e-form MGT-14 with the RoC in relation to the allotment of 1,307,987 Equity Shares on August 31, 2017, the wrong shareholders' resolution was attached to the e-form inadvertently; (ii) as per Form PAS-3 and board resolution for allotment of 3,051,971 Equity Shares dated December 19, 2017, 930,124 Equity Shares were allotted to Thomas George Muthoot whereas, as per the shareholders' resolution, number of Equity Shares allotted to Thomas George Muthoot were 930,123; (iii) certain Form PAS-4 in relation to allotments made by us have incorrect details of share capital built up of our Company.

Further, we are yet to generate challans for certain of our e-form filings in relation to certain corporate action undertaken by our Company. We cannot assure you that we will not be subject to any legal proceedings or regulatory actions, including monetary penalties by statutory authorities on account of any inadvertent discrepancies and delays in our secretarial filings and/or corporate records in the future, which may adversely affect our business, results of operations, financial condition, cash flows and reputation.

Accordingly, reliance has been placed on the register of members, minutes of the meeting of the Board and Shareholders and other secretarial documents maintained by our Company. For details of such allotments, see "*Capital Structure – Share Capital History of our Company"* on page 83. While no legal proceedings or regulatory action has been initiated against our Company in relation to the above-mentioned discrepancies, we cannot assure you that no regulatory action will be initiated against us in this regard and that no penalties will be imposed on us on account of these discrepancies. The actual amount of the penalty which may be imposed or loss which may be suffered by us cannot be ascertained at this stage and shall depend on the nature and scope of the potential action which may be initiated against us. We cannot assure you that any such proceedings will not have a material adverse effect on our financial condition or reputation.

6. We are subject to certain conditions under our financing arrangements, which could restrict our ability to conduct our business and operations in the manner we desire.

As of September 30, 2023, we had debt securities of ₹14,356.23 million and borrowings (other than debt securities) of ₹63,104.87 million. Incurring indebtedness is a direct consequence of the nature of our business, and having a large outstanding borrowings portfolio may have significant implications on our business and results of operations, including, *inter alia*:

- fluctuations in market interest rates may affect the cost of our borrowings, as our indebtedness is at variable interest rates;

- affecting our ability to obtain additional financing in the future at acceptable terms;

- triggering provisions of cross-default across multiple financing arrangements;

- adverse and onerous implications (including limitations on the use of funds in the relevant facility) in the event of inability to comply with financial and other covenants specified in the financing agreements; and

- our lenders' right to recall loans.

Some of the financing arrangements entered into by us also include conditions that require us to obtain the respective lender's consent prior to carrying out certain activities. Such lenders, inter alia, include UCO Bank, Kotak Mahindra Bank Limited, Axis Bank Limited, Bandhan Bank Limited, DCB Bank Limited, Karur Vysya Bank Limited, State Bank of India and Bank of Baroda. For a complete list of lenders of the Company from whom consent is obtained, see "*Financial Indebtedness*" on page 418. These covenants limit our ability to: (i) change our capital structure; (ii) approach capital markets for mobilizing additional sources, either as debt or equity; (iii) change the nature or scope of business or operations other than in the normal course of business; (iv) formulate any scheme of amalgamation with any other borrower or reconstruction; (v) alter organizational or the charter documents; (vi) change control, ownership or shareholding pattern of our Company; (vii) dilute equity shareholding of our Promoters in our Company below stipulated thresholds; (viii) reduce shareholding of our Directors; (ix) change our Key Managerial Personnel; (x) change our accounting policies, except as required under law; and (xii) declare or pay dividends.

Further, our financing arrangements also include financial covenants that require us to, among other things, maintain ratios relating to capital adequacy our gross NPA to gross loan portfolio, net NPA to tangible net worth pre-provision after tax net income, capital to risk weighted asset, debt to equity and failure to observe covenants under our financing arrangements or failure to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, trigger of cross-default provisions and the enforcement of security provided.

There have been six instances of delay in the repayment of principal and by us in the past, which are as follows: (i) delay in interest payment of ₹64.9 million due on December 5, 2022, which was paid on December 7, 2022, due to an inadvertent operational error; (ii) shortfall of ₹1.25 million on account of incorrect repayment schedule shared by a lender; (iii) shortfall of 20 paise in repayment to a lender; (iv) shortfall of 62 paise in repayment to a lender; (v) one day delay in principal repayment of ₹20.6 million to a lender; and (vi) shortfall of ₹0.05 million in repayment of interest to a lender on account of revision in interest rate. The first instance was not considered as default as per the terms of the relevant facility agreement since the payment was made within the curing period, while the other five instances of delay were regularized. Further, there have been instances of breach of certain financial covenants of certain of our borrowings from financial institutions/banks under four financing arrangements in the past, which are as follows: (i) maximum permissible ratio of PAR>90 days (including managed portfolio), inclusive of write offs for trailing twelve months, to outstanding principal value of total asset under management to not exceed 10% till December 2021, 5% till December 2022 and 3% from April 1, 2022, (ii) Gross loan Portfolio at risk (PAR)> 30 days (AUM, including rescheduled loans), <13.00% up to June 30, 2021, <10% up to December 31, 2021 and thereafter <5% from January 1, 2022, (iii) Maximum permissible ratio of sum of the PAR > 90 and write-offs (on the Company's entire portfolio including receivables sold or discounted on a non-recourse basis) to Gross Loan Portfolio shall be 12.00% till September 30, 2021 and 9.00% till March 31, 2022 and 5.00% from April 01, 2022 onwards, write-offs would be calculated for trailing twelve months, as well as Maximum possible ratio of PAR>90 net off loan loss provisions (on the Company's entire portfolio including receivables sold or discounted on a non-recourse basis) to tangible net worth shall be 25.00% till September 30, 2021 and 20.00% from October 1, 2021 onwards; and (iv) Net NPA% shall not be more than one. We have obtained waivers from all four lenders for the aforementioned instances of breach of financial covenants.

While we were not subjected to any penalties in relation to these instances and have repaid all such dues as on the date of this Prospectus, and have received waivers in relation to breaches of financial covenants, we cannot assure you that we will be able to repay our loans in full, or at all, at the receipt of a recall or acceleration notice, or otherwise. In the past, we have availed moratorium from certain of our lenders under the framework permitted by the RBI on account of COVID-19. For details relating to this moratorium, see "*Restated Financial Statements – Impairment of financial assets – Adjustment in stages due to COVID 19 impact effective from April 1, 2020*". Further, some of the consents received from our lenders, as required under the relevant loan documentations, are subject to certain conditions including, among others, submission of an amended Memorandum and Articles of Association, revised board structure, board resolutions, continuation of security in favor of the lender(s) until the loan is repaid in full by us and until the lender(s) issues a no-dues certificate and compliance of statutory and regulatory requirements by us, submission of the revised shareholding pattern by us, other secured lenders sharing similar consents, raising of the capital through initial public offering does not result in dilution of or contradiction of any of the terms of the sanction letters issued, as applicable. Further, in respect of certain credit facilities or interest to be paid by us, waivers of debt action, consents and concessions in the event of default have neither been granted nor waived nor received by us. Our inability to comply with the conditions prescribed under the financing arrangements, or repay the loans as per the repayment schedule, may have an adverse effect on our credit rating, business, results of operations and financial performance. Breaches of our financing arrangements, including the aforementioned terms and conditions, in the future may result in the termination of the relevant credit facilities, levy of penal interest, triggering cross default provisions, having to immediately repay our borrowings and enforcement of security. We may be restricted from obtaining alternative financing by the terms of our existing or future debt instruments. Any acceleration of amounts due under our facilities may also trigger cross default provisions under our other financing agreements. Any of these circumstances could adversely affect our business, credit ratings, prospects, results of operations and financial condition. Moreover, any such action initiated by our lenders could adversely affect the price of the Equity Shares.

7. ***Concerns about terms of loans provided by us may adversely affect our reputation and thereby the growth and the market acceptance of our products and services.***

We provide loans to women, belonging to low-income groups primarily in rural areas. As a result of our business model of providing financial services at the villages of our customers, our operating expenses, particularly, finance, employee, travel and rent costs are quite high. This, along with our cost of financing, may result in higher interest rates being charge to our customers, in comparison to the interest rates generally charged by banks. This observation, including the terms of our loans, continue to be the subject of careful evaluation, analysis and often, criticism. Perception of our business and business model, including, among others, by social and political workers or disgruntled former stakeholders, could harm our reputation. Further, farmers and rural customers may undergo stress in meeting repayment schedules due to failure of crop harvests or other factors, resulting in significant publicity and media coverage. While we have not faced any instances of material adverse publicity in the past, we cannot assure you we will not face any material adverse publicity in the future, which may adversely affect our growth and the market acceptance of our products and services.

8. ***We may not be able to sustain the significant growth in our business and relatively high profit after tax that we recorded for the Financial Year 2023 in the future.***

In Financial Year 2023, we experienced significant growth in our business and recorded relatively high profit after tax. Our revenue from operations and profit after tax for the Financial Years 2021, 2022 and 2023 are set forth in the table below:

Particulars	**For the Financial Year**		
	2023	**2022**	**2021**
Revenue from operations (₹ in millions)	14,287.64	8,325.06	6,841.67
Profit after tax (₹ in millions)	1,638.89	473.98	70.54

The increase in our revenue from operations between Financial Years 2021 and 2023 was primarily due to an increase in interest on loan portfolio, mainly on account of an increase in our gross loan portfolio due to our expansion in the number of our branches in the past three Financial Years. For detailed explanations relating to our increase in revenue from operations and profit after tax, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations for the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023.*"

beginning on page 402. While we have experienced significant growth in our business and recorded relatively high profit after tax in Financial Year 2023, we cannot assure you that we will be able to continue to do so in the future. For details concerning risks relating to our inability to manage our growth effectively, see "- *If we are unable to manage our growth effectively, our business and reputation could be adversely affected. Further, we may not be able to sustain the growth rates we have had since our inception*." on page 44.

9. The audit reports on our audited financial statements as at and for the Financial Years 2021, 2022 and 2023 contain an emphasis of matter paragraph and certain negative observations.

The audit reports on our audited financial statements as at and for the Financial Year 2021 contain an emphasis of matter paragraph which describes the uncertainties relating to the effects of the COVID-19 pandemic outbreak on our Company's operations, as set out below:

"*We draw attention to note 52 to the accompanying financial statements which describes the uncertainties relating to the effects of COVID-19 pandemic outbreak on the Company's operations, the extent of which is significantly dependent on future developments, as they evolve. Our opinion is not modified in respect of this matter*".

Further, the audit reports on our audited financial statements as at and for the Financial Year 2023 contain the following negative observations in relation to delay in interest payment on borrowings, and cases of cheating, forgery, misappropriation, criminal breach of trust and robbery, respectively:

(i) "*The Company has not defaulted, at any point of time, in the repayment of any instalment or interest due on any of the loans outstanding as on date or rescheduled any of these loans except in case of interest payment of ₹64.86 million towards ISIN- INE046W07180- "Blue Orchard Microfinance Fund" which was due on December 5, 2022 and was paid on December 7, 2022. As informed to us, the payment was made within the curing period hence as mentioned in the respective agreement it has not been considered as default."*

(ii) "*Except for cases aggregating to ₹64.57 million which largely pertains to cheating, forgery, misappropriation, criminal breach of trust and robbery we have neither come across any instance of fraud by the Company or any material instance of fraud on the Company by its officers or employees, noticed or reported*."

Further, the audit reports on our audited financial statements as at and for the Financial Years 2022 and 2021 contain the following negative observations, respectively:

"Except for cases aggregating to ₹7.61 million which largely pertains to cheating, forgery, misappropriation, and criminal breach of trust, we have neither come across any instance of fraud by the Company or any material instance of fraud on the Company by its officers or employees, noticed or reported."

"No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit, except for misappropriation of cash aggregating to ₹4.17 million through manipulation of 1,173 customer accounts by the employees of the Company identified by the management during the year as stated in note 50 (xxii) to the financial statements."

We cannot assure you that our audit reports for any future fiscal periods will not contain qualifications, emphasis of matters or other observations which affect our results of operations in such future periods. For further details, see "*Restated Financial Statements*" on page 278.

10. We have experienced negative cash flows from operating, investing and financing activities in the past.

We have in the past, and may in the future, experience negative cash flows from operating, investing and financing activities. The following table sets forth our net cash used in/generated from operating, investing and financing activities for the years indicated:

Particulars	For the six months ended September 30,		For the Financial Year		
	2023	2022	2023	2022	2021
	(₹ in million)		*(₹ in million)*		
Net cash used in operating activities	(13,457.82)	(10,178.92)	(23,328.81)	(10,835.76)	(7,039.55)
Net cash used in investing activities	(989.77)	(3,535.73)	(1,800.30)	(738.03)	(379.51)
Net cash generated from financing activities	12,432.19	13,167.33	25,665.40	13,441.30	796.90

We had net cash outflow from operating activities of ₹7,039.55 million, ₹10,835.76 million, ₹23,328.81 million, ₹10,178.92 million and ₹13,457.82 million for the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, respectively, primarily due to an increase in loans disbursed as a result of an increase in the scale of our business.

Any negative cash outflows from operating activities over extended periods, or significant cash outflows in the short term from investing and financing activities, could have an adverse impact on our cash flow requirements, business operations and growth plans. As a result, our cash flows, business, future financial performance and results of operations could be adversely affected. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Cash Flows*" on page 412.

11. Our non-convertible debentures are listed on the BSE and we are subject to rules and regulations with respect to such listed non-convertible debentures. Additionally, as a 'high value debt listed entity', we are subject to additional compliances under the SEBI Listing Regulations. If we fail to comply with such rules and regulations, we may be subject to certain penal actions, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

Our non-convertible debentures are listed on the debt segment of the BSE. We are required to comply with various applicable rules and regulations, including the applicable SEBI regulations and applicable provisions of the SEBI Listing Regulations, in terms of our listed non-convertible debentures. We have had instances of non-compliances under certain provisions of the SEBI Listing Regulations in the past, including delays in furnishing intimation about meetings of the Board; non-submission of information related to payment obligation; non-submission of details of payable interest/dividend/principal obligations and delays in intimation of record date for the purpose of payment of interest within the period prescribed under the SEBI Listing Regulations. For instance, our Company has received an email dated October 3, 2023, imposing a fine of ₹0.01 million for not being compliant with the provisions of Regulation 60(2) of the SEBI Listings Regulations for non-submission of intimation of record date. Our Company has paid the fine imposed and as on the date of this Prospectus it has not received any further correspondence from BSE.

We have paid fines imposed upon us aggregating to ₹0.14 million for such non-compliances in the last three Financial Years and the six months ended September 30, 2023. While there are currently no continuing instances of non-compliances, if we fail to comply with such rules and regulations, we may be subject to certain penal actions, including, restrictions on the further issuance of securities and freezing of transfers of securities, which may have an adverse effect on our business, results of operations, financial condition and cash flows. For details of such listed non-convertible debentures, see "*Financial Indebtedness – Details of listed non-convertible debentures issued by our Company*" on page 424.

Further, we are qualified as a 'high value debt listed entity' as per the thresholds set out under the SEBI Listing Regulations in November 2021. As a 'high value debt listed entity', Chapter IV of the SEBI Listing Regulations are applicable to us on a mandatory basis from April 1, 2023. Accordingly, the required compliance with Chapter IV of the SEBI Listing Regulations may cause additional compliance and legal costs for us and any non-compliance in relation to this may attract penalties, which may have an adverse effect on our business, results of operations, financial condition.

12. We have availed loans which may be recalled by the lenders, subject to the terms and conditions of their grant, at any time.

We have availed loans, amounting to ₹80,190.00 million (of which 59.65% is outstanding) as of September 30, 2023, which may be recalled by our lenders on demand. In such cases, the lenders are empowered to require repayment of the facility at any point in time during the tenure. In case any of such unsecured loans are recalled on demand by our lenders and we are unable to repay the outstanding amounts under the facilities at that point, it would constitute an event of default under the respective loan agreements. For details, see "*Restated Financial Statements*" and "*Financial Indebtedness*" on pages 278 and 418, respectively.

13. We depend on the recognition of the "Muthoot" brand, and failure to use, maintain and enhance awareness of the brand would adversely affect our ability to retain and expand our base of customers.

We do not own the "Muthoot Pappachan" and the "Muthoot Microfin" trademarks and the "muthoot" and " muthoot MICROFIN " logos ("**Trademarks and Logos**"). We have entered into the Principal License Agreement and Supplemental Agreement with Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot for the license and use of the Trademarks and Logos, subject to the terms stipulated therein. The licenses are valid for a period of 10 years commencing January 1, 2017 and may be terminated by either party by giving a written notice of 30 days to the other party. A total license fee of ₹0.10 million has to be paid annually by our Company to the Licensors as consideration, under the terms of the Principal License Agreement and Supplemental Agreement. We are subject to certain covenants under the license agreements, including use of the trademarks in relation to our microfinance business and for brand promotion activities, which might affect our usage of the Trademarks and Logos". Further, the terms of the license may not permit any proposed use of such trademark which may be deemed infringing, and thereby restrict our usage of this trademark. For details, see "*History and Certain Corporate Matters – Other material agreements*" on page 226.

Our Individual Promoters and Directors, Thomas Muthoot, Thomas John Muthoot and Thomas George Muthoot, have filed an application before the Intellectual Property Appellate Board, Chennai on July 3, 2012 for the removal, expungement, rectification, cancellation and variation of the trademark labelled 'MUTHOOT' with registration number 1267883 in class

36 in the name of M Matthew. Subsequently, the application was transferred to the Intellectual Property Division of the High Court of Judicature at Madras and is currently pending. The mark 'MUTHOOT' has been currently registered as a trademark by M. Mathews, Chairman and Managing director of Muthoot Mercantile Limited. Our business is dependent on the continued usage of the 'MUTHOOT' brand and trademark, and an adverse outcome in this proceeding, may impact our ability to use the 'MUTHOOT' brand name. For further details, see "*Outstanding Litigation and Material Developments*" on page 426.

14. An increase in the level of our non-performing assets or provisions may adversely affect our financial condition and results of operations.

Our credit monitoring and risk management policies may not be properly designed or appropriately implemented. In addition, we may not be able to anticipate future macro-economic developments, which could lead to an increase in our NPAs. If our NPAs increase or our provisioning levels deteriorate, it could have an adverse effect on our financial condition and results of operations.

Pursuant to the applicable RBI guidelines and our accounting policies, we make contingent provisions against standard assets and NPAs, which are recognized under impairment of financial instruments in our restated statement of profit and loss. In addition to requiring us to make provisions on loan assets, the RBI requires us to classify and make additional provisions towards NPAs. If the number of our loans that become NPAs increases, the credit quality of our loan portfolio will decrease and the provisioning requirement will also increase. The RBI has also published clarifications dated November 12, 2021 in relation to the prudential norms on income recognition, asset classification and provisioning pertaining to advances, under which there are clarifications and changes in relation to certain items, among others, (a) income recognition policy for loans with moratorium on payment of interest; (b) upgradation of NPA accounts as standard only in case entire arrears of interest and principal are paid by the customer instead of only partial repayment (of principal or interest overdue, as the case may be); (c) NPA classification in case of interest payments; and (d) timeline related clarifications for classification of accounts as special mention accounts and NPAs. The RBI has also issued Scale Based Regulation with effect from October 1, 2022, pursuant to which a minimum requirement to maintain net owned fund has to be achieved in accordance with the prescribed timelines as specified in the regulations. For details, see "*Key Regulations and Policies*" on page 208.

In addition to the relevant minimum regulatory provision, we also consider our internal estimates for loan losses and risks inherent in the loan portfolio when deciding on the appropriate level of provisioning. The determination of an appropriate level of loan losses and provisions involves a degree of subjectivity and requires that we make estimates of current credit risks, all of which may be subject to material changes. Any incorrect estimation of risks may result in our provisions not being adequate to cover any further increase in the amount of NPAs or any further deterioration in our NPA portfolio.

The following table sets forth certain information regarding classification of our assets and provisioning:

Particulars	**As of six months ended September 30,**		**As of March 31,**		
	2023	**2022**	**2023**	**2022**	**2021**
	(₹ in millions)		***(₹ in millions)***		
Gross carrying value:					
Stage I(1)	84,674.65	52,828.22	69,408.82	40,665.01	30,890.18
Stage II(2)	543.41	1,160.35	436.67	2,642.24	1,566.51
Stage III(3)	2,070.69	1,818.51	2,141.53	2,890.01	2,589.09
Total gross carrying value:	**87,288.75**	**55,807.08**	**71,987.02**	**46,197.26**	**35,045.78**
ECL allowance(4):					
Stage I(1)	459.40	443.73	383.14	580.94	551.40
Stage II(2)	17.34	9.04	53.84	47.49	31.27
Stage III(3)	1,312.78	887.94	1,283.19	1,587.72	1,522.79
Total ECL allowance:	**1,789.52**	**1,340.71**	**1,720.17**	**2,216.15**	**2,105.46**
ECL allowance percentage(5)	**2.05%**	**2.40%**	**2.39%**	**4.80%**	**6.01%**
Net carrying value:					
Stage I(1)	84,215.25	52,384.49	69,025.68	40,084.07	30,338.78
Stage II(2)	526.07	1,151.31	382.83	2,594.75	1,535.24
Stage III(3)	757.91	930.57	858.34	1,302.29	1,066.30
Total net carrying value	**85,499.23**	**54,466.37**	**70,266.85**	**43,981.11**	**32,940.32**

Notes:

(1) *Stage 1 (overdue for 0-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.*
(2) *Stage II (overdue for 31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment at the reporting date.*
(3) *Stage III (overdue for more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.*
(4) *ECL allowance for all assets is as per our Board-approved ECL model to ensure compliance with RBI Circular No. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020.*
(5) *ECL allowance percentage represents ECL allowance for the relevant period/year as a percentage of the total gross carrying value of our loans as of the last day of the relevant period/year derived from our Restated Financial Statements.*

The table below sets forth provisions that we made with respect to our NPA portfolio for the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023:

Particulars	For the six months ended September 30,		For the Financial Year		
	2023	2022	2023	2022	2021
Provisions made with respect to our NPA portfolio *(%)*	63.40%	48.83%	59.92%	54.94%	58.82%

There are a number of factors outside of our control which affect our ability to limit NPAs. These factors include developments in the Indian and global economy, domestic and global macro-economic and political factors, changes in customer behaviours and demographic patterns, government decisions, natural calamities, widespread diseases, changes in interest rates and changes in regulations, including with respect to regulations requiring us to lend to certain sectors identified by the RBI, or the Government. In addition, the expansion of our business may cause our NPAs to increase and the overall quality of our loan portfolio to deteriorate.

15. There are several outstanding legal proceedings against our Company, Directors, Promoters and Group Companies. An adverse outcome in any of these proceedings may adversely affect our reputation, business, financial condition, results of operations and cash flows.

There are several outstanding legal proceedings against our Company, Directors and Promoters. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. The brief details of such outstanding legal proceedings along with the financial implications (to the extent ascertainable) are as follows:

Category of individuals / entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material civil litigation	Aggregate amount involved (₹ in million)[(1)]
Company						
By the Company	340	Nil	Nil	NA	Nil	122.02
Against the Company	2	Nil	2	NA	Nil	Non-quantifiable
Directors (excluding Promoters)						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	1	Nil	Nil	Nil	Nil	Non-quantifiable
Promoters						
By Promoters	60	Nil	Nil	Nil	3	218.77
Against Promoters	8	74	1	4	6	5,141.86

(1) To the extent ascertainable and quantifiable

Our Group Companies are not party to any pending litigation which will have a material impact on our Company.

In relation to such outstanding litigation matters involving our Company, Directors, Promoters and Group Companies, while the amounts and interests levied thereon to the extent ascertainable and involved in these matters have been mentioned above, the amounts and interests involved in many pending litigations are not ascertainable or quantifiable and are hence not disclosed. For further details of such outstanding legal proceedings against our Company, Directors, Promoters and Group Companies, see "*Outstanding Litigation and Material Developments*" on page 426. Further, in the past, certain customer complaints have been forwarded by the RBI to us. We have responded to and clarified these matters with the RBI. We cannot assure you that such complaints or matters will not occur in the future, and as a result, divert our management's time and attention from our business or consume our financial resources in responding to such complaints.

Such proceedings could divert management time and attention, and consume financial resources in their defence or prosecution. Further, an adverse outcome in any of these proceedings may adversely affect our reputation, business, prospects, financial condition and results of operations. We cannot assure you that any of these proceedings will be decided in favour of our Company, Directors, Promoters and Group Companies, or that no further liability will arise out of these proceedings.

16. Some of our Promoters and Directors have provided personal guarantees for loan facilities obtained by third

parties, and any failure or default by such third parties to repay such loans could trigger repayment obligations on them, which may impact their ability to effectively perform their obligations as our Promoters and/or Directors, as applicable, and thereby, adversely impact our business and operations.

As of November 20, 2023, the Promoter Selling Shareholders (i.e., Thomas Muthoot, Thomas John Muthoot, Thomas George Muthoot, Preethi John Muthoot, Remmy Thomas and Nina George) have given personal guarantees for an outstanding amount of ₹168,520.13 million, ₹168,358.83 million, ₹168,358.83 million, ₹66,554.10 million, ₹1,648.10 million and ₹1,220.90 million, respectively, in favour of certain loans availed for onward lending/business purposes, for an outstanding amount of ₹1,232.20 million, ₹303.50 million, ₹265.90 million, ₹13,727.53 million, ₹14,350.00 million, ₹4,019.80 million and ₹139,861.80 million, respectively. These third parties include Muthoot Motors (Cochin), Muthoot Automobile Solutions Private Limited, Muthoot Automotive (India) Private Limited, Muthoot Housing Finance Company Limited, Muthoot Capital Services Limited, MPG Hotels and Infrastructure Ventures Private Limited and Muthoot Fincorp Limited. The rate of interest for such loans range from 6.90% to 13.90%.

Any default or failure by the above-mentioned third parties to repay their loans in a timely manner or at all could trigger repayment obligations on the part of the Promoter Selling Shareholders in respect of such loans. This, in turn, could have an impact on their ability to effectively carry out their obligations as Promoters and/or Directors, of our Company, as applicable, thereby having an adverse effect on our business, results of operation and financial condition.

17. As a non-banking financial company – microfinance institution, we are subject to periodic inspections by the Reserve Bank of India. Non-compliance with observations made by the Reserve Bank of India during these inspections could expose us to penalties and restrictions.

The RBI as a part of its supervisory processes, conducts periodic inspections pursuant to which it issues observations, directions and monitorable action plans, on issues related to, amongst other things, our operations, risk management systems, internal controls, regulatory compliance and credit monitoring systems. During the course of finalizing inspections, the RBI inspection team shares its findings and recommendations with us and provides us with an opportunity to provide clarifications, additional information and, where necessary, justification for a different position, if any, than that observed by the RBI. The RBI incorporates such findings in its final inspection report and, upon final determination by the RBI of the inspection results, we are required to take actions specified in the inspection report issued by the RBI to its satisfaction, including, without limitation, requiring us to make provisions, implement credit rating and scoring models for loans, and tighten controls and compliance measures. Any significant deficiencies identified by the RBI that we are unable to rectify to the RBI's satisfaction could lead to sanctions and penalties imposed by the RBI against us and our management, as well as expose us to increased risks. For instance, the RBI pursuant to its letter dated October 13, 2014 imposed a penalty of ₹5,000 on our Company for violation of paragraph 5 of the RBI circular DNBS. (PD) CC. No. 12/02.01/99-2000 dated January 13, 2000, in relation to the change of name of our Company to "Muthoot Microfin Limited". The fine was paid by our Company as per letter dated October 31, 2014 to the RBI, by way of a demand draft dated October 30, 2014, and a revised certificate of registration was issued to our Company in 2015 by the RBI, bearing our Company's new name, i.e. "Muthoot Microfin Limited".

In the past, the RBI, pursuant to its annual inspection for the period ending March 31, 2019 and March 31, 2022. has made observations in its inspection reports, which include, *inter alia,* the following observations and the actions and corrective measures taken by our Company:

Observation	Implications	Actions and corrective measures taken by our Company	Time period in concern
In certain loan documents, proper documentation has not been done and there were deviations in several loan accounts with regard to per capita income criteria provided under the Income Generating Loans ("**IGL**") credit policy of our Company.	RBI may give certain directions for ensuring compliance or may impose fines.	Our Company has provided strict instructions to field level employees to properly update and fill in loan documents. Our Company intends to take action against staff members who have improperly updated and/or filled in the loan documentations. Our Company has also implemented a new software with build-in controls to automatically validate the conditions stipulated in our policy to prevent any violations of our policy.	Fiscal ended March 31, 2019
Our Company did not (i) formulate Expected Credit Loss ("**ECL**") policy, and (ii) document the ECL methodology being used by our Company.	RBI may give certain directions for ensuring compliance or may impose fines.	Our Company has adopted ECL policy and methodology pursuant to the Board meeting dated August 7, 2019.	Fiscal ended March 31, 2019
Delay in reporting of frauds in contravention of the RBI's Master Direction on Monitoring of Frauds in NBFCs dated September 29,	RBI may give certain directions for ensuring compliance or may impose fines.	Our Company has submitted the reasons for delays in the reporting of certain fraud cases, including delays due to COVID- 19 lockdown. Our Company will ensure that all fraud	Fiscal ended March 31, 2019

Observation	Implications	Actions and corrective measures taken by our Company	Time period in concern
2016.		cases required to be disclosed by the RBI will be disclosed in a timely manner.	
Board and other committee agenda and discussions need to be more elaborate and broader based, capturing the essence of the discussions and roles and responsibilities of the Board committees need to be delineated.	RBI may give certain directions for ensuring compliance or may impose fines.	Our Board has taken steps to include more broad-based discussions during Board meetings. Our Company has also noted the need to delineate the responsibilities of the Board committees and have accordingly taken relevant steps.	Fiscal ended March 31, 2019
Delay in settlement of accounts for cash handling services (relating to cash repayments of principal and interest by our customers) in violation of the terms of the service level agreement ("**SLA**") entered by our Company with our Corporate Promoter, MFL. The RBI also observed that the time period for settlement of cash provided under the SLA (i.e., 7 (seven) days) is inappropriate.	RBI may give certain directions for ensuring compliance or may impose fines.	Our Company has taken steps to ensure settlement of accounts within the specified timeline as per the service level agreement and is working towards decreasing the involvement of MFL in the collection process to control frauds associated with cash handling. Our Company has informed the RBI that the relevant clause in the SLA has been amended pursuant to an addendum to the SLA dated November 4, 2022, which now requires the settlement of accounts under the SLA to occur on a T+3 basis. Further, the settlement of accounts, in practice, is now happening on a T+1 basis.	Fiscal ended March 31, 2019
Non-implementation of risk based internal audit framework in violation of the paragraph 4 of the circular on Risk Based Internal Audit dated February 3, 2021 issued by the RBI.	RBI may give certain directions for ensuring compliance or may impose fines.	Risk based internal audit framework was approved and adopted in the Board pursuant to the meeting dated March 28, 2022.	Fiscal ended March 31, 2022
Failure to invite the head of our technology division for meetings relating to the development of management information systems and related computerization.	RBI may give certain directions for ensuring compliance or may impose fines.	Our Company will ensure that the head of our technology division is a permanent invitee in the Asset-Liability Management Committee meetings.	Fiscal ended March 31, 2019
Non-compliance with the NBFC-ND-SI Master Directions concerning (a) the disclosure of asset liability management maturity pattern, (b) requirement to conduct stress test for liquidity coverage ratio, (c) requirement to provide options to the borrower to make re-payment on an weekly, fortnightly or monthly installments, (d) failure to make a declaration in relation to the accountability of our Company for prevent inappropriate staff behavior, timely grievance redressal and the disclosure of fair practice board in office/branches of our Company, and (e) compensation methods in relation to calculating compensation for staff not providing enough weightage to areas of service and borrower satisfaction.	RBI may give certain directions for ensuring compliance or may impose fines.	Our Company has (a) ensured disclosure of asset liability management maturity pattern from March 2023 onwards, (b) ensured that stress test for liquidity coverage ratio is being conducted on a regular basis; (c) revised the repayment frequency in its loan documents to cover fortnightly option and prior to opening a branch, (d) revised fair practice board which includes declaration regarding inappropriate staff behavior; and (e) taken steps to provide more weightage to areas of service and borrower satisfaction in the compensation methods.	Fiscal ended March 31, 2019
In relation to non-compliance with the RBI's Master Direction on Information Technology Frameworks for NBFCs, the RBI has observed (a) there was a gap of more than six months in the	RBI may give certain directions for ensuring compliance or may impose fines.	Our Company will comply with the RBI's Master Direction on Information Technology Frameworks for NBFCs ensuring that: (a) the meetings of the IT strategy committee will be held not exceeding six months	Fiscal ended March 31, 2019

Observation	Implications	Actions and corrective measures taken by our Company	Time period in concern
meetings of the IT Strategy Committee, (b) information security audit observations were not placed before the board, and (c) business continuity plan test results were not placed before the Chief Information Officer and the Board of our Company.		gap, (b) information security audit observations shall be placed before the board, (c) business continuity plan test results shall be placed before the Chief Information Officer and the Board of our Company.	
There was a delay of three days in submission of return on structural liquidity and interest rate sensitivity for the month of September 2021.	RBI may give certain directions for ensuring compliance or may impose fines.	Our Company has taken all necessary steps to ensure timely filing of all applicable returns going forward.	Fiscal ended March 31, 2022

While we have responded to such observations and addressed them, we cannot assure you that the RBI will not make similar or other observations including divergences in the future that will financially impact our business and operations. In the event we are unable to resolve such deficiencies and other matters to the RBI's satisfaction, we may be restricted in our ability to conduct our business as we currently do. While we seek to comply with all regulatory provisions applicable to us, in the event we are unable to comply with the observations made by the RBI, we could be subject to penalties and restrictions which may be imposed by it. Imposition of any penalty, restriction, or issue of adverse findings by the RBI during the ongoing or any future inspections may have an adverse effect on our business, results of operations, financial condition and reputation.

18. We face the threat of cyber-fraud and cyber-attacks, such as hacking, phishing and theft of sensitive internal data or customer information. We also face the threat of a system breakdown, network outage and system failure. These may damage our reputation and adversely affect our business and results of operations.

Our systemic and operational controls may not be adequate to prevent cyber-frauds, and cyber-attacks targeted at disrupting our services, such as hacking, phishing and theft of sensitive internal data or customer information. Further, our internet platforms are exposed to being hacked or compromised by third-parties, resulting in thefts and losses to our customers and us. Some of these cyber threats from third-parties include data theft, ransom-ware attacks and advanced persistent threats. Our information technology systems, software and networks may be vulnerable to computer viruses that could compromise data integrity and security, which may result in the leakage of our customers' personal details including bank account numbers and other sensitive information. While we have not faced any material instances of cyber-frauds and cyber-attacks in the past, we cannot assure you that we will not encounter any such instances in the future. The frequency of such cyber-frauds and cyber-attacks may increase in the future with the increased digitization of our services. If we become the target of any of such cyber-frauds and cyber-attacks, it could adversely affect our business and results of operations. While we have adopted and implemented various cyber security protocols and policies and regularly monitor our technological infrastructure to anticipate and pre-empt potential cyber-security breaches, in order to minimize the risk of cyber-fraud and cyber-attacks, we cannot assure you that we will not encounter any cyber fraud or cyber attack in the future. Any cyber-security breach could also subject us to additional regulatory scrutiny and expose us to civil litigation and related financial liability. Any cyber-security breach could also subject us to the penalties levied for breach of obligations under the Digital Personal Data Protection Act, 2023 ("**DPDP Act**"), which provides for personal data protection and privacy of individuals, regulates cross border data transfer, and provides several exemptions for personal data processing by the Government. The DPDP Act also imposes restrictions and obligations on data fiduciaries, resulting from dealing with personal data and further, provides for levy of penalties for breach of obligations prescribed under the DPDP Act.

A significant system breakdown, network outage or system failure caused by intentional or unintentional acts would also have an adverse effect on our business. In June 2017, the RBI issued master directions on information technology frameworks for NBFCs which prescribe measures to be adopted by NBFCs to minimize cyber risk, including adoption of IT strategy policies (overseen by a strategy committee), information and cyber security protocols and policies, and reporting of cyber-security incidents and breaches to the RBI from time to time.

19. We will not receive any proceeds from the Offer for Sale. The Selling Shareholders will receive the entire proceeds from the Offer for Sale.

This Offer includes an Offer for Sale of 6,872,849 Equity Shares of face value of ₹10 each aggregating to ₹2,000.00 million by the Selling Shareholders. The entire proceeds from the Offer for Sale will be paid to the Selling Shareholders and we will not receive any such proceeds from the Offer for Sale. For further details, see "*Objects of the Offer*" on page 104.

20. Our Corporate Promoter, MFL, is involved in other financial services related businesses and is subject to extensive regulation. Any non-compliance or perceived non-compliance by our Promoters or Directors may adversely affect our reputation, business, results of operations and prospects.

Our Corporate Promoter, MFL, is registered with the RBI as an NBFC-ND-SI and carries out financial services in India. NBFC-

ND-SIs are subject to extensive RBI regulations. Any non-compliance by our Promoters with these regulations or any other regulations applicable to them, may adversely affect our ability to comply with regulations applicable to us and our business, results of operations and prospects may be adversely affected. Further, MFL received a show cause notice from the RBI ("RBI Show Cause Notice") dated May 18, 2012, which alleged that the affairs of MFL had been conducted in a manner detrimental to the interest of the public and that MFL was functioning in contravention of the provisions of the RBI Act, 1934. The RBI Show Cause Notice was issued to MFL, on account of, among others, (a) the alleged unauthorized acceptance of deposits by Muthoot Estate Investments, a partnership firm where the promoters of MFL were partners; (b) the operations of Muthoot Estate Investments being conducted out of certain premises of MFL; and (c) the staff of MFL being involved in the operations of Muthoot Estate Investments. MFL responded to the RBI Show Cause Notice on May 31, 2012 and through subsequent correspondences, including on July 13, 2018 and clarified that alleged non-compliances highlighted in the RBI Show Cause Notice, both in relation to MFL and Muthoot Estate Investments, had been rectified, and requested for a closure of the RBI Show Cause Notice. Pursuant to the letter dated September 4, 2018, the RBI has confirmed that the matters relating to the RBI Show Cause Notice are closed.

Further, MFL has had instances of non-compliance under regulations 54(2), 50(1)(d), 50(2), 53(2) and 57(1) of SEBI Listing Regulations in the past including non-disclosure of extent and nature of security created and maintained with respect to secured listed NCDs, payment obligation of listed commercial papers, non-intimation of meeting of the annual general meeting, submission of annual report and delay in intimation of board meeting for fund raising by way of issuance of non-convertible securities for the year ended March 31, 2023. MFL has paid fines imposed on it aggregating to ₹0.16 million for such non-compliance.

Any adverse action against MFL, or our other Promoters and Directors may have an adverse impact on our ability to carry out our business and comply with regulations applicable to us. For example, under the RBI regulations applicable to us we are obliged to, among other things, maintain a policy approved by the board of directors for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis and furnish to the RBI a quarterly statement on change of directors and a certificate from our managing director that fit and proper criteria in selection of the directors has been followed. For instance, we had received a letter from the RBI dated August 20, 2013 (the "**RBI Letter**") which directed our Company to cause our Individual Promoters, Thomas Muthoot, Thomas John Muthoot and Thomas George Muthoot, to step down from their directorship in our Company. The RBI Letter alleged that these directors did not fulfil the 'fit and proper' criteria as a result of them holding substantial interest in Muthoot Estate Investments, one of the entities forming part of our Promoter Group. In compliance with the RBI Letter, our Board was reconstituted on September 9, 2013. Subsequently, pursuant to specific approval from the RBI on April 26, 2017, these directors were reinstated on our Board. Further, MFL has delayed the payment of interest amounting to ₹0.48 million on its rated NCD to investors by three working days due to a one-off inadvertent operational error.

Our Promoters continue to hold a substantial interest in several entities which operate across a variety of sectors and are regulated by specific regulators and regulations. For details in relation to the entities in which our Promoters are interested, see "*Our Promoters and Promoter Group – Promoter Group*" on page 251.

21. If we are unable to manage our growth effectively, our business and reputation could be adversely affected. Further, we may not be able to sustain the growth rates we have had since our inception.

Our business has experienced growth over the past few years. Our network of branches and customers in India expanded from 755 branches and 6,846 employees serving 1.86 million active customers, as of March 31, 2021, to 905 branches and 8,178 employees serving 2.05 million active customers, as of March 31, 2022, to 1,172 branches and 10,227 employees serving 2.77 million active customers, as of March 31, 2023, and to 1,340 branches and 12,297 employees serving 3.19 million active customers, as of September 30, 2023.

As part of our future growth strategy, we aim to expand our geographical footprint and sourcing platform across India, which may further constrain our capital and human resources, and make asset quality management increasingly important. As we move to newer geographies, we may not be able to maintain the level of our NPAs or the quality of our portfolio. We will need to continue to enhance and upgrade our financial, accounting, information technology, administrative, risk management and operational infrastructure and internal capabilities to manage the future growth of our business effectively. Further, we may be unable to develop adequate infrastructure or devote sufficient financial resources or develop and attract talent to manage our growth. While we have not faced any material deficiencies in our existing systems and controls in the past, we may not be able to implement the necessary improvements in a timely manner in the future, or at all, and we may encounter deficiencies in existing systems and controls. If we are unable to manage our future expansion successfully, our ability to provide products and services to our customers would be adversely affected, and, as a result, our business and reputation could be adversely affected.

22. We derive a significant portion of our revenues from South India, and any adverse developments in the southern states of India may have an adverse effect on our business, results of operations, financial condition and cash flows.

We derive a significant portion of our revenues from South India, where a majority of our branches are located, and a majority of our gross loan portfolio originates from. The tables below set forth the geographic break-up of our branches and gross loan portfolio:

Zones	As of six months ended September 30,				As of March 31,					
	2023		2022		2023		2022		2021	
	Number of Branches	*% of Branches*	*Number of Branches*	*% of Branches*	*Number of Branches*	*% of Branches*	*Number of Branches*	*% of Branches*	*Number of Branches*	*% of Branches*
South	633	47.24%	503	49.90%	576	49.15%	468	51.71%	413	54.70%
North	318	23.73%	223	22.12%	269	22.95%	193	21.33%	138	18.28%
East	192	14.33%	128	12.70%	179	15.27%	127	14.03%	98	12.98%
West	197	14.70%	154	15.28%	148	12.63%	117	12.93%	106	14.04%
Total	**1,340**	**100.00%**	**1,008**	**100.00%**	**1,172**	**100.00%**	**905**	**100.00%**	**755**	**100.00%**

Zones	As of six months ended September 30,				As of March 31,					
	2023		2022		2023		2022		2021	
	Gross Loan Portfolio (₹ million)	*% of Gross Loan Portfolio*	*Gross Loan Portfolio (₹ million)*	*% of Gross Loan Portfolio*	*Gross Loan Portfolio (₹ million)*	*% of Gross Loan Portfolio*	*Gross Loan Portfolio (₹ million)*	*% of Gross Loan Portfolio*	*Gross Loan Portfolio (₹ million)*	*% of Gross Loan Portfolio*
South	56,908.70	52.37	44,981.38	60.38	51,530.27	55.96	40,537.93	64.81	33,271.57	66.72
North	24,573.73	22.61	13,773.13	18.49	19,179.68	20.83	9,652.29	15.43	7,489.48	15.02
East	14,505.09	13.35	7,954.40	10.68	12,273.78	13.33	6,918.48	11.06	4,586.05	9.20
West	12,683.14	11.67	7,785.95	10.45	9,099.22	9.88	5,440.73	8.70	4,520.00	9.06
Total	**108,670.66**	**100.00%**	**74,494.86**	**100.00%**	**92,082.96**	**100.00**	**62,549.42**	**100.00**	**49,867.11**	**100.00**

For details of a state-wise break-up of our branches and gross loan portfolio, please see *"Selected Statistical Information"* on page 255.

In the event of a regional slowdown in the economic activity in southern states of India, or any other developments including political unrest, disruption or sustained economic downturn that make our products in the southern states less beneficial, we may experience an adverse effect on our business, financial condition and results of operations.

India has also experienced natural calamities such as floods, cyclones, earthquakes, tsunamis and droughts in the past. Instances of floods or other natural calamities in India, particularly in southern states could have an adverse effect on our business. For instance, floods in the south Indian state of Kerala in 2018 and 2019, and cyclone in Tamil Nadu in 2018 caused major disruptions in our operations and led to an increase in our level of write-offs, thereby adversely affecting our business.

23. Any disruption in our sources of funding or increase in costs of funding could adversely affect our liquidity and financial condition.

The liquidity and profitability of our business depend, in large part, on our timely access to, and the costs associated with, raising funds. Our funding requirements historically have been met from various sources, including bank loans, non-convertible debentures, market-linked debentures, external commercial borrowings, equity and preference shares, direct assignments and subordinated debt. Our business thus depends on our ability to access a variety of funding sources. Our secured non-convertible debentures aggregating to ₹13,216.67 million will mature in the remainder of the Financial Years 2024, 2025 and 2026. Further, our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins. Our margins are affected by our ability to continue to secure low-cost funding at rates lower than the interest rates at which we lend to our customers. The table below sets forth our weighted average cost of borrowing for top five lenders (in terms of total outstanding amount as of the respective date) as of March 31, 2021, 2022 and 2023, and September 30, 2022 and 2023:

Particulars	As of six months ended September 30,	As of six months ended September 30,	As of March 31,		
	2023	2022	2023	2022	2021
Weighted average cost of borrowing for top five lenders (in terms of total outstanding amount as of the respective date) *(%)*	10.33%	9.55%	10.49%	9.37%	11.19%

Our ability to raise funds at competitive rates depends on various factors including our current and future results of operations and financial condition, our risk management policies, the shareholding of our Promoters in our Company, our management of certain financial ratios, our credit ratings, our brand equity, the regulatory environment and policy initiatives in India and developments in the international markets affecting the Indian economy.

Further, the restrictions imposed on NBFCs by the RBI through the NBFC-ND-SI Directions, as well as Priority Sector Lending targets, may restrict our ability to obtain bank financing for specific activities. Our ability to raise foreign funds through debt is governed by RBI regulations and is subject to certain restrictions, including raising loans only from certain recognized lenders and with minimum average maturity period of not less than three years, except in cases where the minimum average maturity period is more or less than three years. The NBFC-ND-SI Directions also imposes certain restrictions in relation to changes in the shareholding of our Company beyond certain thresholds. As of September 30, 2023, we have 5,854.00 market-linked debentures that are issued and outstanding.

In addition, any changes to the regulations on priority sector lending may also disrupt our sources of funding. The RBI currently mandates domestic scheduled commercial banks (excluding regional rural banks and SFBs) and foreign banks, operating in India, to maintain an aggregate 40.00% of adjusted net bank credit or credit equivalent amount of off-balance sheet exposure, whichever is higher, as "priority sector lending". In the event that the laws relating to priority sector lending, as applicable, to the banks undergo a change, or if any part of our loan portfolio is no longer classified as a priority sector lending by the RBI, or if we are no longer able to satisfy the prescribed conditions to be eligible for such classification, our ability to raise resources based on priority sector advances would be hampered, which may adversely affect our financial condition, results of operations and/or cash flows.

24. We are subject to laws and regulations governing the financial services industry in India and changes in laws and regulations governing us could adversely affect our business, results of operations and prospects.

As an NBFC-MFI, we are subject to regulation by Government authorities, including the RBI. The RBI regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. Additionally, we are required to make various filings with the RBI, the BSE, the Registrar of Companies and other relevant authorities pursuant to the provisions of RBI regulations, the Companies Act and other regulations. If we fail to comply with these requirements, we may be subject to penalties and legal proceedings. Any non-compliance with regulatory guidelines and directions may result in substantial penalties, revocation of our licenses and reputational impact. For instance, in the past, we have not paid statutory dues amounting to ₹0.11 million for the Financial Year 2017-2018 to Financial Year 2022-2023 as required under the Employees Provident Fund Act, 1952, owing to mismatch / non-availability of Aadhaar numbers. Further, in order to comply with the order of the Regional Provident Fund Commissioner-II, Kochi, dated November 24, 2021, we have paid statutory dues amounting to ₹0.09 million for the Financial Year 2013-14, on November 25, 2021. Among other things, if found non-compliant, we could be fined or prohibited from engaging in certain business activities. In addition, the regulations applicable to us also govern issues such as our conduct with customers, recovery practices, market conduct and foreign investment.

The RBI has also enacted the Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 ("**RBI (RFML) Directions**") with effect from April 1, 2022, under which we are required to comply with certain additional compliances and conditions, including but not limited to: (i) forming a board approved policy to assess the household income of its borrowers; (ii) forming a board approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income, which is capped at 50% of the monthly household income; (iii) forming a board approved policy regarding pricing of microfinance loans (which includes ceiling on the interest rate and all other charges applicable to microfinance loans); (iv) forming a board approved policy to provide flexibility of repayment periodicity on microfinance loans as per borrower requirements; (v) adopting a fair practices code for conduct towards borrowers in line with the RBI (RFML) Directions and displaying the fair practices code on the website and all its offices; (vi) putting in place a mechanism for recovery of loans which is borrower friendly; and (vii) ensuring that a minimum of 75% of our total assets are 'microfinance loans'.

The laws, regulations and policies applicable to us may be changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with applicable laws and regulations. Such changes may also adversely affect our business, to the extent that we are unable to suitably comply with any such changes in applicable law, regulations and policies. Further, many of the regulations applicable to our operations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be deemed to be contravention of such laws and may be subject to penalties and legal proceedings against us. Unfavorable changes in or interpretations of existing laws, rules and regulations, could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals.

25. Any downgrade of our credit ratings may constrain our access to capital and debt markets and, as a result, may adversely affect our cost of borrowings and our results of operations.

We have obtained the grading and credit ratings provided below:

Grading/Credit Rating	Organization which gave the rating	Date on which rating provided	Details of the rating
A+/Stable	CRISIL	December 8, 2023	Long Term Rating
M1C1	CRISIL	July 20, 2023	Comprehensive Microfinance Grading; M1C1 being the best possible grading
A+/Stable	CRISIL	December 8, 2023	NCD rating
PPMLD A+/ Stable	CRISIL	December 8, 2023	Long term principal protected MLD rating
A1+	CRISIL	December 8, 2023	Commercial Paper

Details relating to changes in our credit ratings during the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2023 are set forth below:

Rating agency	Date of change	Nature of change	Initial Rating	New Rating	Details of rating
CRISIL	October 19, 2022	Upgrade	A/Stable	A+/Stable	Long Term Rating
CRISIL	October 19, 2022	Upgrade	A/Stable	A+/Stable	NCD Rating
CRISIL	October 19, 2022	Upgrade	PPMLD A r/ Stable	PPMLD A+/ Stable	Long term principal protected MLD rating
India Ratings & Research	November 18, 2021*	Upgrade	IND A/Stable	IND A/Stable	Bank Loans and NCD Rating

* *This rating, which was reaffirmed on November 17, 2022, was subsequently withdrawn by India Ratings & Research by way of its letter dated November 16, 2023, since it was no longer required to maintain the ratings as there was no outstanding amount against the assigned bank facilities from India Ratings and the NCDs rated by it also had been repaid.*

The cost and availability of funds is dependent, among other factors, on our short-term and long-term credit ratings. Credit ratings reflect a rating agency's opinion of our financial strength, operating performance, industry position, and ability to meet our obligations. Any issues impacting our business performance or the microfinance industry as a whole may result in a downgrade of our credit ratings, which may constrain our access to capital and debt markets and, as a result, may adversely affect our cost of borrowings and our results of operations. In addition, any downgrade of our credit ratings could result in additional terms and conditions being included in any additional financing or refinancing arrangements in the future. For details of our credit ratings, see "*Our Business*" on page 181.

26. Any non-compliance with mandatory anti-money laundering and know your customer policies could expose us to additional liability and harm our business and reputation.

We are mandated to comply with applicable anti-money laundering ("**AML**") and know your customer ("**KYC**") regulations in India. These laws and regulations require us, among other things, to adopt and enforce AML and KYC policies and procedures. For further details, see "*Key Regulations and Policies*" on page 208. While we have adopted policies and procedures aimed at collecting and maintaining all AML and KYC related information from our customers to detect and prevent the use of our business networks for illegal money-laundering activities, there may be instances where the information may be used by other parties in attempts to engage in money-laundering and other illegal or improper activities. While we have not have faced any material instances where the information has been used by other parties in attempts to engage in money- laundering and other illegal or improper activities, we cannot assure you that we will not face any such material instances in the future.

Further, while we have not faced any material fines or other penalties by government agencies as a result of violations of AML or KYC regulations in India in the past, we cannot assure you that we will in the future be able to fully control instances of any potential or attempted violation by any party and may accordingly be subject to regulatory actions. Our business and reputation could suffer if any such party uses or attempts to use us for money-laundering or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with the applicable regulatory requirements.

27. To support and grow our business, we must maintain a minimum capital to risk weighted assets ratio, and lack of access to capital may prevent us from maintaining an adequate ratio.

As an NBFC-MFI, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("**CRAR**") consisting of Tier I and Tier II capital of not less than 15% of our aggregate risk weighted assets on-balance sheet and of the risk-adjusted value of off-balance sheet items. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. For further details, see *"Key Regulations and Policies", "Selected Statistical Information – Capital to Risk Asset Ratios", "Objects of the Offer – Details of the Objects of the Fresh Issue – Augmenting the capital base of our Company", "Objects of the Offer – Details of the Objects of the Fresh Issue – Capital Adequacy"* and *"Our Business – Description of Our Business – Capital Adequacy Ratios"* on pages 208, 260, 105, 105 and 205, respectively. Our ability to support and grow our business would become limited if our CRAR is low. As we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital to continue to meet applicable CRAR with respect to our business. We cannot assure you that we will be able to raise adequate additional capital in the future on terms favourable to us, and this may adversely affect the growth of our business. In addition, any changes in the RBI or other government actions in relation to securitizations or assignments by NBFCs in general or MFIs specifically, including if any assignment is held unenforceable under applicable law, could have an adverse effect on our assignment and securitization plans in the future. This may result in non–compliance with applicable capital requirements, which could have an adverse effect on our business, financial condition and results of operations. If we are unable to meet any existing or new and revised requirements, our business and results of operations may be adversely affected.

28. During the COVID-19 pandemic, we offered a moratorium to our customers in relation to their payments to us, which helped maintain our asset quality. There is no assurance that we will be able to grant moratoriums on the occurrence of any future events which adversely impact the microfinance industry.

During the COVID-19 pandemic, we offered moratorium to our customers in accordance with the relevant RBI circulars, which allowed lending institutions to offer moratorium to their borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020. The RBI circulars also allowed lenders to exclude the moratorium period from the number of days past due in respect of accounts classified as standard as on February 2020, for the purpose of asset classification under the income recognition, asset classification and provisioning norms. Accordingly, where moratorium was granted for our loans, the asset / stage-wise classification remained 'as-is' during the moratorium period (i.e. the number of days past due excluded the moratorium period for the purposes of asset / stage-wise classification). Thus, we were able to maintain our asset quality by offering moratorium to customers, as we did not need to recognise NPAs during this moratorium period. However, we cannot assure you that the RBI will allow us to offer moratorium to customers in the future, in case of future adverse events that impact the microfinance industry as a whole. Further, such moratorium in the future may also adversely impact cash collections during the period of moratorium. Such factors may adversely affect our business, financial condition and results of operations.

29. We may face various risks associated with our large number of rural and semi-urban branches and widespread network of operations which may adversely affect our business, financial condition and results of operations.

As of September 30, 2023, we have 3.19 million active customers, who are served by our 1,340 branches across 18 states and union territories in India. As a consequence of our large number of rural and semi-urban branches and widespread network, we may be exposed to certain risks, including, among others:

- upgrading, expanding and securing our technology platform;
- maintaining high levels of customer satisfaction;
- difficulties arising from coordinating and consolidating corporate and administrative functions;
- delay in the transfer of data among various locations;
- failure to efficiently and optimally allocate management, technology and other resources across our branch network;
- failure to manage third-party service providers in relation to any outsourced services;
- difficulties in the integration of new branches with our existing branch network;
- difficulties in supervising local operations from our centralized locations;
- difficulties in hiring and training skilled personnel in sufficient numbers to operate the new branches locally;
- unforeseen legal, regulatory, property, local taxation, labor or other issues; and
- risk of fraud, petty theft, embezzlement or other misconduct by employees or outsiders, exacerbated by the large amount of cash that our employees handle and the high level of autonomy on the part of our loan officers and back-end managers, which our business model requires. Further, as our business requires us to process high volume of transactions on a regular basis, certain instances of fraud and misconduct may go unnoticed. For details, see "- *A significant portion of our collections from customers are in cash, exposing us to certain operational risks. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transactions, fraud or misappropriation by our representatives and employees, which could adversely affect our business and goodwill"* on page 52.

Any of the above reasons may result in our failure to manage our business operations in an effective manner, which may adversely affect our brand, reputation, business, financial condition and results of operations.

30. Competition from other micro-finance institutions, banks (including small finance banks) and financial institutions, as well as state-sponsored social programs, may adversely affect our profitability and position in the

Indian microcredit lending industry.

We face significant competition from other MFIs and banks in India (including SFBs). For details, see "*Our Business – Competition*" on page 206. Many of the institutions with which we compete may be larger in terms of business volume or may have greater assets, higher geographical penetration and better access to, and lower cost of, funding than we do. In certain areas, they may also have better brand recognition and larger customer bases than us. We anticipate that we may encounter greater competition as we continue expanding our operations in India, and therefore, we cannot assure you that we will be able to retain and/or expand our existing client base, which in turn may result in an adverse effect on our business, results of operations and financial condition.

Traditional commercial banks, as well as regional rural and cooperative banks, have generally not directly targeted the lower income segments of the population for new customers. However, some banks do participate in microfinance by financing the loan programs of self-help groups often in partnership with non-governmental organizations, or through certain state-sponsored social programs. Further, most small finance banks which received approval from the RBI for the commencement of SFB operations are focused on low and middle-income individuals and micro, small and medium enterprises. Further, some commercial banks are also beginning to directly compete with for-profit MFIs, including through the partner institution model and co-lending model, for lower income segment customers in certain geographies.

Disruption from digital platforms could also have an adverse effect on our business model and the success of our products and services that we offer to our customers. We face threats to our business from newer business models that leverage technology to bring together savers and customers. The verification and disbursement process, undertaken through e-KYC and Aadhaar ID, is generally much faster than a typical NBFC, and is not reliant on the JLG model. While we are currently working on developing the relevant technological infrastructure to undertake our verification and disbursement process through e-KYC and Aadhaar ID, we cannot assure you that we will be successful in developing and implementing the same.

In addition, as competition amongst micro-finance players increases, customers may take more than one loan from different micro-finance players, which may adversely affect our asset quality or the asset quality of the industry as a whole.

31. Our NPA recognised as a percentage of total loan portfolio was higher in the first half of the Financial Year 2023 as compared to the second half of the Financial Year 2023. Fluctuations in our NPA recognised as a percentage of total loan portfolio across certain periods may adversely affect our cash flows, which in turn may adversely affect our business, financial condition and results of operations.

Our NPA recognised as a percentage of total loan portfolio was higher in the first half of the Financial Year 2023 as compared to the second half of the Financial Year 2023, primarily due to the sale of a portion of our NPAs to a securitization / reconstruction company pursuant to the directions of the RBI during the Financial Year 2023. Our month wise NPA recognition vis a vis total loan portfolio for the Financial Year 2023 is set forth in the table below:

Month	*NPA recognised as a percentage of total loan portfolio*
April 2022	7.80%
May 2022	7.66%
June 2022	6.70%
July 2022	6.61%
August 2022	6.35%
September 2022	3.26%
October 2022	3.91%
November 2022	3.72%
December 2022	3.49%
January 2023	3.33%
February 2023	3.19%
March 2023	2.97%

While the fluctuations in our NPA recognised as a percentage of total loan portfolio during the first half of the Financial Year 2023 as compared to the second half of the Financial Year 2023 did not have an adverse effect on our cash flows, we cannot assure you that any such fluctuations will not adversely affect our cash flows in the future, which in turn may adversely affect our business, financial condition and results of operations.

32. We have contingent liabilities and our financial condition could be adversely affected if these contingent liabilities materialize.

The following is a summary table of our contingent liabilities as of September 30, 2023 and March 31, 2023 as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

Nature of Contingent Liability	As at September 30, 2023	As at March 31, 2023
	(₹ in million)	
Credit enhancements provided by our Company towards securitisation transactions	5,196.22	3,381.96

We cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future. If any of these contingent liabilities materialize, our financial condition may be adversely affected.

33. We have entered into, and will continue to enter into, related party transactions which may potentially involve conflicts of interest.

In the ordinary course of our business, we have entered into several transactions with related parties, including our Promoters and certain members of our Promoter Group. These related party transactions include, among others, cash management charges, commission income, software support charges, rent expenses, travel expenses, trademark fees, sitting fees, marketing expenses and corporate social responsibility expenditure. We have entered into agreements for lease of branch premises, as well as service level agreements to store gold loan products and MSGB loans with MFL. We have also entered into an agreement for lease of our head office premises with three of our Individual Promoters, namely Thomas Muthoot, Thomas George Muthoot and Thomas John Muthoot. Further, we have also entered into agreements with one of our Group Companies, Muthoot Pappachan Technologies Limited, for the use and customization of software and information technology systems across our operations in an efficient manner. The table below sets forth details relating to our related party transactions for the periods indicated:

Particulars	For the six months ended September 30,				For the Financial Year					
	2023		2022		2023		2022		2021	
	Aggregate amount of related party transactions (₹ million)	*% of revenue from operations*	*Aggregate amount of related party transactions (₹ million)*	*% of revenue from operations*	*Aggregate amount of related party transactions (₹ million)*	*% of revenue from operations*	*Aggregate amount of related party transactions (₹ million)*	*% of revenue from operations*	*Aggregate amount of related party transactions (₹ million)*	*% of revenue from operations*
Related party transactions	45.89	0.44%	40.69	0.67%	91.12	0.64%	84.58	1.02%	120.66	1.76%

The summary of related party transactions of our Company for the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, as per Ind AS 24 – 'Related Party Disclosures' and as reported in the Restated Financial Statements, are set forth in the table below:

Particulars	Nature of relationship	For the six months ended September 30,				For the Financial Year ended					
		2023		2022		2023		2022		2021	
		Amount (₹ million)	*% of revenue from operations*	*Amount (₹ million)*	*% of revenue from operations*	*Amount (₹ million)*	*% of revenue from operations*	*Amount (₹ million)*	*% of revenue from operations*	*Amount (₹ million)*	*% of revenue from operations*
Muthoot Fincorp Limited	Holding company	27.52	0.26%	27.46	0.45%	52.54	0.37%	40.60	0.49%	47.20	0.69%
Muthoot EXIM Private Limited	Entities in which KMP are able to exercise control or have significant influence	6.27	0.06%	3.53	0.06%	5.96	0.04%	3.56	0.04%	1.09	0.02%
Muthoot Pappachan Foundation	Entities in which KMP are able to exercise control or have significant influence	-	-	-	-	6.23	0.04%	19.93	0.24%	34.99	0.51%
Muthoot Pappachan Technologies	Fellow subsidiary	6.00	0.06%	6.00	0.10%	12.15	0.09%	12.88	0.15%	30.24	0.44%
M-Liga Sports Excellence Private limited	Common directorship	-	-	-	-	5.00	0.03%	-	-	-	-

Particulars	Nature of relationship	For the six months ended September 30,				For the Financial Year ended					
		2023		2022		2023		2022		2021	
		Amount (₹ million)	*% of revenue from operations*	*Amount (₹ million)*	*% of revenue from operations*	*Amount (₹ million)*	*% of revenue from operations*	*Amount (₹ million)*	*% of revenue from operations*	*Amount (₹ million)*	*% of revenue from operations*
Thomas Muthoot	Managing Director	1.55	0.01%	1.42	0.02%	2.93	0.02%	2.89	0.03%	2.55	0.04%
Thomas George Muthoot	Non-Executive Director	3.67	0.04%	1.65	0.03%	4.99	0.03%	3.37	0.04%	3.03	0.04%
Thomas John Muthoot	Non-Executive Director	0.88	0.01%	0.61	0.01%	1.33	0.01%	1.36	0.02%	1.11	0.02%
The Thinking Machine Media Private Limited	Common directorship	-	-	-	-	0	0%	0	0%	0.45	0.01%
Pushpy B Muricken	Non-Executive Independent Director	0.33	0.00%	0.24	0.00%	0.54	0.00%	0.66	0.01%	0.49	0.01%
Thai Salas Vijayan	Non-Executive Independent Director	0.36	0.00%	0.27	0.00%	0.66	0.00%	0.63	0.01%	0.46	0.01%
Alok Prasad	Non-Executive Independent Director	0.45	0.00%	0.30	0.00%	0.75	0.01%	0.78	0.01%	0.49	0.01%
Bhama Krishnamurthy	Non-Executive Independent Director	0.45	0.00%	0.27	0.00%	0.66	0.00%	0.78	0.01%	0.56	0.01%
Anand Raghavan	Non-Executive Independent Director	0.39	0.00%	-	-	0.09	0.00%	0	0%	0	0%
Sadaf Sayeed	KMP	28.50	0.27%	24.93	0.41%	37.31	0.26%	43.17	0.52%	18.31	0.27%
Praveen T.	KMP	3.38	0.03%	2.86	0.05%	4.95	0.03%	4.17	0.05%	3.05	0.04%
Neethu Ajay	KMP	1.32	0.01%	1.06	0.02%	1.92	0.01%	1.62	0.02%	1.22	0.02%

For further details on our related party transactions, see "*Other Financial Information - Related Party Transactions*" on page 387.

While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Such related party transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company. We cannot assure you that such related party transactions, individually or in the aggregate, will always be in the best interests of our shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

34. Changes in the tenure of our loan products could result in asset liability mismatches and expose us to interest rate and liquidity risks, which may adversely affect our business, financial condition, results of operations and cash flows.

We may face adverse asset-liability mismatches in the future, which could expose us to interest rate and liquidity risks. Loans with a tenure of 12 months or less, 24 months and 36 months constitute 1.76%, 96.76% and 1.49% of our total gross loan portfolio as of September 30, 2023. We may face potential liquidity risks due to varying periods over which our assets and liabilities may mature. Such mismatches could adversely affect our business, financial condition, results of operations and cash flows.

35. This Prospectus contains information from third parties and from the CRISIL Report prepared by CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.

The industry and market information contained in this Prospectus includes information that is derived from the CRISIL Report dated November 27, 2023 prepared by an independent third-party research agency, CRISIL. Our Company has commissioned CRISIL pursuant to the engagement letter dated May 29, 2023. Neither we nor any of our Directors, the Selling

Shareholders or the BRLMs are related parties of CRISIL. The CRISIL Report has been commissioned and paid for by us for the purposes of confirming our industry exclusively in connection with the Offer. The report uses certain methodologies for market sizing and forecasting, and may include numbers relating to our Company that differ from those we record internally. Accordingly, investors should read the industry-related disclosure in this Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Prospectus. While these industry sources and publications may take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data.

Given the scope and extent of the CRISIL Report, disclosures are limited to certain excerpts and the CRISIL Report has not been reproduced in its entirety in this Prospectus. The CRISIL Report is available on the website of our Company at https://muthootmicrofin.com/wp-content/uploads/2023/11/Updated-Industry-Report_27Nov2023.pdf. Further, the CRISIL Report is not a recommendation to invest / disinvest in any company covered in the CRISIL Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information. You should consult your own advisors and undertake an independent assessment of information in this Prospectus based on, or derived from, the CRISIL Report before making any investment decision regarding the Offer. For details, see "*Industry Overview*" on page 133.

36. Any failure or material weakness of our internal control systems could cause significant operational errors, which would adversely affect our reputation and profitability.

We are responsible for establishing and maintaining adequate internal measures and controls commensurate with the size and the complexity of our operations. Our internal or concurrent audit functions are equipped to make an independent evaluation of the adequacy and effectiveness of internal controls on an ongoing basis to ensure that business personnel adhere to our policies, compliance requirements and internal guidelines. While we periodically test and update our internal control systems as necessary, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances. While we have not faced any material instances of failure of internal processes and systems in the past, we cannot assure you that we will not face any such failures in the future.

Given our high volume of transactions, it is possible that errors may repeat or compound before they are discovered and rectified. Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be prompt or sufficient to fully correct such internal control weakness. We face operational risks in our business and there may be losses due to deficiencies in the credit sanction process, inaccurate financial reporting and fraud and failure of critical systems and processes. We have in the past encountered fraud which amounted to an aggregate of ₹4.17 million, ₹7.61 million, ₹64.57 million, ₹11.62 million and ₹10.88 million for the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, respectively. Further, there has been one instance of material fraud in the past, for an amount of ₹49.34 million, involving misappropriation and criminal breach of trust. In addition, we carry out certain processes manually, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. As a result, we may suffer losses. Such instances may also adversely affect our reputation and profitability.

37. A significant portion of our collections from customers is in cash, exposing us to certain operational risks. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transactions, fraud or misappropriation by our representatives and employees, which could adversely affect our business and goodwill.

A significant portion of our collections from customers is in cash. While substantially all of our customers have access to bank accounts, a significant portion of our collections from customers is in cash. This is due to the nature of our customers' business whereby the majority of our customers receive their income in cash, and therefore their preferred mode of repayment to us is also in cash.

The tables below set forth our details relating to our collections in cash:

Particulars	For the six months ended September 30,				For the Financial Year					
	2023		2022		2023		2022		2021	
	Amount of cash collected (₹ million)	*% of total collections*	*Amount of cash collected (₹ million)*	*% of total collections*	*Amount of cash collected (₹ million)*	*% of total collections*	*Amount of cash collected (₹ million)*	*% of total collections*	*Amount of cash collected (₹ million)*	*% of total collections*
Cash collections	27,841.51	74.53	21,418.11	89.59	43,012.92	79.70	32,926.00	95.14	28,821.60	98.94

Particulars	For the six months ended September 30,				For the Financial Year					
	2023		2022		2023		2022		2021	
	Amount of average cash collected per customer (₹)	*% of total collections per customer*	*Amount of average cash collected per customer (₹)*	*% of total collections per customer*	*Amount of average cash collected per customer (₹)*	*% of total collections per customer*	*Amount of average cash collected per customer (₹)*	*% of total collections per customer*	*Amount of average cash collected per customer (₹)*	*% of total collections per customer*
Cash collections	10,336	75	11,021	90	16,763	80	16,897	95	15,893	99

Large cash collections expose us to the risk of theft, fraud, misappropriation or unauthorized transactions by employees responsible for dealing with such cash collections. We have experienced certain instances of misappropriation or unauthorized transactions by certain employees over the last three Financial Years and the six months ended September 30, 2023, including cash embezzlements as set forth in the table below:

Particulars	For the six months ended September 30,				For the Financial Year					
	2023		2022		2023		2022		2021	
	Amount of cash embezzlements (₹ million)	*% recovered*	*Amount of cash embezzlements (₹ million)*	*% recovered*	*Amount of cash embezzlements (₹ million)*	*% recovered*	*Amount of cash embezzlements (₹ million)*	*% recovered*	*Amount of cash embezzlements (₹ million)*	*% recovered*
Cash embezzlements	10.88	5.62	11.62	26.95	63.98	25.15	7.61	19.84	4.17	5.40

We may also be party to criminal proceedings and civil litigation related to our cash collections and we may be subject to regulatory or other proceedings in connection with any unauthorized transactions, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. These risks are exacerbated by the high levels of responsibility we delegate to our employees and the geographically dispersed nature of our network. Our customers are primarily from rural markets, which carry additional risks due to limitations on infrastructure and technology. The table below sets forth details relating to past instances of theft and robbery for which we have filed police complaints:

Particulars	For the six months ended September 30,				For the Financial Year					
	2023		2022		2023		2022		2021	
	Number of instances	*Aggregate amount (₹ million)*	*Number of instances*	*Aggregate amount (₹ million)*	*Number of instances*	*Aggregate amount (₹ million)*	*Number of instances*	*Aggregate amount (₹ million)*	*Number of instances*	*Aggregate amount (₹ million)*
Theft and robbery	11	0.91	-	-	14	0.90	19	1.30	11	0.69

While we obtain insurance for our cash in transit and safes for storage of cash, we cannot assure you that the insurance obtained by us adequately covers all risks involved or will be paid in relation to the entire amount involved, or at all.

In addition, given the volume of transactions involving cash processed by us on a regular basis, certain instances of fraud and misconduct by our representatives or employees may go unnoticed for some time before they are discovered and successfully rectified. Our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of such systems will result in losses that are difficult to detect or rectify.

Our business is also susceptible to fraud by other agents through the forgery of documents and unauthorized collection of instalments on behalf of us. While we have not faced any material past instances of fraud by other agents through the forgery of documents and unauthorized collection of instalments on behalf of us, we cannot assure you that such instances will not occur in the future.

38. We have issued CCPS to Greater Pacific Capital WIV Ltd pursuant to allotments between December 2021 to September 2022 at a price that may be lower than the Offer Price.

We have issued CCPS to Greater Pacific Capital WIV Ltd pursuant to allotments between December 2021 to September 2022 as disclosed "*Capital Structure – Notes to Capital Structure – Share Capital History of our Company – Preference share capital*" on page 85 at prices that could be lower than the Offer Price. The prices at which CCPS have been issued by us in the past should not be taken to be indicative of the Price Band, Offer Price and the trading price of our Equity Shares after listing. Pursuant to resolutions, each dated November 25, 2023, passed by our Board and our Shareholders, 23,360,260 CCPS held by GPC were converted to 27,520,722 Equity Shares of face value of ₹10 each and the resulting price per Equity Share post conversion of the GPC CCPS is ₹165.40 per Equity Share. For details, see "*Capital Structure – Notes to Capital Structure – Share Capital history of our Company*" on page 83.

39. Any deterioration in the performance of any pool of receivables assigned by us and other institutions may adversely affect our financial condition and results of operations.

To improve liquidity and minimize risks, we assign or securitize a portion of our receivables from our loan portfolio to banks and other NBFCs. We undertake such direct assignment and securitization transactions based on our internal estimates of funding requirements, which may vary from time to time. The table below sets forth details relating to our book value of loans securitized and our direct assignment portfolio without any recourse with banks and financial institutions:

Particulars	**As of September 30,**				**As of March 31,**					
	2023		**2022**		**2023**		**2022**		**2021**	
	Total amount (₹ million)	***As a percentage of total assets (%)***	***Total amount (₹ million)***	***As a percentage of total assets (%)***	***Total amount (₹ million)***	***As a percentage of total assets (%)***	***Total amount (₹ million)***	***As a percentage of total assets (%)***	***Total amount (₹ million)***	***As a percentage of total assets (%)***
Book value of loans securitized	12,405.75	16.65%	7,378.87	6.79%	8,230.63	8.94%	4,121.09	6.59%	4,458.92	8.94%
Direct assignment portfolio without any recourse with banks and financial institutions	19,248.47	25.84%	15,895.71	14.63%	17,727.53	19.25%	16,701.64	26.70%	15,018.73	30.12%

In the event the banks or NBFCs do not realize the receivables due under loans that have been securitized or assigned, the relevant banks or NBFCs can enforce the underlying credit enhancements assured by us. Further, any deterioration in the performance of any pool of receivables assigned or securitized to banks and NBFCs could adversely affect our credit ratings and credibility and therefore our ability to conduct further assignments and securitizations. We may also be named as a party in legal proceedings initiated by such financial institution in relation to the assigned or securitized assets. If a substantial portion of our securitized or assigned loans suffer a deterioration in their performance, it could have an adverse effect on our financial condition and results of operations.

40. We require several statutory and regulatory approvals, licenses, registrations and permissions to conduct our business and an inability to obtain or maintain such approvals, licenses, registrations and permissions in a timely manner, or at all, may adversely affect our operations.

We require several approvals, licenses, registrations and permissions to operate our business, including a registration for our Company with the RBI as an NBFC-MFI as well as various other corporate actions, such as certificates of incorporation and registrations under the various tax and labour legislations. In the future, we will be required to maintain such permits and approvals and obtain new permits and approvals for any proposed expansion strategy or diversification into additional business lines or new financial products. We cannot assure you that the relevant authorities will issue any such permits or approvals in a timely manner, or at all, or on favourable terms and conditions. Our failure to comply with the terms and conditions of such permits or approvals or to maintain or obtain the required permits or approvals may result in an interruption of our business operations and may have an adverse effect on our operations.

If we are unable to comply with the requirements stipulated under the relevant regulations within the specified time limit, or at all, we may be subject to regulatory actions by the RBI, including the levy of fines or penalties or the cancellation of our license to operate as an NBFC-MFI. Further, we have also filed an application dated June 30, 2023 seeking approval from the RBI in relation to the proposed change in the shareholding of our Company of 26% or more of the paid-equity share capital of the Company pursuant to the Offer, certain inter-se Promoter transfers, conversion of GPC CCPS in terms of the Master Direction – Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended and the Master Circular -Requirement for Obtaining Prior Approval of RBI in Cases of Acquisition / Transfer of Control of NBFCs, 2015, as amended in connection with the Offer ("**RBI Approval**"). As of the date of the DRHP, we have not received the RBI Approval. In addition, we require several registrations to operate our branches in the ordinary course of business. These registrations include those required to be obtained or maintained under applicable legislations governing shops and establishments, professional tax, labour-related registrations (including labour welfare fund, employee state insurance and employee provident fund), GST registrations and trade licenses of the particular state in which we operate. For instance, we have applied for but not received certain approvals in relation to the branches of our Company, such as trade licenses in the states of West Bengal and Odisha and shops and establishments registration in Gujarat and Tamil Nadu, among others. Additionally, we are yet to obtain or apply for certain approvals which are required to obtain such as those required under the relevant shops and establishments registration in the states of Odisha, Jharkhand, Maharashtra, West Bengal, Bihar and Rajasthan. For further information on our key approvals and licenses, see "*Government and Other Approvals*" on page 440. If we fail in the future to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims that we have not complied, with any of these conditions, we may be liable to fines or penalties, and our certificates of registration may be suspended or cancelled and we would no longer be able to carry on such activities required for our business.

Further, several of the licenses and approvals required in relation to our branches are subject to local state or municipal laws, including the renewal of approvals, that expire from time to time, in the ordinary course of our business. The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. We have obtained a significant number of, but not all, approvals, licenses, registrations and permits that we require from the relevant authorities. For instance, there have been instances in the past where we have failed to obtain revised GST licenses for certain of our branches on account of our lease deeds not being adequately stamped and registered. If we fail to obtain such GST licenses for our branches under local state or municipal laws, our business activities and operations may be adversely affected or we may be liable to pay fines or penalties. For further information on risks associated with our lease agreements, see *"- We are subject to the risks associated with all of our properties being leased*." on page 57.

41. Our success depends, in large part, upon our management team and skilled personnel and on our ability to attract and retain such persons. Failure to train and motivate our employees may lead to an increase in our employee attrition rates and our results of operations could be adversely affected as a result of any disputes with our employees.

We are dependent on our Board, Key Managerial Personnel and Senior Management Personnel and employees for our operations. The RBI also mandates NBFCs to have in place supervisory standards to ensure that directors have appropriate qualifications, technical expertise and a sound track record, and such requirements may make it more difficult for us to identify suitable replacement for our directors. We also face a continuing challenge to hire, assimilate, train and retain skilled personnel. Competition for management and other skilled personnel is intense, and we may not be able to attract and retain the managerial and other personnel we need in the future.

As a result, our success will depend in large part on our ability to identify, attract and retain skilled managerial and other personnel. The table below sets forth the number of our employees and the corresponding attrition rates (defined as the number of employees that have resigned or been terminated during the specified year divided by the monthly average number of employees for that year):

Particulars	As of / For the six months ended September 30,		As of / For the Financial Year		
	2023	2022	2023	2022	2021
Number of employees	12,297	9,150	10,227	8,178	6,846
Attrition rate (%)	22.19%	22.45%	35.89%	31.34%	29.00%

Large scale attrition, especially at the senior management level, can make it difficult for us to manage and grow our business. The loss of key managerial personnel or our inability to replace key managerial personnel may restrict our ability to grow, to execute our strategy, to raise the profile of our brand, to raise funding, to make strategic decisions and to manage the overall running of our operations, which would have an adverse effect on our results of operations and financial position.

Moreover, labour disputes, protracted wage negotiations, work stoppages and strike actions may impair our ability to carry on our day-to-day operations, which could adversely affect our results of operations. We have not faced any such material labour disputes, protracted wage negotiations, work stoppages or strike actions in the past.

42. Our business is subject to seasonality, which may contribute to fluctuations in our results of operations and financial condition.

Our business is subject to seasonality as we generally see higher borrowings and drawdowns by our customers during the third and fourth quarter of each Financial Year due to increased economic activity towards the end of the Financial Year and due to the harvest season in rural areas in India. Further, there is typically an increase in retail economic activity in India during the period from October to March, due to several holiday periods and improved weather conditions, resulting in higher volumes of business during this period. Accordingly, our results of operations and financial condition in one quarter may not accurately reflect the trends for the entire Financial Year and may not be comparable with our results of operations and financial condition for other quarters. Additionally, any significant event such as unforeseen floods, earthquakes, political instabilities, epidemics or economic slowdowns during these peak seasons may adversely affect our business and results of operations.

43. Our business, financial condition, cash flows and results of operations may be adversely affected by certain state regulations.

While NBFC-MFIs are currently regulated by the RBI, the respective state government of the states where we operate may pass laws either *suo moto*, or in response to any legal action initiated against the NBFC-MFIs of a state, which impact the business of NBFC-MFIs. We cannot assure you that any such actions taken by the state governments in these states will not adversely impact our business, financial condition and results of operations. In addition, certain states, including those in which we have operations, have in the past instituted farm loan waiver schemes as a policy instrument to alleviate the financial distress of farmers. Such large-scale government enforcement of loan write-offs may, in the long-run, impair the loan repayment culture in the farm sector as farmers may become willing defaulters in anticipation of the next loan waiver scheme. This disruption in credit discipline may undermine the financial status of financial institutions that loan to the farm sector in such states, including us.

In the event that the government of any state in India requires us to comply with the provisions of their respective state money-lending laws, or imposes any penalty against us, our Directors or our officers, including for prior non-compliance, our business and results of operations may be adversely affected.

44. We face challenges in operating our rural-focused business model, including challenges pertaining to the high cost of reaching customers, lack of financial awareness, vulnerability of customers' household income and high proportion of cash collections.

We operate a rural-focused business model. The table below sets forth our loans outstanding by regions for the periods/years indicated:

Regions	**As of September 30,**				**As of March 31,**					
	2023		**2022**		**2023**		**2022**		**2021**	
	Gross loan portfolio	***% of Gross loan portfolio***	***Gross loan portfolio***	***% of Gross loan portfolio***	***Gross loan portfolio***	***% of Gross loan portfolio***	***Gross loan portfolio***	***% of Gross loan portfolio***	***Gross loan portfolio***	***% of Gross loan portfolio***
Urban[(1)]	4,751.05	4.37%	3,308.65	4.44%	4,910.77	5.33%	2,919.67	4.67%	2,466.67	4.95%
Rural[(2)]	103,919.61	95.63%	71,186.21	95.56%	87,172.19	94.67%	59,629.75	95.33%	47,400.43	95.05%
Total	**108,670.66**	100.00%	**74,494.86**	100.00%	**92,082.96**	**100.00%**	**62,549.42**	**100.00%**	**49,867.11**	**100.00%**

Notes:

(1) Urban represents the regions in India that are located outside villages.

(2) Rural represents the regions in India that are located in villages.

We face various challenges in operating a rural-focused business model, including:

- High cost of reaching customers. The cost of providing microfinance loans to customers in remote and sparsely populated regions is often high because the expenses pertaining to deployment of manpower and development of requisite infrastructure for disbursements and collections are often high.

- Lack of financial awareness. As customers in rural regions are often less aware of the benefits of financial inclusion, and the availability of products and services available to them, we would need to incur costs to educate them and gain their trust before being able to disburse loans to them.

- Vulnerability of customers' household income. As customers in rural regions are often low-income groups, their ability to repay loans provided by us is particularly vulnerable to adverse events which may affect their source of income, including natural calamities such as floods and earthquakes.

- High proportion of cash collections. While substantially all of our customers have access to bank accounts, a significant portion of our collections from customers is in cash. This is due to the nature of our customers' business whereby the majority of our customers receive their income in cash, and therefore their preferred mode of repayment to us is also in cash. Our large cash collections expose us to the risk of theft, fraud, misappropriation or unauthorized transactions by employees responsible for dealing with such cash collections. For details, see "- *A significant portion of our collections from customers is in cash, exposing us to certain operational risks. Further, we may be subject to regulatory* *or other proceedings in connection with any unauthorized transactions, fraud or misappropriation by our representatives and employees, which could adversely affect our business and goodwill*." on page 52.

For details relating to challenges in operating a rural-focused business, see "*Industry Overview – Challenges in rural-focused business*" on page 150.

45. We rely on third-party service providers who may not perform their obligations satisfactorily or in compliance with law.

We enter into arrangements with third-party vendors to provide services that include, among others, telecommunications infrastructure services and software services including for core banking and e- KYC solutions, in order to bolster and enhance technological support for our operations. Our arrangements with such third-party vendors are typically for a duration of between 12 months and 60 months. As of September 30, 2023, we had arrangements with six third-party vendors. We also enter into agreements with credit bureaus for availing credit assessment and other services, in order to improve our ability to assess and evaluate credit history of our potential customers. Further, we have entered into agreements with M-Swasth Solutions Private Limited, a technology driven digital healthcare service provider, to set up e-clinics across our branches, in order to protect our customers from the risks of natural calamities. Our arrangements with M-Swasth Solutions Private Limited are typically for a duration of around 60 months. While we have not faced any material instances of disruptions by third party service providers in the past, we cannot guarantee that in the future there will be no disruptions in the provision of such services or that these third parties will adhere to their contractual obligations. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreements with us, our business, financial condition and results of operations will be adversely affected. In case of any dispute, we cannot assure you that the terms of such agreements will not be breached, and this may result in litigation or other costs. Further, we finance loans for purchase of products such as sewing machines, mobile phones, solar lanterns and fans, water purifiers and induction stoves, among others, from third parties. Any defects or deficiencies in the products sold by such third parties may impact repayment of the loans provided by us.

Our arrangements with third-party service providers may also be subject to government regulations, with which we may not be able to comply. Pursuant to the Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs issued by the RBI on November 9, 2017, NBFCs have been mandated to put in place necessary safeguards and corporate governance measures for activities outsourced by them. For further details, see "*Key Regulations and Policies*" on page 208.

Further, certain of our agreements require us to indemnify our counterparties for certain losses, and limit contractual or other liabilities of our counterparties to fees or other amounts received by them from us for a certain period of time. If such indemnities are invoked, or if our counterparties limit their liabilities to an extent that our losses are not fully recovered, we may incur additional costs. Such additional costs may adversely affect our business, financial condition and results of operations.

46. We are subject to the risks associated with all of our properties not being owned by us.

We do not own the premises on which our Registered Office, Administrative Office and all of our branches are situated and as of September 30, 2023, our Registered Office is utilized by us on a space sharing basis, and our Administrative Office and all our branches are utilized by us on lease or leave and license basis. Certain of our regional offices are utilized by us on leave and license basis, while for others, we have entered into agreements for use of physical space. In relation to this, we have entered into 18 lease agreements with our Promoters. For further details, see "*Our Promoters and Promoter Group – Interests of Promoters and common pursuits*" on page 249. Some of our lease or license agreements have expired and are expected to be renewed. Failure to renew lease or license agreements for these premises on terms and conditions acceptable to us or at all, may require us to move the concerned branch offices to new premises. We may incur substantial rent escalation in terms of the leave and license agreements, as applicable, and additional relocation costs due to installation of new infrastructure as a result of such relocation. We may also face the risk of being evicted if our landlords allege a breach on our part of the terms of the lease agreements. We have not faced any such instances of eviction by our landlords in the past. Further, certain of our lease agreements are not duly registered or adequately stamped with the registering authority of the appropriate jurisdiction. If we fail to duly register and adequately stamp our lease agreements, these lease agreements will not be admitted as evidence in an Indian court or may be subject to penalties for such admission, which in turn may affect our business activities and operations. Further, while we have not faced any past instances of dispute in relation to our use of the relevant space-sharing or leased properties, if any such dispute arise in relation to our use of the relevant space- sharing or leased properties in the future, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such properties.

47. Our Promoters, Directors, Key Managerial Personnel and Senior Management Personnel may have interests other than reimbursement of expenses incurred and receipt of remuneration or benefits from our Company. Certain of our Promoters and Director may have interest in entities, which are in businesses similar to ours and this may result in conflict of interest with us.

Certain of our Promoters, Directors, Key Managerial Personnel and Senior Management Personnel are interested in us, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding, direct and indirect, and our stock options and benefits arising therefrom. Our Promoters, in their capacity of being representatives of the Muthoot Pappachan Group, have entered into a Principal License Agreement and Supplemental Agreement thereto, for the license and use of certain trademarks and logos for a consideration of ₹0.10 million payable annually. For details, see "*– We depend on the recognition of the "Muthoot" brand, and failure to use, maintain and enhance awareness of the brand would adversely affect our ability to retain and expand our base of customers*." And "*History and Certain Corporate Matters*" on pages 38 and 221, respectively. Certain of our Individual Promoters, who are also our Directors and our Corporate Promoter have also leased their properties to our Company to operate certain of our branches, pursuant to which lease agreements have been entered into for a period ranging from three years to perpetuity. For further details, see "*Our Management – Interests of Directors*" and "*Our Promoters and Promoter Group – Interests of Promoters and Common Pursuits*" on pages 234 and 249, respectively. Further, certain of our Promoters and Directors may have interest in entities, to the extent of their shareholding and/or directorships, which are in businesses similar to ours and this may result in conflict of interest with us. For instance, one of our Non-Executive Independent Director is a director on the board of directors of Fincare Small Finance Bank, an entity which is in the similar line of business as that of our Company. Additionally, certain of our Directors have leased their properties to our Company to operate certain of our branches, pursuant to which lease agreements have been entered into with our Company, for a period ranging from five to ten years. We cannot assure you that our Promoters and Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in the future. In the event that any conflicts of interest arise, our Promoters and Directors may make decisions regarding our operations, financial structure or commercial transactions that may not be in our shareholders' best interest. It may also enable a competitor to take advantage of a corporate opportunity at our expense. Such decisions could have a material adverse effect on our business, financial condition, results of operations and prospects. Should we face any such conflicts in the future, there is no guarantee that they will get resolved in our favour.

48. Our insurance coverage may not be adequate to protect us against all potential losses, which may have an adverse effect on our business, financial condition and results of operations.

Our operations are subject to various risks inherent to the finance industry, as well as fraud, theft, robbery, acts of terrorism and other force majeure events. While we currently maintain certain insurance policies, including non-linked non-participating group term micro-insurance for the employees and their nominees, money insurance policy that covers burglary, theft and robbery of cash maintained at our properties and branches and cash-in transit and directors' and officers' liability insurance covering liability pay-outs by our directors and key officers, our insurance coverage may not be adequate to fully cover any or all of our risks and liabilities.

The table below sets forth details relating to insurance for our property, plant and equipment:

Particulars	**As of the six months ended September 30,**				**As of the Financial Year ended March 31,**					
	2023		**2022**		**2023**		**2022**		**2021**	
	Amount insured (₹ million)	***As a percentage of total property, plant and equipment (%)***	***Amount insured (₹ million)***	***As a percentage of total property, plant and equipment (%)***	***Amount insured (₹ million)***	***As a percentage of total property, plant and equipment (%)***	***Amount insured (₹ million)***	***As a percentage of total property, plant and equipment (%)***	***Amount insured (₹ million)***	***As a percentage of total property, plant and equipment (%)***
Property, plant and equipment	0	0.00%	84.94	17.89%	-	-	98.64	23.46%	123.17	30.91%

The ratio of assets covered under the insurance policies to the total assets of our Company as of March 31, 2023 was nil because the relevant insurance policy had expired on February 10, 2023. Subsequently, we obtained a new insurance policy covering our assets only on June 6, 2023. An event that causes losses in excess of the limits specified in our policies, or losses arising from events or risks not covered by insurance policies or due to the same being inadequate, could harm our business, financial condition and results of operations. We cannot assure you that any claims filed under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Our business, financial condition and results of operations may be affected to the extent we suffer any loss or damage that is not covered by insurance or which exceeds our insurance coverage. In addition, we may not be able to renew certain of our insurance policies upon their expiration, either on commercially acceptable terms or at all.

49. We have presented, in this Prospectus, certain financial measures and other selected statistical information relating to our financial condition and operations which are not prepared under or required by Indian GAAP. These financial measures and statistical information may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.

This Prospectus includes financial measures and certain other statistical information of our financial condition and operations not prepared under or required by Indian GAAP, i.e., non-GAAP financial information, which may not accurately represent our financial condition, performance and results of operations. We compute and disclose such non- GAAP financial information relating to our financial condition and operations as we consider such information to be useful measures of our business and financial performance. Such non-GAAP financial information is based on management accounts and internal financial information systems of our Company and is prepared by adjusting, based on management estimates, the financial measures in our Restated Financial Statements. Non-GAAP information should not be considered in isolation from, or as a substitute for, financial information presented in the Restated Financial Statements.

Further, the non-GAAP financial information may be different from financial measures and statistical information disclosed or followed by other NBFCs or micro finance companies. The non-GAAP financial information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by NBFCs, micro finance companies or other financial services companies. Accordingly, investors should not place undue reliance on the non-GAAP financial information included in this Prospectus.

50. Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investor's assessments of our financial condition.

Our Restated Financial Statements included in this Prospectus have been compiled from the audited financial statements as at and for and the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, and the six months ended September 30, 2023, which were prepared in accordance with Ind AS, and in each case restated in accordance with the SEBI ICDR Regulations, the Guidance Note and relevant provisions of the Companies Act. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which our Restated Financial Statements, included in this Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should be limited accordingly.

51. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised and our management will have discretion over the use of the Net Proceeds.

We intend to use the Net Proceeds from the Fresh Issue towards augmenting the capital base to meet our future capital requirements, which are expected to arise out of growth of our business and assets. For further details, see "*Objects of the Offer*" on page 104. Pending utilization of the Net Proceeds, we intend to deposit such Net Proceeds in one or more scheduled commercial banks included in the Second Schedule of the RBI Act, as may be approved by our Board. Our proposed deployment of the Net Proceeds has not been appraised and it is based on management estimates. Our management will therefore have discretion to use the Net Proceeds and you will be relying on the judgment of our management regarding the application of the Net Proceeds towards the objects of the Offer.

Expenditure of the Net Proceeds in our business may not lead to an increase in the value of your investment. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business, which may affect our prospects and results of operations. Accordingly, the use of Net Proceeds may not result in growth of our business or increased profitability.

52. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and lender consents and we cannot assure you that we will be able to pay dividends in the future.

We currently intend to invest our future earnings, if any, to fund our growth. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. In addition, any dividend payments we make are subject to the prior consent of certain of our lenders pursuant to the terms of the agreements we have with them. In addition, the declaration and payment of dividend is subject to relevant RBI regulations and guidelines issued by the RBI from time to time. For instance, in order to infuse transparency and uniformity in practice of declaration of dividend by NBFCs, the RBI through its circular on 'Declaration of dividends by NBFCs' dated June 24, 2021, prescribed guidelines for declaration of dividend from the profits of the Financial Year ending March 31, 2022 onwards, providing among other things, eligibility criteria on different parameters such as capital adequacy, net NPA ratio and quantum of dividend payable, including prescribed ceilings on dividend payout ratio, among others. Similar guidelines may be imposed in the future. We have not paid any dividends historically on our Equity Shares and we cannot assure you that we will be able to pay dividends in the future.

53. Our Promoters will continue to retain significant shareholding in us after this Offer, which will allow them to exercise significant influence over us. Any substantial change in our Promoters' shareholding may have an impact on the trading price of our Equity Shares, which could adversely affect our business, financial condition, results of operations and cash flows.

As at the date of this Prospectus, our Promoters together hold 99,720,468 Equity Shares, or 69.08% of the issued, subscribed and paid-up pre-Offer Equity Share capital of our Company on a fully diluted basis. Upon completion of the Offer, our Promoters will hold a significant percentage of our Equity Share capital, i.e. 55.47% (subject to finalisation of the Basis of Allotment). Our Promoters will therefore be able to continue to exercise significant control or influence over our business and major policy decisions, including over the outcome of matters submitted to our Board or our Shareholders for approval. Such matters may include the composition of our Board of Directors, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. Our Promoters' concentration of ownership of our Equity Share capital may also delay, defer or even prevent a change in control of our Company, and it may be more difficult or impossible for our Company to enter into certain transactions without the support of our Promoters. The trading price of our Equity Shares could be adversely affected if potential new investors are disinclined to invest in us because of any perceived disadvantages of our Promoters owning a high concentration of our shareholding. For details of our Equity Shares held by our Promoters, see "*Capital Structure — Notes to the Capital Structure — History of the share capital held by our Promoters*" on page 87. Following our listing, the Promoters and GPC also seek to retain their rights to nominate Directors on our Board, subject to the receipt of the requisite regulatory and corporate authorizations (including special resolution to be passed by our Shareholders in a general meeting after the listing of the Equity Shares). For further details in relation to the current and proposed nominee rights of our Promoters, see "*History and Certain Corporate Matters – Shareholders' agreements and other agreements*" and "*Description of Equity Shares and Terms of Articles of Association*" on pages 225 and 491, respectively.

EXTERNAL RISKS

Risks Relating to India

54. Our business is affected by prevailing economic, political and other prevailing conditions in India and the markets we currently serve.

The Indian economy and the financing industry are influenced by economic, political and market conditions in India and globally. Our Company is incorporated in India, and all of our assets and employees are located in India. As a result, we are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, or change in India's credit rating, resulting in an adverse effect on economic conditions in India and scarcity of financing of our developments and expansions;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, civil unrest, acts of violence, terrorist attacks, regional conflicts or situations of war terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- man-made or natural disasters such as earthquakes, tsunamis, floods, droughts, as well as the effects of climate change;
- infectious disease outbreaks or other serious public health concerns such as the COVID-19 pandemic; and
- other significant regulatory or economic developments in or affecting India or its financial services sectors.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

55. It may not be possible for you to enforce any judgment obtained outside India against us, our management or any of our respective affiliates in India, except by way of a suit in India on such judgment.

We are incorporated under the laws of India and most of our Directors reside in India. As a result, you may be unable to effect service of process in jurisdictions outside India, upon our Company or enforce in Indian courts judgments obtained in courts of jurisdictions outside India against our Company, including judgments predicated upon the civil liability provisions of securities laws of jurisdictions outside India. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908, as amended (the "**Civil Code**"). The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States, for civil liability, whether or not predicated solely upon the general securities laws of the United States, would not be enforceable in India under the Civil Code as a decree of an Indian court.

The United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the Government to be reciprocating territories for purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court will award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

56. Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.

Foreign ownership of Indian securities is subject to Government regulation. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the pricing and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. In addition, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which our Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular term or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 490. Our ability to raise foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, results of operations, financial condition and cash flows.

57. Rights of shareholders under Indian laws may differ to those under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be similar to the shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder in an Indian company, such as our Company, than as a shareholder of a corporation in another jurisdiction.

58. A third party could be prevented from acquiring control of us following the Offer of our Equity Shares because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the takeover regulations in India, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of our Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Indian takeover regulations.

59. Our ability to raise foreign currency funds may be constrained by Indian law.

As an Indian NBFC, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all.

60. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.

The Competition Act regulates practices having an appreciable adverse effect on competition ("**AAEC**") in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and results in the imposition of substantial monetary penalties. Furthermore, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

The Competition Act also includes provisions in relation to combinations which require any acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India ("**CCI**").

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements entered into by us at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied the Competition Act, it would adversely affect our business, results of operations and prospects. Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business, financial performance and results of operations.

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all which are outside the control of our Company. Any adverse changes to India's credit ratings but international rating agencies may adversely affect our ratings, terms on which we are able to raise additional finances or refinance any existing indebtedness. This may have an adverse impact on our business and financial performance, shareholders equity and the price of our Equity Shares.

Risks Relating to the Equity Shares and this Offer

61. We have issued Equity Shares during the last twelve months at a price that may be lower than the Offer Price.

Except as stated in *"Capital Structure – Notes to Capital Structure – Share Capital History of our Company – Equity Share capital"* on page 83, we have not in the last twelve months prior to filing this Prospectus, issued Equity Shares at prices that could be lower than the Offer Price. The prices at which Equity Shares have been issued by us in the last one year should not be taken to be indicative of the Price Band, Offer Price and the trading price of our Equity Shares after listing.

62. The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares upon listing on the Stock Exchanges. Further, the current market price of some securities listed pursuant to initial public offerings which were managed by the Book Running Lead Managers in the past, is below their respective issue prices.

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company, by way of its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations. Furthermore, the Offer Price of the Equity Shares will be determined by our Company, by way of its IPO Committee in consultation with the BRLMs through the Book Building Process in accordance with the SEBI ICDR Regulations. These will be based on numerous factors, including factors as described under "*Basis for Offer Price*" on page 109 and may not be indicative of the market price of the Equity Shares upon listing on the Stock Exchanges. The price of our Equity Shares upon listing on the Stock Exchanges will be determined by the market and may be influenced by many factors outside of our control. For further details, see " – *The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.*" on page 63. Further, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further details, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs*" on page 453.

63. The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, results of operations that vary from the expectations of research analysts and investors, results of operations that vary from those of our competitors, and changes in expectations as to our future financial performance conditions in financial markets, including those outside India, the strain of being a listed company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

64. Pursuant to the listing of the Equity Shares on the Stock Exchanges, the Equity Shares may be subject to pre-emptive surveillance measures, including additional surveillance measures ("ASM") and graded surveillance measures ("GSM") by the Stock Exchanges and SEBI, which may have an adverse effect on the market price of the Equity Shares or may in general cause disruptions in the development of an active market for, and trading and liquidity of the Equity Shares and could also adversely affect our reputation.

On and post the listing of the Equity Shares, the Equity Shares may be subject to ASM and GSM by the Stock Exchanges and SEBI. These measures have been introduced by SEBI in order to enhance market integrity, safeguard the interest of investors and to alert and advise investors to be extra cautious and carry out necessary due diligence while dealing in such securities. The criteria for listing any scrip trading on the Stock Exchanges under the ASM is based on an objective criteria as jointly decided by SEBI and the Stock Exchanges, which includes market-based dynamic parameters (such as high low variation, client concentration, close to close price variation, market capitalization, volume variation, delivery percentage, number of unique PANs and price to equity ratio). A scrip is typically subjected to GSM where there is an abnormal price rise that is not commensurate with the financial health and fundamentals of a company, which includes factors such as earnings, book value, fixed assets, net worth and price to equity ratio. In the event the Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, the Equity Shares may be subject to certain additional restrictions in relation to trading, such as limiting trading frequency (for example, trading either allowed once in a week or a month), higher margin requirements, requirement of settlement on a trade for trade basis without netting off, requirement of settlement on gross basis or freezing of the price on the upper side of trading, additional deposit amount for surveillance deposit, which shall be retained for an extended period and any other surveillance measure as deemed fit in the interest of maintaining the market integrity, any of which may have an adverse effect on the market price of the Equity Shares or may in general cause disruptions in the development of an active market for, and trading and liquidity of the Equity Shares and could also adversely affect our reputation.

65. Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Capital gains arising from the sale of our Equity Shares are generally taxable in India. Any gain realized on the sale of our Equity Shares on a stock exchange held for more than 12 months is subject to long term capital gains tax in India. Such long term capital gains exceeding ₹100,000 arising from the sale of listed equity shares on a stock exchange are subject to tax at the rate of 10% (plus applicable surcharge and cess). A securities transaction tax ("**STT**") will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realized on the sale of our Equity Shares held for more than 12 months by an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to long-term capital gains tax in India. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to short-term capital gains tax at a higher rate compared to the transaction where STT has been paid in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. As a result, subject to any relief available under an applicable tax treaty or under the laws of their own jurisdictions, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of our Equity Shares.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. The Finance Act, 2020, has, *inter alia*, amended the tax regime, including a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, that such dividends not be exempt in the hands of the shareholders, and that such dividends are likely to be subject to tax deduction at source. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

The Government announced the union budget for Fiscal 2024 and the Finance Bill in the Lok Sabha on February 1, 2023. The Finance Bill has received assent from the President of India on March 30, 2023 and has been enacted as the Finance Act 2023. We cannot predict whether any amendments made pursuant to the Finance Bill would have an adverse effect on our business, financial condition, future cash flows and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations, governing our business and operations could result in us being deemed to be in contravention of such laws requiring us to apply for additional approvals.

66. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offer document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company would be diluted

67. Currency exchange rate fluctuations may affect the value of the Equity Shares.

The Equity Shares are, and will be quoted in Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into other currencies for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the Net Proceeds received by shareholders.

68. QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date. While our Company is required to complete Allotment within six Working Days from the Bid or Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, political or economic conditions, or changes to our business or financial condition, may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

69. The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.

The Offer Price of the Equity Shares will be determined by our Company, by way of its IPO Committee in consultation with the BRLMs, and through the Book Building Process in accordance with the SEBI ICDR Regulations. This price will be based on numerous factors, including as described under "*Basis for Offer Price*" on page 109 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Offer Price.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

Offer of Equity Shares of face value of ₹10 each(1)(2)	33,007,054*^ Equity Shares of face value of ₹10 each aggregating to ₹9,600.00 million*
of which:	
(i) Fresh Issue(1)	26,134,205*^ Equity Shares of face value of ₹10 each aggregating to ₹7,600.00 million*
(ii) Offer for Sale(2)	6,872,849* Equity Shares of face value of ₹10 each aggregating to ₹2,000.00 million*
of which:	
Employee Reservation Portion(4)	361,010* Equity Shares of face value of ₹10 each aggregating to ₹100.00 million*^
Net Offer	32,646,044* Equity Shares of face value of ₹10 each aggregating to ₹9,500.00 million*
The Net Offer consists of:	
A) QIB Portion(3)(5)	16,323,021* Equity Shares of face value of ₹10 each aggregating to ₹4,750.00 million*
of which:	
Anchor Investor Portion(6)	9,793,812* Equity Shares of face value of ₹10 each
Net QIB Portion	6,529,209* Equity Shares of face value of ₹10 each
of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)(5)	326,461* Equity Shares of face value of ₹10 each
Balance of QIB Portion for all QIBs including Mutual Funds	6,202,748* Equity Shares of face value of ₹10 each
B) Non-Institutional Portion(7)	Not less than 4,896,907* Equity Shares of face value of ₹10 each
Of which:	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹200,000 and up to ₹1,000,000	1,632,303* Equity Shares of face value of ₹10 each
Two-thirds of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹1,000,000	3,264,604* Equity Shares of face value of ₹10 each
C) Retail Portion(3)	Not less than 11,426,116* Equity Shares of face value of ₹10 each
Pre-Offer and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	144,357,971 Equity Shares**
Equity Shares outstanding after the Offer	170,492,176* Equity Shares of face value of ₹10 each
Use of proceeds of the Offer	See "*Objects of the Offer*" on page 104 for details regarding the use of Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

**Subject to finalisation of Basis of Allotment*

** *Pursuant to resolutions, each dated November 25, 2023, passed by our Board and our Shareholders, 23,360,260 CCPS held by GPC were converted to 27,520,722 Equity Shares of face value of ₹10 each. For details, see "Capital Structure – Notes to Capital Structure – Share Capital history of our Company" on page 83.*

^ *This includes 361,010 Equity Shares aggregating to ₹100.00 million issued at a discount of ₹14 per Equity Share to Eligible Employees applied in the Employee Reservation Portion*

(1) *The Offer including the Fresh Issue has been approved by our Board pursuant to the resolution passed at its meeting held on May 6, 2023 and by our Shareholders pursuant to a special resolution passed at their meeting held on June 14, 2023. The Offer has been revised by the IPO Committee pursuant to its resolution passed at its meeting held on November 29, 2023. Further, our Board has pursuant to its resolution dated June 26, 2023 and the IPO Committee has pursuant to its resolution dated November 29, 2023 taken on record the approval for the Offer for Sale by the Selling Shareholders.*

(2) *Each of the Selling Shareholders, severally and not jointly, has confirmed and authorized its participation in the Offer for Sale in relation to its portion of the Offered Shares. Each of the Selling Shareholders, severally and not jointly, confirm that their respective portion of the Offered Shares have been held by it for a period of at least one year prior to the filing of the Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations or are otherwise eligible for being offered for sale in the Offer in accordance with the provisions of the SEBI ICDR Regulations. The details of such authorisations are provided below:*

Name of the Selling Shareholder	Aggregate amount of Offer for Sale (₹ million)	Number of Equity Shares offered in the Offer for Sale	Date of board resolution/ authorization	Date of consent letter
Promoter Selling Shareholders				
Thomas John Muthoot	163.63*	562,302	-	June 26, 2023 and November 29, 2023
Thomas Muthoot	163.84*	563,024	-	June 26, 2023 and November 29, 2023
Thomas George Muthoot	163.61*	562,233	-	June 26, 2023 and November 29, 2023
Preethi John Muthoot	337.39*	1,159,415	-	June 26, 2023 and November 29, 2023
Remmy Thomas	333.87*	1,147,319	-	June 26, 2023 and November 29, 2023

Name of the Selling Shareholder	Aggregate amount of Offer for Sale (₹ million)	Number of Equity Shares offered in the Offer for Sale	Date of board resolution/ authorization	Date of consent letter
Nina George	337.66*	1,160,343	-	June 26, 2023 and November 29, 2023
Investor Selling Shareholder				
Greater Pacific Capital WIV Ltd	500.00*	1,718,213	June 26, 2023 and December 5, 2023	June 26, 2023 and November 29, 2023

**Subject to finalisation of Basis of Allotment*

(3) *Subject to valid bids having been received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, was allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company, acting through its IPO Committee in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations, and the Designated Stock Exchange, subject to applicable laws. In case of under-subscription in the Offer, Equity Shares up to 90% of the Fresh Issue ("**Minimum Subscription**") will be issued prior to the sale of Equity Shares in the Offer for Sale, provided that post satisfaction of the Minimum Subscription, Equity Shares will be Allotted under the Offer for Sale (i) first with the Offered Shares of the Investor Selling Shareholder; and (ii) then from the Offered Shares of the remaining Selling Shareholders in proportion to their respective portions of the Offered Shares, or in any other manner as may be mutually agreed among the Selling Shareholders. The balance Equity Shares of the Fresh Issue (i.e., 10% of the Fresh Issue) will be offered only once the entire portion of the Offered Shares are Allotted in the Offer. In the event of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in "Terms of the Offer" on page 461.*

(4) *The Employee Reservation Portion constitute 0.21% of our post-Offer paid-up Equity Share capital.*

(5) *Our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion was made available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion was made available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids having been received at or above the Offer Price. For details, see "Offer Procedure" on page 471. Allocation to all categories shall be made in accordance with the SEBI ICDR Regulations.*

(6) *Allocation to Bidders in all categories except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportional basis. For further details, see "Offer Procedure" on page 471.*

(7) *The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders was reserved for applicants with an application size of more than ₹200,000 and up to ₹1,000,000, and (ii) two-third of the portion available to Non-Institutional Bidders was reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non- Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis.*

The face value of Equity Shares is ₹10 each. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, see "*Offer Procedure*" and "*Offer Structure*" on pages 471 and 467, respectively. For details of the terms of the Offer, see "*Terms of the Offer*" on page 461.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Restated Financial Statements for the six months period ended September 30, 2023 and September 30, 2022 and Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021. The summary financial information presented below should be read in conjunction with "*Restated Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 278 and 388, respectively.

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SUMMARY OF RESTATED BALANCE SHEET

(All amounts in ₹ million except otherwise stated)

Particulars	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Assets					
Financial assets					
Cash and cash equivalents	5,579.15	6,510.95	7,594.55	7,058.27	5,190.76
Bank balances other than cash and cash equivalents	4,941.92	3,624.70	3,909.58	2,940.89	2,259.03
Receivables					
- Other receivables	1,230.82	485.90	722.10	167.73	92.91
Loans	85,499.23	54,466.37	70,266.85	43,981.11	32,940.32
Investments	513.66	2,766.87	633.59	0.45	0.45
Other financial assets	52.66	41.96	40.61	33.68	23.85
	97,817.44	**67,896.75**	**83,167.28**	**54,182.13**	**40,507.32**
Non-financial assets					
Current tax assets (net)	128.85	624.15	104.60	395.45	94.15
Deferred tax asset (net)	73.41	76.86	57.75	47.75	100.35
Property, plant and equipment	644.62	474.67	594.37	420.45	398.44
Right-of-use assets	1,249.68	924.89	1,121.72	791.19	700.16
Capital work-in-progress	0.00	0.05	0.00	0.00	0.00
Other intangible assets	2.65	1.21	2.92	0.84	1.25
Other non-financial assets	396.34	192.28	243.35	76.77	36.81
	2,495.55	**2,294.11**	**2,124.71**	**1,732.45**	**1,331.16**
Total Assets	**1,00,312.99**	**70,190.86**	**85,291.99**	**55,914.58**	**41,838.48**
Liabilities and Equity					
Liabilities					
Financial liabilities					
Payables					
Other payables					
- total outstanding dues to micro, small and medium enterprises	3.40	0.00	0.00	0.00	0.00
- total outstanding dues to creditors other than micro, small and medium enterprises	146.23	131.67	119.27	75.34	29.19
Debt securities	14,356.23	10,958.64	13,701.51	6,746.27	4,524.69
Borrowings (other than debt securities)	63,104.87	41,348.51	51,230.25	32,969.85	25,382.26
Subordinated liabilities	0.00	0.00	0.00	249.97	249.63
Lease liability	1,454.62	1,074.25	1,299.40	913.96	779.89
Other financial liabilities	2,664.73	2,086.50	2,582.70	1,492.80	1,888.61
	81,730.08	**55,599.57**	**68,933.13**	**42,448.19**	**32,854.27**
Non-financial liabilities					
Current Tax liabilities	0.00	0.00	0.00	0.00	0.00
Provisions	64.90	67.65	36.13	49.38	46.38
Other non-financial liabilities	97.06	57.80	64.24	51.22	38.93
	161.96	**125.45**	**100.37**	**100.60**	**85.31**
Equity					
Equity Share capital	1,401.98	1,401.98	1,401.98	1,333.33	1,141.71
Other equity	17,018.97	13,063.86	14,856.51	12,032.46	7,757.19
	18,420.95	**14,465.84**	**16,258.49**	**13,365.79**	**8,898.90**
Total Liabilities and Equity	**1,00,312.99**	**70,190.86**	**85,291.99**	**55,914.58**	**41,838.48**

SUMMARY OF RESTATED STATEMENT OF PROFIT AND LOSS

(All amounts in ₹ million except otherwise stated)

Particulars	Six Months period ended September 30, 2023	Six months period ended September 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations					
Interest income	9,135.76	5,624.14	12,906.45	7,286.23	6,227.84
Fees and commission income	159.99	60.08	173.22	61.59	32.11
Net gain on fair value changes	1,084.06	321.00	1,115.37	910.31	409.25
Income on investments	38.11	35.18	83.35	58.29	169.95
Sale of services	5.35	7.02	9.25	8.64	2.52
Total revenue from operations	**10,423.27**	**6,047.42**	**14,287.64**	**8,325.06**	**6,841.67**
Other income	49.11	102.19	175.80	104.35	121.14
Total income	**10,472.38**	**6,149.61**	**14,463.44**	**8,429.41**	**6,962.81**
Expenses					
Finance costs	4,153.25	2,260.76	5,490.10	3,401.55	2,993.28
Fees and commission expenses	132.52	135.62	275.41	178.49	97.36
Impairment on financial instruments	627.46	1,633.23	2,233.18	1,111.53	1,322.24
Employee benefits expenses	2,095.52	1,472.31	3,225.58	2,370.81	1,870.90
Depreciation and amortisation expense	164.58	122.11	266.06	207.84	188.33
Other expenses	552.94	357.94	844.41	511.98	400.15
Total expenses	**7,726.27**	**5,981.97**	**12,334.74**	**7,782.20**	**6,872.26**
Profit before exceptional items and tax	**2,746.11**	**167.64**	**2,128.70**	**647.21**	**90.55**
Exceptional items	0.00	0.00	0.00	0.00	0.00
Profit before tax	**2,746.11**	**167.64**	**2,128.70**	**647.21**	**90.55**
Tax expense					
Current tax	729.12	122.10	679.91	224.05	347.29
Deferred tax	(35.58)	(79.12)	(142.59)	(56.14)	(317.72)
Tax relating to prior years	0.00	0.00	(47.51)	5.32	(9.56)
Profit for the year (A)	**2,052.57**	**124.66**	**1,638.89**	**473.98**	**70.54**
Other Comprehensive income					
Items that will not be reclassified to profit and loss					
- Remeasurement of the net defined benefit (liability)/asset	(23.59)	(11.56)	(22.09)	(17.14)	(8.14)
- Income tax relating to the above	5.94	2.91	5.56	4.31	2.05
Items that will be reclassified to profit and loss					
- Remeasurement of loan assets	102.76	210.24	548.84	449.13	(317.46)
- Income tax relating to the above	(25.86)	(52.92)	(138.14)	(113.05)	79.91
Other comprehensive income/(loss) for the year, net of tax (B)	**59.25**	**148.67**	**394.17**	**323.25**	**(243.64)**
Total comprehensive income/(loss) for the year (A+B)	**2,111.82**	**273.33**	**2,033.06**	**797.23**	**(173.10)**
Earnings per Equity share (face value of ₹10 each)					
Basic (₹)	17.57	1.09	14.19	4.15	0.62
Diluted (₹)	14.22	0.91	11.66	3.94	0.62

SUMMARY OF RESTATED STATEMENT OF CASH FLOWS

(All amounts in ₹ million except otherwise stated)

Particulars	Six months ended September 30, 2023	Six months ended September 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from operating activities					
Profit before tax	**2,746.11**	**167.64**	**2,128.70**	**647.21**	**90.55**
Adjustments					
- Depreciation and amortisation	164.58	122.11	266.06	207.84	188.33
- (Gain)/loss on sale of tangible assets	(0.23)	(0.02)	0.03	0.21	(0.18)
- Provision for employee benefits	10.18	6.70	17.67	36.93	38.26
- Impairment on financial instruments	627.46	1,633.23	2,233.18	1,111.53	1,322.24
- Income from Investments	(38.11)	(35.18)	(83.35)	(58.29)	(169.95)
- Interest income on security deposits	(1.96)	(1.58)	(3.31)	(3.23)	(2.15)
- Gain on termination of lease	(2.30)	(3.81)	(2.46)	(4.50)	(1.96)
- Gain on sale of loan asset through direct assignment	(1,084.06)	(321.00)	(1,115.37)	(910.31)	(409.25)
- Adjustments towards effective interest rate in respect of loan assets	145.83	87.53	203.80	93.37	32.05
- Adjustments towards effective interest rate in respect of debt securities, borrowings and subordinate liabilities	(43.56)	(109.97)	(106.91)	(137.53)	1.68
- Share based payments	50.64	9.19	42.11	9.04	3.65
- Adjustment on account of consolidation of ESOP trust	0.00	(0.60)	(0.60)	(1.24)	(1.58)
- Finance cost on leases	75.05	62.01	128.93	96.74	80.82
Operating cash flow before working capital changes	**2,649.63**	**1,616.25**	**3,708.48**	**1,087.80**	**1,172.51**
Working capital changes					
- Increase in loans	(14,818.85)	(11,674.78)	(27,058.51)	(10,872.01)	(8,564.80)
- (Increase)/Decrease in other receivables	(508.72)	(318.17)	(554.37)	(74.80)	17.53
- (Increase)/Decrease in other financial assets	(13.81)	(9.78)	(10.89)	(10.95)	0.06
- (Increase)/Decrease in other non-financial assets	(152.91)	(98.28)	(165.85)	(32.42)	6.32
- Increase/(Decrease) in other payables	30.36	56.33	43.93	46.15	(9.72)
- Increase/(Decrease) in other financial liabilities	82.03	593.71	1,089.92	(410.08)	438.75
- Decrease in provisions	(5.00)	0.00	(53.00)	(51.07)	(50.90)
- Increase in other non-financial liabilities	32.82	6.58	13.02	12.29	3.04
Cash used in operating activities	**(12,704.45)**	**(9,828.14)**	**(22,987.27)**	**(10,305.10)**	**(6,987.21)**
- Income taxes paid (net)	(753.37)	(350.78)	(341.54)	(530.67)	(52.34)
Net cash used in operating activities	**(13,457.82)**	**(10,178.92)**	**(23,328.81)**	**(10,835.76)**	**(7,039.55)**
Cash flows from investing activities					
- Purchase of tangible assets (including capital advances, capital creditors and capital work in progress) and intangible assets	(115.70)	(120.69)	(281.79)	(114.26)	(79.69)
- Investment in term deposits with banks (net)	(1,032.34)	(683.81)	(968.69)	(681.86)	(469.50)
- Investment in equity instruments	119.93	(2,766.42)	(633.14)	0.00	(0.45)
- Proceeds from sale of tangible assets	0.23	0.02	(0.03)	(0.21)	0.18
- Profit on sale of investments	38.11	35.18	83.35	58.29	169.95
Net cash used in investing activities	**(989.77)**	**(3,535.73)**	**(1,800.30)**	**(738.03)**	**(379.51)**
Cash flows from financing activities					
- Proceeds from issue of equity shares	0.00	272.16	272.16	0.02	0.00
- Proceeds from issue of preference shares	0.00	818.11	818.11	3,733.86	0.00
- Share issue expenses	0.00	0.00	0.00	(78.86)	0.00
- Proceeds from borrowings	19,751.00	14,290.00	36,394.80	23,837.50	9,239.30
- Proceeds from debt securities	3,000.00	5,629.39	9,091.27	5,019.44	2,390.50
- Proceeds from securitisation arrangement	10,243.30	6,613.58	13,092.63	4,857.22	4,835.70
- Repayment of borrowings	(11,970.26)	(9,097.94)	(22,168.21)	(15,872.29)	(15,158.54)
- Repayment of debt securities	(2,384.84)	(1,378.57)	(2,121.26)	(2,709.11)	0.00
- Repayment of securitisation arrangement	(6,066.31)	(3,355.42)	(8,966.65)	(5,185.72)	(365.54)
- Repayment of Subordinated Liabilities	0.00	(250.00)	(250.00)	0.00	0.00
- Proceeds from treasury shares	0.00	(272.16)	(272.16)	6.79	0.00
- Payment of lease liabilities	(140.70)	(101.82)	(225.30)	(167.56)	(144.52)
Net cash generated from financing activities	**12,432.19**	**13,167.33**	**25,665.40**	**13,441.30**	**796.90**

Particulars	Six months ended September 30, 2023	Six months ended September 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Net (decrease)/increase in cash and cash equivalents	**(2,015.40)**	**(547.32)**	**536.28**	**1,867.51**	**(6,622.16)**
Cash and cash equivalents as at the beginning of the year	**7,594.55**	**7,058.27**	**7,058.27**	**5,190.76**	**11,812.92**
Cash and cash equivalents as at the end of the year	**5,579.15**	**6,510.95**	**7,594.55**	**7,058.27**	**5,190.76**

Financial Metrics

Particulars	As at the Six months ended		As of or for the Financial Year Ended March 31,		
	September 30, 2023	September 30, 2022	2023	2022	2021
Gross loan portfolio (₹ million)[(1)]	1,08,670.66	74,494.86	92,082.96	62,549.42	49,867.11
Gross loan portfolio growth (%)[(2)]	45.88%	55.54%	47.22%	25.43%	3.06%
Total loan portfolio (₹ million)[(3)]	87,288.75	55,807.08	71,987.02	46,197.26	35,045.78
Total loan portfolio growth (%)	56.41%	54.13%	55.83%	31.82%	27.32%
Assigned loans (₹ million)[(4)]	19,248.47	15,895.71	17,727.53	16,701.64	15,018.73
Ratio of assigned loan to gross loan portfolio (%)	17.71%	21.34%	19.25%	26.70%	30.12%
Restructured portfolio (₹ million)[(5)]	563.19	2,596.86	1,227.22	3,862.65	Not applicable[(13)]
Ratio of restructured portfolio to total loan portfolio (%)	0.65%	4.65%	1.70%	8.36%	Not applicable[(13)]
Average annual gross loan portfolio (₹ million)[(6)]	1,00,376.81	68,522.14	77,316.19	56,208.26	49,126.43
Average monthly gross loan portfolio (₹ million)[(7)]	1,01,170.47	68,119.92	75,821.33	51,263.02	46,729.06
Average annual total loan portfolio (₹ million)[(8)]	79,637.89	51,002.17	59,092.14	40,621.52	31,286.11
Average monthly total loan portfolio (₹ million)[(9)]	81,146.38	51,015.87	58,087.22	38,879.92	30,074.14
Number of loans disbursed (million)	1.22	1.07	2.11	1.35	0.76
Disbursements (₹ million)	51,815.75	34,865.20	81,044.74	46,469.63	26,367.66
Disbursement growth (%)[(10)]	48.62%	171.87%	74.40%	76.24%	(35.42)%
Active loan accounts (million)[(11)]	3.94	3.20	3.34	2.72	2.28
Number of active customers (million)[(12)]	3.19	2.40	2.77	2.05	1.86
Number of active customers growth (%)	32.96%	30.71%	35.23%	10.52%	1.44%
Ratio of disbursements to the number of loans disbursed (₹)	42,344.65	32,440.41	38,481.83	34,359.82	34,594.02
Ratio of gross loan portfolio to the number of active customers (₹)	34,028.92	31,016.15	33,205.46	30,500.79	26,874.83

Notes:

(1) *Gross loan portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets which includes loan assets held by our Company as of the last day of the relevant period/year, loan assets which have been transferred by our Company by way of assignment as well as loan assets managed by our Company through partner institution and co-lending partner, and are outstanding as of the last day of the relevant period/year. While we act as partner institution for these loans, these loans are provided on the balance sheet of our partner institution, and not recognized as our loan assets on our balance sheet.*

(2) *Gross loan portfolio growth represents the growth in gross loan portfolio as of the last day of the relevant period/year as compared with the gross loan portfolio as of the last day of the preceding year.*

(3) *Total loan portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets held by our Company as of the last day of the relevant year/period, gross of impairment allowance.*

(4) *Assigned loans represent the loan portfolio outstanding on the last day of the relevant period/year which have transferred by our Company by way of assignment.*

(5) *Restructured portfolio represents the outstanding portfolio held by our Company on the last day of the relevant period/year which have been restructured in accordance with the resolution plan implemented by us pursuant to the Resolution Framework for COVID-19-related stress as per RBI circular dated May 5, 2021 ("**Resolution Framework 2.0**"). Under Resolution Framework 2.0, the RBI has provided a framework to lending institutions (including NBFC-MFIs) for the implementation of resolution plans to address the economic fallout due to the COVID-19 pandemic.*

(6) *Average annual gross loan portfolio is the simple average of our gross loan portfolio as of the last day of the relevant period/ year and our gross loan portfolio as of March 31 of the preceding year.*

(7) *Average monthly gross loan portfolio is the simple average of the month end balances of our gross loan portfolio for the periods mentioned.*

(8) *Average annual total loan portfolio is the simple average of our total loan portfolio as of the last day of the relevant period/year and our total loan portfolio as of March 31 of the preceding year.*

(9) *Average monthly total loan portfolio is the simple average of the month end balances of our total loan portfolio for the periods mentioned.*

(10) *Disbursement growth represents growth in disbursements for the relevant period/year as a percentage of disbursements for the previous period/year.*

(11) *Active loan accounts represent the aggregate number of all loan assets under management which includes loan assets held by our Company as of the last day of the relevant period/year as well as loan assets which have been transferred by our Company by way of assignment, and are outstanding as of the last day of the relevant period/year.*

(12) *Active customers refers to our customers which had an active loan account as of the last day of the relevant period/year.*
(13) *Not applicable because Resolution Framework 2.0 was only implemented by the RBI during the Financial Year 2022.*

Particulars	As at Six months ended		As of or for the Financial Year Ended March 31,		
	September 30, 2023	September 30, 2022	2023	2022	2021
Revenue from Operations (₹ million)[1]	10,423.27	6,047.42	14,287.64	8,325.06	6,841.67
Revenue from Operations growth (%)	72.36%	65.40%	71.62%	21.68%	(20.47)%
Interest Income (₹ million)[2]	9,135.76	5,624.14	12,906.45	7,286.23	6,227.84
Finance Costs (₹ million)[3]	4,153.25	2,260.76	5,490.10	3,401.55	2,993.28
Net Interest Income (₹ million)[4]	6,270.02	3,786.66	8,797.54	4,923.52	3,848.39
Net Interest Margins (%)[5]	12.39%	11.12%	11.60%	9.60%	8.24%
Operating expenses (₹ million)[6]	2,945.56	2,087.98	4,611.46	3,269.12	2,556.75
Cost to Income ratio (%)[7]	46.61%	53.69%	51.39%	65.02%	64.41%
Impairment on financial instruments (₹ million)[8]	627.46	1,633.23	2,233.18	1,111.53	1,322.24
Credit cost (based on average monthly gross loan portfolio) (%)[9]	0.62%	2.40%	2.95%	2.17%	2.83%
Credit loss ratio (%)[10]	0.32%	2.05%	1.81%	1.31%	2.00%
Pre-provision operating profit before Tax (₹ million)[11]	3,373.57	1,800.87	4,361.88	1,758.74	1,412.79
Pre-provision operating profit before Tax growth (%)	87.33%	181.80%	148.01%	24.49%	(51.57)%
Profit after Tax (₹ million)[12]	2,052.57	124.66	1,638.89	473.98	70.54
Profit after Tax growth (%)	1546.54%	62.06%	245.77%	571.97%	(61.26)%
Total comprehensive income for the year (₹ million) [13]	2,111.82	273.33	2,033.06	797.23	(173.10)
Net Worth (₹ million) [14]	18,420.95	14,465.84	16,258.49	13,365.79	8,898.90
Average annual Net Worth (₹ million) [15]	17,339.72	13,915.81	14,812.14	11,132.34	8,984.42
Total Assets (₹ million) [16]	1,00,312.99	70,190.86	85,291.99	55,914.58	41,838.48
Annual average total assets (₹ million) [17]	92,802.49	63,052.72	70,603.28	48,876.53	41,377.46
Total borrowings (₹ million) [18]	77,461.10	52,307.15	64,931.76	39,966.09	30,156.58
Annual average borrowings (₹ million) [19]	71,196.42	46,136.62	52,448.92	35,061.34	29,685.05
Monthly average borrowings (₹ million) [20]	70,096.41	42,136.69	49,430.33	31,313.79	26,231.67
Return on average gross loan portfolio (%)[21]	2.03%	0.18%	2.16%	0.92%	0.15%
Return on annual average equity (%)[22]	11.84%	0.90%	11.06%	4.26%	0.79%
Annual average borrowings / annual average Net Worth (times)	4.11	3.32	3.54	3.15	3.30
Basic EPS[23]	17.57	1.09	14.19	4.15	0.62
Diluted EPS[24]	14.22	0.91	11.66	3.94	0.62
Net Asset Value per Equity share [25]	127.61	100.21	112.63	97.74	77.94
Book value per share (₹)[26/]	131.39	103.18	115.97	100.24	77.94
Stage I assets (%) [27]	97.01%	94.66%	96.42%	88.02%	88.14%
Stage II assets (%) [28]	0.62%	2.08%	0.61%	5.72%	4.47%
Gross NPA ratio (%)[29]	2.37%	3.26%	2.97%	6.26%	7.39%
Net NPA ratio (%)[30]	0.33%	0.88%	0.60%	1.55%	1.42%
Debt to equity (times)[31]	4.21	3.62	3.99	2.99	3.39

Notes:

(1) *Revenue from Operations represents our total revenue from operations as per our Restated Financial Statements for the relevant year.*
(2) *Interest income represents our interest income as per our Restated Financial Statements for the relevant year.*
(3) *Finance Costs represents our finance costs as per our Restated Financial Statements for the relevant year.*
(4) *Net Interest Income represents our Revenue from Operations reduced by Finance Costs as per our Restated Financial Statements for the relevant year.*
(5) *Net Interest Margins is the ratio of our Net Interest Income to our average monthly gross loan portfolio. Our average monthly gross loan portfolio is the simple monthly average of our gross loan portfolio for the relevant period/year.*
(6) *Operating expenses represents the aggregate of employee benefits expenses, depreciation and amortization expense and other expenses for the relevant year derived from our Restated Financial Statements for the relevant year.*
(7) *Cost to Income ratio is the ratio of the aggregate of our fees and commission expenses, employee benefit expenses, operating expenses and depreciation and amortization expense to total income net of finance cost as per our Restated Financial Statements for the relevant year.*
(8) *Impairment on financial instruments represents such expenses for the relevant period/year derived from our Restated Financial Statements.*
(9) *Credit cost (based on average monthly gross loan portfolio) represents impairment on financial instruments for the relevant period/year derived from our Restated Financial Statements as a percentage of average monthly gross loan portfolio.*
(10) *Credit loss ratio represents loans written off during the relevant period/year as a percentage of average annual gross loan portfolio.*
(11) *Pre-provision operating profit before tax represents the sum of profit before tax for the relevant period/year and impairment on financial instruments for*

such year derived from our Restated Financial Statements for the relevant period/year.

(12) *Profit After Tax represents our profit for the year (after tax) as per our Restated Financial Statements for the relevant period/year.*

(13) *Total comprehensive income represents total comprehensive income for the relevant period/year as per our Restated Financial Statements.*

(14) *Net Worth represents our net worth as of the last day of the relevant year as per our Restated Financial Statements.*

(15) *Annual Average Net Worth is the simple average of our Net Worth as of last day of the relevant period/year and our Net Worth as of March 31 of the preceding year.*

(16) *Total Assets represents our total assets as of the last day of the relevant period/year as per our Restated Financial Statements.*

(17) *Annual average total assets is the simple average of our Total Assets outstanding as of last day of the relevant year and our Total Assets outstanding as of March 31 of the preceding year.*

(18) *Total Borrowings represents the aggregate of debt securities, subordinated liabilities, and borrowings (other than debt securities), as per our Restated Financial Statements for the relevant period/year.*

(19) *Annual Average Borrowings is the simple average of our Total Borrowings outstanding as of last day of the relevant period/year and our Total Borrowings outstanding as of March 31 of the preceding year.*

(20) *Monthly average borrowings is the simple average of the month end balances of our Total Borrowings for the periods mentioned.*

(21) *Return on average gross loan portfolio represents profit for the relevant period/year derived from our Restated Financial Statements as a percentage of annual monthly average gross loan portfolio for such period/year.*

(22) *Return on annual average equity represents the ratio of our Profit After Tax attributable to equity holders to our annual average of net worth as of last day of the relevant period/year and as of March 31 of the preceding year as per our Restated Financial Statements.*

(23) *Basic EPS represent Basic Earnings per Equity share as per our Restated Financial Statements for the relevant year.*

(24) *Diluted EPS represent Diluted Earnings per Equity share as per our Restated Financial Statements for the relevant year.*

(25) *Net Asset value per equity share represent the ratio of our Net Worth to Number of Equity shares as of last day of the relevant period/year and Equity Shares on a fully diluted basis is considered for the purpose of calculation of Net Asset Value.*

(26) *Book value per share represents the ratio of our Net Worth to number of shares as converted basis on last day of the relevant period/year.*

(27) *Stage I assets represent loan assets which are up to 30 days overdue, and that have not had a significant increase in credit risk since initial recognition or that have low credit risk as of last day of the relevant period/year.*

(28) *Stage II assets represent loan assets which are between 31 and 90 days overdue, and that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment as of last day of the relevant period/year.*

(29) *Gross NPA ratio represents the ratio of our stage III assets to total loan portfolio as of last day of the relevant period/year. Total loan portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets held by our Company as of the last day of the relevant period/year, gross of impairment allowance.*

(30) *Net NPA ratio represents the ratio of our Net NPA to Net Loan portfolio as of last day of the relevant period/year. Net Loan portfolio represents total loan portfolio reduced by impairment allowance.*

(31) *Debt to equity represents the ratio of our Total Borrowings to our Net Worth as of last day of the relevant period/year.*

GENERAL INFORMATION

Corporate Identity Number and Registration number

Corporate Identity Number: U65190MH1992PLC066228

Company Registration Number: 066228

RBI Registration Number: 13.00365

Registered Office
Muthoot Microfin Limited
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Bandra East, Mumbai 400 051
Maharashtra, India

For further details of our incorporation and changes to our name and our registered office, see "*History and Certain Corporate Matters – Changes in our Registered Office*" on page 221.

Administrative Office

Muthoot Microfin Limited
5th Floor
Muthoot Towers
M.G. Road, Ernakulam 682 035
Kerala, India

Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra at Mumbai, situated at:

Everest
100 Marine Drive
Mumbai 400 002
Maharashtra, India

Filing of the Red Herring Prospectus

A copy of the Draft Red Herring Prospectus was filed electronically through the SEBI intermediary portal at https://siportal.sebi.gov.in as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI master circular SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023. It was also filed with the SEBI at:

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex
Bandra (E)
Mumbai 400 051
Maharashtra, India

A copy of the Red Herring Prospectus along with the material contracts and documents required to be filed under section 32 of the Companies Act was filed with the RoC and a copy of this prospectus, required to be filed under section 26 of the Companies Act, will be filed with the RoC and through the electronic portal.

Board of Directors of our Company

Details regarding our Board as on the date of this Prospectus are set forth below:

Name	Designation	DIN	Address
Thomas Muthoot	Managing Director	00082099	Muthoot, 7/59 A, Near Kaniyampuzha Bridge, Cherukad, Eroor, P.O, Eroor Ernakulam, 682 306, Kerala, India
Thomas John Muthoot	Non-Executive Director	00011618	Muthoot, TC - 4/1008/1, Thiruvananthapuram, Kaudiar, 695 003, Kerala, India
Thomas George Muthoot	Non-Executive Director	00011552	Muthoot Towers, M G Road, Ernakulam College, Ernakulam, 682 035, Kerala, India
Akshaya Prasad(1)	Non-Executive Director	02028253	31, Platts Lane, London NW3 7NN
John Tyler Day(2)	Non-Executive Director	07298703	7034, Irongate Lane, Dallas, Texas, 75214, USA
Alok Prasad	Non-Executive Independent Director	00080225	144, Vista Villas, Opposite Unitech Cyber Park, Sector-46, Gurgaon, 122 001, Haryana, India
Thai Salas Vijayan	Non-Executive Independent Director	00043959	Sunnyvale TC, 8/725 1, Thirumala, Thiruvananthapuram, Valiavila, 695 006, Kerala, India

Name	Designation	DIN	Address
Bhama Krishnamurthy	Non-Executive Independent Director	02196839	401, Fourth floor, Avarsekars Srushti, Old Prabhadevi Road, Prabhadevi, Mumbai, 400 025, Maharashtra, India
Pushpy Babu Muricken	Non-Executive Independent Director	03431198	54/2509, Kodiyatt, 5 – Vrindavanam, Subhash Chandra Bose Road, Kochi, Vaytilla, Ernakulam, 682 019, Kerala, India
Anand Raghavan	Non-Executive Independent Director	00243485	22/1, Warren Road, Mylapore, Chennai, 600 004, Tamil Nadu, India

(1) Nominee of GPC
(2) Nominee of Creation

For further details of our Board, see "*Our Management*" on page 228.

Company Secretary and Chief Compliance Officer of our Company

Neethu Ajay
Muthoot Microfin Limited
5th Floor
Muthoot Towers
M.G. Road, Ernakulam 682 035
Kerala, India
Telephone: +91 48 4427 7580
Facsimile: +91 48 4430 0127
Email: neethu.ajay@muthootmicrofin.com

Statutory Auditor

Sharp & Tannan Associates, Chartered Accountants

87, Nariman Bhavan, 227 Nariman Point
Mumbai 400 021
Maharashtra, India
Telephone: +91 22 6153 7500, 2202 2224/8857
E-mail: tirtharaj.khot@sharpandtannan.com
Peer Review Number: 014153
Firm Registration Number: 109983W

Changes in Auditors

Except as stated below, there has been no change in the statutory auditors during the three years immediately preceding the date of this Prospectus.

Particulars	Date	Reason for change
Sharp & Tannan Associates, Chartered Accountants	August 24, 2022	Appointment as Statutory Auditor of our Company
Sharp & Tannan Associates, Chartered Accountants	November 8, 2021	Appointment to fill in the casual vacancy caused due to the resignation of Haribhakti & Co. LLP, Chartered Accountant
Haribhakti & Co. LLP, Chartered Accountant	October 26, 2021	Resignation by the statutory auditors on account of getting debarred from RBI for not complying with specific directions issued by RBI.
Haribhakti & Co. LLP, Chartered Accountant	September 29, 2021	Appointment as a statutory auditor
Walker Chandiok & Co LLP., Chartered Accountants	September 29, 2021	Completion of term of appointment

Book Running Lead Managers

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg, Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +91 22 6807 7100
E-mail: mmflipo@icicisecurities.com
Investor grievance ID: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact person: Sumit Singh
SEBI registration no.: INM000011179

Axis Capital Limited
1st Floor, C-2, Axis House
Wadia International Centre
P.B. Marg, Worli
Mumbai 400 025
Maharashtra, India
Tel: +91 22 4325 2183
E-mail: mmfl.ipo@axiscap.in
Investor grievance ID: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact person: Harish Patel
SEBI registration no: INM000012029

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India
Tel: +91 22 6630 3030

SBI Capital Markets Limited
1501, 15th Floor, Parinee Crescenzo
G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: +91 22 4006 9807

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg, Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +91 22 6807 7100
E-mail: mmflipo@icicisecurities.com
Investor grievance ID: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact person: Sumit Singh
SEBI registration no.: INM000011179

Axis Capital Limited
1st Floor, C-2, Axis House
Wadia International Centre
P.B. Marg, Worli
Mumbai 400 025
Maharashtra, India
Tel: +91 22 4325 2183
E-mail: mmfl.ipo@axiscap.in
Investor grievance ID: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact person: Harish Patel
SEBI registration no: INM000012029

E-mail: muthootmicrofin.ipo@jmfl.com
Investor grievance ID: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact person: Prachee Dhuri
SEBI registration no: INM000010361

E-mail: mml.ipo@sbicaps.com
Investor grievance ID: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact person: Aditya Deshpande
SEBI registration no.: INM000003531

Legal Advisors to the Company

Cyril Amarchand Mangaldas
3rd Floor, Prestige Falcon Towers
19, Brunton Road
Bengaluru 560 025
Karnataka, India
Tel: +91 80 6792 2000

Registrar to the Offer

KFin Technologies Limited
Selenium Tower B, Plot No. 31, 32
Gachibowli, Financial District
Nanakramguda, Serilingampally
Hyderabad, 500 032
Telangana, India
Tel: +91 40 6716 2222
E-mail: muthoot.ipo@kfintech.com
Website: www.kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Contact person: M. Murali Krishna
SEBI Registration No.: INR000000221

Bankers to the Offer

Escrow Collection Bank, Refund Bank and Sponsor Bank

ICICI Bank Limited
Capital Market Division
5th Floor, HT Parekh Marg
Churchgate, Mumbai 400 020
Maharashtra, India
Tel: 022 6805 2182
E-mail: ipocmg@icicibank.com
Website: www.icicibank.com
Contact person: Varun Badai
SEBI Registration No.: INBI00000004

Public Offer Account Bank and Sponsor Bank

Axis Bank Limited
Axis House, Wadia International Center
P.B. Marg, Worli
Mumbai 400 025
Maharashtra, India
Tel: 022 2425 3672
E-mail: vishal.lade@axisbank.com
Website: www.axisbank.com
Contact person: Vishal Lade
SEBI Registration No.: INBI00000017

Bankers to our Company

Axis Bank Limited
Rural Lending Department Building No.1
Gigaplex, 6th Floor
Plot No. I.T.5, MIDC
Airoli Knowledge Park
Airoli, Navi Mumbai 400 708
Telephone Number: 022- 71316862
Contact Person: Aashish Bansal
Website: https://www.axisbank.com
Email: aashish.bansal@axisbank.com

HSBC Limited
Rajalakshmi, no. 5 and 7
Cathedral Road, Chennai 600 086
Telephone Number: 0988 4015 577
Contact Person: Bharath Srinivas
Website: https://www.hsbc.co.in/
Email: srinivas@hsbc.co.in

Industrial and Commercial Bank of China Limited
801, 8th Floor, A-Wing
ONE BKC, C-66
G-Block, Bandra Kurla Complex
Bandra (E), Mumbai 400 051
Telephone Number: 022 – 71110300
Contact Person: Wang Banna
Website: www.icbc.co.in
Email: wangbanna@india.icbc.com.cn

Bank of Baroda
Mid Corporate Branch, Ernakulam
6th Floor, MG Road Metro Station Complex
M.G Road, Ernakulam
Telephone Number: 0484 2867907/908/912
Contact Person: Reji Mathew
Website: https;//www.bankofbaroda.iin/
Email: MIDERN@bankofbaroda.co.in

Equitas Small Finance Bank Limited
4th Floor, Spencer Plaza No. 769
Phase II, Anna Salai, Chennai 600 002
Telephone Number: 044 4299 5000
Contact Person: Rajarajan R
Website: www.equitasbank.com
Email: rajarajanrajendran@equitasbank.com

Jana Small Finance Bank Limited
The Fairway Business Park
#10/1, 11/2 & 12/2B Off Domlur
Koramangala Inner Ring Road
Next to EGL, Challaghatta
Bengaluru, 560 071
Telephone Number: 080 4602 0100
Contact Person: G. Narasimha Murthy
Website: www.janabank.com
Email: Narasimha.g@janabank.com

The Karur Vysya Bank Limited
Corporate Business Unit, No.1/1014
Maranatha Tower, Edapally
Ernakulam, 682 024
Telephone Number: 9159944554
Contact Person: TK Haridas
Website: www.kvb.co.in
Email: coimbatorecbu@kvbmail.com/haridastk@kvbmail.com

Karnataka Bank Limited
Door No. 6B,2nd Main Road
United India Colony
Kodambakkam, Chennai 600 024
Telephone Number: 044 2345 3237
Contact Person: Laxminarayana Rao K S
Website: www.karnatakbank.com
Email: mad.kodambakkam@ktkbank.com

Union Bank of India
Mid Corporate Branch
1st Floor, Union Bank Bhavan
M G Road, Ernakulam 682 025
Telephone Number: 0484 2355 51/ 2385217-8
Contact Person: Deepti Anandan
Website: www.unionbankofindia.co.in
Email: ubin0551929@unionbankofindia.bank

DCB Bank
650/12. BEE EM Avenue
Dr. Rajkumar Road, Gayathri Nagar
2nd Stage, Rajajinagar, Bengaluru 560 010
Telephone Number: 7042937785
Contact Person: Paritosh Singh
Website: https://www.dcbbank.com/
Email: paritosh.singh@dcbbank.com

Woori Bank
4/169, Lotte Building, 2nd Floor
OMR, Kandhanchavadi, Chennai 600 096
Telephone Number: 044 3346 6900
Contact Person: Joonsuk Choi
Website: go.wooribank.com
Email: joonsuk.choi@wooribank.com

Bandhan Bank
Moksha Mansion, No. 151
Sarjapura, Near Jakkasan dra Bus Stop
Koramangala, 1st Block
Bangalore 560 034, Karnataka
Telephone Number: 9004533383
Contact Person: Purbasha Samal
Website: www.bandhanbank.com
Email: purbasha.samal@bandhanbank.com

Kotak Mahindra Bank Limited
Kotak Infiniti, 4th Floor
Building No. 21, Infinity Park
Off Western Express Highway
General AK Vaidya Marg
Malad (E), Mumbai 400 097
Telephone Number: 022-66054139
Contact Person: Kushal Dhande
Website: www.kotak.com
Email: kushal.dhande@kotak.com

Bank of Maharashtra
2nd Floor, GK Arcade
Palarivattam Bypass Junction
Vennala PO, Ernakulam 682 028
Telephone Number: 04842927208/8129477446
Contact Person: Saju G
Website: www.bankofmaharashtra.in
Email: brmgr2369@mahabank.co.in

Punjab and Sind Bank
Corporate Banking Branch, 27/29
Ambalal Doshi Marg, Fort
Mumbai 400 001
Telephone: 022-35135825/351335826
Contact Person: Sarbjeet Singh
Website: punjabandsindbank.co.in
Email: b0385@psb.co.in

Canara Bank
Specialized Large Corporate Branch
1st Floor, KSCARD Bank Building
Statue Junction, Trivandrum 695 001
Telephone Number: 0471 2470028
Contact Person: G. Prabhakara Raju
Website: www.canarabank.com
Email: cb7074@canarabank.com

IDBI Bank Limited
MFI & Securitization Cell
PSG, Corporate Center
WTC Complex, Colaba
Mumbai, 400 005
Telephone Number: 022-6655 4235
Contact Person: Sasikanta Sethi
Website: www.idbibank.in
Email: mfi.securitization@idbi.co.in

DBS Bank India Limited
Ground Floor Nos. 11 & 12
Capitol Point, Baba Kharak Singh Marg
Connaught Place, Delhi, 110 001
Telephone Number: 022 67557639
Contact Person: Pooja Singhi
Website: www.dbs.com/in
Email: poojasinghi@dbs.com

Suryoday Small Finance Bank Limited
1101, Sharda Terraces, Plot No. 65
Sector 11, CBD Belapur
Navi Mumbai 400 614, Maharashtra
Telephone Number: 9321484163
Contact Person: Sudhakar Mogera
Website: www.suryodaybank.com
Email: **s**udhakar.mogera@suryodaybank.com

The Federal Bank Limited
Corporate and Institutional Banking Department
4th Floor
Corporate office, Aluva
Ernakulam, Kerala 683 101
Telephone Number: 0484-2634130/8129902707
Contact Person: Vishnu M
Website: https://www.federalbank.co.in
Email: vishnum@federalbank.co.in

IDFC FIRST Bank Limited
Ground Floor, Vankaarath Towers
NH Bypass Junction, Palarivattom
Kochi 682 024, Kerala
Telephone Number: 9600267440
Contact Person: Anand S
Website: www.idfcfirstbank.com
Email: anand.s3@idfcfirstbank.com

UCO Bank
M G Road, Ernakulam (1390)
Ravipuram, Ernakulam, 682 016
Telephone Number: 0484 – 2381523
Contact Person: Praveen Kumar
Website: www.ucobank.com
Email: mgerna@ucobank.co.in

ICICI Bank Limited
ICICI Bank Ltd, Corporate Head Office
ICICI Bank Towers, Bandra-Kurla Complex
Bandra (East), Mumbai 400 051
Telephone Number: 022 2653 7415
Contact Person: Neeraj Biyani
Website: www.icicibank.com
Email: Neeraj.biyani@icicibank.com

Syndicate Members

JM Financial Services Limited
Ground Floor, 2, 3 & 4, Kamanwala Chambers
Sir P.M. Road, Fort
Mumbai 400 001
Maharashtra, India
Tel: +91 22 6136 3400
E-mail: tn.kumar@jmfl.com / sona.verghese@jmfl.com
Website: www.jmfinancialservices.in
Contact person: T N Kumar / Sona Verghese
SEBI Registration No.: INZ000195834

SBICAP Securities Limited
Marathon Futurex, B Wing, Unit no. 1201
12th Floor, N M Joshi Marg
Lower Parel, Mumbai 400 013
Maharashtra, India
Tel: +91 22 6931 6204
E-mail: archana.dedhia@sbicapsec.com
Website: www.sbisecurities.in
Contact person: Archana Dedhia
SEBI Registration No.: INZ000200032

Investec Capital Services (India) Private Limited
1103-04, 11th Floor, B Wing
Parinee Crescenzo, Bandra Kurla Complex
Mumbai 40 051
Maharashtra, India
Tel: +91 22 6849 7400
E-mail: kunal.naik@investec.co.in
Website: www.investec.com/india.html
Contact person: Kunal Naik
SEBI Registration No.: INZ000007138

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidders), not bidding through Syndicate/ Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders could submit ASBA Forms in the Offer using the stockbroker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the respective Stock Exchanges at https://www.bseindia.com/ and https://www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the respective Stock Exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the respective Stock Exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Experts to the Offer

Except as disclosed below, our Company has not obtained any expert opinions:

Our Company has received written consent dated June 30, 2023 from Sharp & Tannan Associates, Chartered Accountants, to include their name as required under the SEBI ICDR Regulations in this Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditor and in respect of their (i) examination report, dated November 25, 2023 on our Restated Financial Statements; and (ii) their report dated December 21, 2023 on the Statement of Special Tax Benefits in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated June 30, 2023 from Rangamani & Co., Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name, in this Prospectus, as an 'expert' as defined under Section 2(38) of Companies Act in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company and such consent has not been withdrawn as on the date of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Inter-se allocation of responsibilities among the Book Running Lead Managers to the Offer

The following table sets forth the inter-se allocation of responsibilities for various activities in relation to the Offer among the Book Running Lead Managers:

Sr. No.	Activity	Responsibility	Co-ordination approved by Company
1.	Capital Structuring, due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, the Red Herring Prospectus, this Prospectus, abridged prospectus and application form. The Book Running Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	BRLMS	I-Sec
2.	Drafting and approval of all statutory advertisements	BRLMS	I-Sec
3.	Drafting and approval of all publicity material other than statutory advertisements, including corporate advertising, brochures, media monitoring, etc. and filing of media compliance report	BRLMS	Axis Capital
4.	Appointment of intermediaries advertising agency, registrar, printer (including co-ordinating all agreements to be entered with such parties)	BRLMS	I-Sec
5.	Appointment of intermediaries banker(s) to the Offer, Sponsor Bank, Share escrow agent, syndicate members etc. (including co-ordinating all agreements to be entered with such parties)	BRLMS	JMFL
6.	Preparation of road show presentation and frequently asked questions	BRLMS	JMFL
7.	International institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy and preparation of publicity budget; • Finalising the list and division of international investors for one-to-one meetings • Finalising international road show and investor meeting schedules	BRLMS	Axis Capital
8.	Domestic institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy and preparation of publicity budget; • Finalising the list and division of domestic investors for one-to-one meetings • Finalising domestic road show and investor meeting schedules	BRLMS	I-Sec
9.	Conduct Non – institutional marketing of the offer	BRLMS	JMFL
10.	Conduct Retail marketing of the offer, which will cover, inter alia: • Finalising media, marketing and public relations strategy including list of frequently asked questions at retail road shows; • Follow - up on distribution of publicity and offer material including forms, the Prospectus and deciding on the quantum of Issue material; and • Finalising centers for holding conferences for brokers etc. and • Finalising collection centres	BRLMS	SBICAP
11.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, intimation to Stock Exchange for anchor portion and deposit of 1% security deposit with designated stock exchange.	BRLMS	SBICAP
12.	Managing the book and finalization of pricing in consultation with our Company	BRLMS	I-Sec
13.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with registrar, SCSBs and banks, intimation of allocation and dispatch of refund to bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to anchor investors, follow-up with bankers to the Offer and SCSBs to get quick estimates of collection and advising the issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, coordination for unblock of funds by SCSBs, finalization of trading, dealing and listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the Offer, bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable STT on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004. Co-ordination with SEBI and Recognised Stock Exchanges for refund of 1% security deposit and submission of all post-offer reports including final post-offer report to SEBI.	BRLMS	SBICAP

IPO Grading

No credit rating agency registered with SEBI has been appointed for grading the Offer.

Monitoring Agency

CARE Ratings Limited
4th Floor, Godrej Coliseum
Somaiya Hospital Road, Off Eastern Express Highway
Sion (East), Mumbai 400 022
Maharashtra, India
Tel: +91 98 4075 4521
E-mail: Pradeep.Kumar@careedge.in

Appraising Entity

None of the objects for which the Net Proceeds are proposed to be utilised have been appraised by any agency.

Credit Rating

As this is an Offer of Equity Shares, there is no credit rating required for the Offer.

Debenture Trustees

As this is an Offer of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Illustration of the Book Building Process

Book building in the context of the Offer referred to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid Cum Application Forms (and the Revision Forms), if any, within the Price Band and the minimum Bid Lot, which was decided by our Company in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations, and was advertised in all editions of The Financial Express, a widely circulated English national daily newspaper, in all editions of Jansatta, a widely circulated Hindi national daily newspaper, all editions of Navshakti, a widely circulated Marathi national daily newspaper (Marathi being the regional language of Mumbai, where our Registered Office is located) at least two Working Days prior to the Bid/ Offer Opening Date and was made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price was determined by our Company in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations, after the Bid/ Offer Closing Date. For further details, see "*Offer Procedure*" on page 471.

All Bidders (other than Anchor Investors) participated in this Offer mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount was blocked by the SCSBs. In addition to this, the UPI Bidders participated through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount was blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors were not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders were not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the number of Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs bidding in the Retail Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date Except for Allocation to RIBs, Non-Institutional Bidders and the Anchor Investors, allocation in the Offer will be on a proportionate basis. Further, allocation to Anchor Investors was on a discretionary basis and allocation to the Non-Institutional Investors was in a manner as may be introduced under applicable laws.

Each Bidder was deemed to have acknowledged the above restrictions and the terms of the Offer, by submitting their Bid in the Offer.

The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors were advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

The Bidders should note that the Offer is also subject to obtaining (i) filing of this Prospectus with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment as per the prescribed timelines in compliance with the SEBI ICDR Regulations.

For further details, see "*Terms of the Offer*", "*Offer Structure*" and "*Offer Procedure*" on pages 461, 467 and 471, respectively.

For details in relation to filing of the Red Herring Prospectus, see *" – Filing of the Red Herring Prospectus"* on page 74.

Underwriting Agreement

Our Company and the Selling Shareholders have entered into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriting Agreement is dated December 21, 2023. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (in ₹ million)
ICICI Securities Limited ICICI Venture House Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Maharashtra, India Tel: +91 22 6807 7100 E-mail: mmflipo@icicisecurities.com	82,51,764	2,400.00
Axis Capital Limited 1st Floor, C-2, Axis House	82,51,764	2,400.00

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (in ₹ million)
Wadia International Centre P.B. Marg, Worli, Mumbai 400 025 Maharashtra, India Tel: +91 22 4325 2183 E-mail: mmfl.ipo@axiscap.in		
JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India Tel: +91 22 6630 3030 E-mail: muthootmicrofin.ipo@jmfl.com	82,51,663	2,399.97
SBI Capital Markets Limited 1501, 15th Floor, Parinee Crescenzo G Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Tel: +91 22 4006 9807 E-mail: mml.ipo@sbicaps.com	82,51,563	2,399.94
JM Financial Services Limited Ground Floor, 2, 3 & 4, Kamanwala Chambers Sir P.M. Road, Fort Mumbai 400 001 Maharashtra, India Tel: +91 22 6136 3400 E-mail: tn.kumar@jmfl.com /sona.verghese@jmfl.com	100	0.03
Investec Capital Services (India) Private Limited 1103-04, 11th Floor, B Wing Parinee Crescenzo, Bandra Kurla Complex Mumbai 40 051 Maharashtra, India Tel: +91 22 6849 7400 E-mail: kunal.naik@investec.co.in	100	0.03
SBICAP Securities Limited Marathon Futurex, B Wing, Unit no. 1201 12th Floor, N M Joshi Marg Lower Parel, Mumbai 400 013 Maharashtra, India Tel: +91 22 6931 6204 E-mail: archana.dedhia@sbicapsec.com	100	0.03
Total	**3,30,07,054**	**9,600.00**

The aforementioned underwriting commitments are indicative and will be finalised after the finalisation of the Basis of Allotment and actual allocation of Equity Shares in accordance with provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the aforementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The aforementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board of Directors/ IPO Committee, at its meeting held on December 21, 2023, approved the acceptance and entering into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. The extent of underwriting obligations (including any defaults in payment for which the respective Underwriter is required to procure purchasers for or purchase the Equity Shares to the extent of the defaulted amount) and the Bids to be underwritten in the Offer by each Book Running Lead Manager shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Prospectus, is set forth below.

(in ₹, except share data unless otherwise stated)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Offer Price*^
A.	**AUTHORISED SHARE CAPITAL(1)**		
	200,000,000 Equity Shares of face value of ₹10 each	2,000,000,000	
	50,000,000 CCPS of face value ₹10 each	500,000,000	
	Total	**2,500,000,000**	-
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER#**		
	144,357,971 Equity Shares of face value of ₹10 each	1,443,579,710	-
C.	**PRESENT OFFER**		
	Offer of 33,007,054^^ Equity Shares of face value of ₹10 each aggregating to ₹9,600.00 million(2)(3)	330,070,540	9,599,999,447
	of which		
	Fresh Issue of 26,134,205^^ Equity Shares of face value of ₹10 each aggregating to ₹7,600.00 million(2)	261,342,050	7,599,999,515
	Offer for Sale of 6,872,849 Equity Shares of face value of ₹10 each by the Selling Shareholders aggregating to ₹2,000.00 million(3)	68,728,490	1,999,999,059
	which includes		
	Employee Reservation Portion of 361,010 Equity Shares of face value of ₹10 each (4)	3,610,100	99,999,770
	Net Offer of 32,646,044 Equity Shares of face value of ₹10 each	326,460,440	9,499,998,804
D.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER***		
	170,492,176 Equity Shares of face value of ₹10 each	1,704,921,760	-
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	9,432,170,326.96	
	After the Offer	16,770,827,791.96	

* *Subject to finalisation of Basis of Allotment.*

^ *The Offer Price is ₹291 per Equity Share. A discount of ₹14 per Equity Share was offered to Eligible Employees Bidding in the Employee Reservation Portion*

^^ *This includes 361,010 Equity Shares aggregating to ₹100.00 million issued at a discount of ₹14 per Equity Share to Eligible Employees applied in the Employee Reservation Portion*

\# *Pursuant to resolutions, each dated November 25, 2023, passed by our Board and our Shareholders, 23,360,260 CCPS held by GPC were converted to 27,520,722 Equity Shares of face value of ₹10 each. For details, see "Capital Structure – Notes to Capital Structure – Share Capital history of our Company" on page 83.*

(1) *For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 221.*

(2) *The Offer including the Fresh Issue has been approved by our Board pursuant to the resolution passed at its meeting held on May 6, 2023 and by our Shareholders pursuant to a special resolution passed at their meeting held on June 14, 2023. The Offer has been revised by the IPO Committee pursuant to its resolution passed at its meeting held on November 29, 2023. Further, our Board has pursuant to its resolution dated June 26, 2023 and the IPO Committee has pursuant to its resolution dated November 29, 2023 taken on record the approval for the Offer for Sale by the Selling Shareholders.*

(3) *Each Selling Shareholder, severally and not jointly, has specifically confirmed that its respective portion of the Offered Shares has been held by it for a period of at least one year prior to the filing of the Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations or are otherwise eligible for being offered for sale in the Offer in accordance with the provisions of the SEBI ICDR Regulations. For details on the authorizations and consents of each of the Selling Shareholders in relation to their respective Offered Shares, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 65 and 446, respectively.*

(4) *Eligible Employees bidding in the Employee Reservation Portion were required to ensure that the maximum Bid Amount does not exceed ₹500,000 (net of the Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of the Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000 (net of the Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of the Employee Discount). Our Company, acting through its IPO Committee in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations, may offer a discount of 4.81% to the Offer Price (equivalent of ₹14 per Equity Share) to Eligible Employees Bidding in the Employee Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Offer Opening Date.*

Notes to the Capital Structure

1. Share capital history of our Company

(i) ***Equity Share capital***

The history of the Equity Share capital of our Company is set forth in the table below:

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital
April 6, 1992	40	10 Equity Shares each were allotted to Divyesh Pravinchandra Shah, Rajit Pravinchandra Shah, Amrish R. Daftary and Mehul Sureshbhai Sanghavi	10	10	Cash	Allotment pursuant to initial subscription to the Memorandum of Association	40	400
November 28, 1994	100,000	8,000 Equity Shares were allotted to Divyesh P. Shah, 15,000 Equity Shares were allotted to Rajit P. Shah, 10,000 Equity Shares were allotted to Mehul S. Sanghavi, 7,500 Equity Shares were allotted to Shilpa D. Shah, 10,000 Equity Shares were allotted to Ketki R. Shah, 7,500 Equity Shares were allotted to Aarti M. Sanghavi, 10,000 Equity Shares were allotted to Shardaben P. Shah, 2,500 Equity Shares were allotted to Monil D. Shah, 1,000 Equity Shares were allotted to Shreya D. Shah, 10,000 Equity Shares were allotted to Suresh S. Sanghavi, 2,000 Equity Shares were allotted to Hiten K. Shah, 2,000 Equity Shares were allotted to Chhayaben Parikh, 2,000 Equity Shares were allotted to Maheshbhai Parikh, 1,000 Equity Shares were allotted to Deepak C. Parikh, 2,000 Equity Shares were allotted to Aarti D. Parikh, 2,000 Equity Shares were allotted to Jayesh Parikh, 2,500 Equity Shares were allotted to Dimple H. Vora, 2,500 Equity Shares were allotted to Vinayak M. Shukla and 2,500 Equity Shares were allotted to Simple H. Vora	10	10	Cash	Preferential allotment^	100,040	1,000,400
January 23, 1995	199,960	41,600 Equity Shares were allotted to Divyesh P. Shah, 17,000 Equity Shares were allotted to Rajit P. Shah, 21,000 Equity Shares were allotted to Mehul S. Sanghavi, 2,500 Equity Shares were allotted to Aarti M. Sanghavi, 38,350 Equity Shares were allotted to Shilpa D. Shah, 20,000 Equity Shares were allotted to Shardaben P. Shah, 12,010 Equity Shares were allotted to Jyotsnaben S. Sanghavi, 20,000 Equity Shares were allotted to Mahesh C. Parikh and 27,500 Equity Shares were allotted to Chhayaben M. Parikh	10	10	Cash	Preferential allotment^	300,000	3,000,000
September 29, 2012	4,700,000	4,700,000 Equity Shares were allotted to Muthoot Fincorp Limited	10	10	Cash	Preferential allotment	5,000,000	50,000,000
January 15, 2014	500,000	500,000 Equity Shares were allotted to Muthoot Fincorp Limited	10	10	Cash	Preferential allotment	5,500,000	55,000,000
May 27, 2015	10,000,000	116,180 Equity Shares were allotted to Thomas Muthoot, 102,730 Equity Shares were allotted to Thomas George Muthoot, 103,640 Equity Shares were allotted to Thomas John Muthoot, 79,270 Equity Shares were allotted to Nina George, 78,180 Equity Shares were allotted to Preethi John Muthoot, 65,460 Equity Shares were allotted to Remmy Thomas and 9,454,540 Equity Shares were allotted to Muthoot Fincorp Limited	10	10	Cash	Rights issue in the ratio of one Equity Share for every one Equity Share	15,500,000	155,000,000
June 15, 2015	34,500,000	34,500,000 Equity Shares were allotted to Muthoot Fincorp Limited	10	10	Cash	Preferential allotment	50,000,000	500,000,000
January 21, 2016	10,000,000	10,000,000 Equity Shares were allotted to Muthoot Fincorp Limited	10	10	Cash	Preferential allotment	60,000,000	600,000,000
April 29, 2016	10,000,000	10,000,000 Equity Shares were allotted to Muthoot Fincorp Limited	10	10	Cash	Preferential allotment	70,000,000	700,000,000
September 29, 2016	12,500,000	4,166,667 Equity Shares were allotted to Thomas John Muthoot, 4,166,667 Equity Shares were allotted to Thomas George Muthoot and 4,166,666 Equity Shares were allotted to Thomas Muthoot	10	12	Cash	Preferential allotment	82,500,000	825,000,000
December 21, 2016	1,307,986	145,622 Equity Shares were allotted to Thomas John Muthoot, 145,622 Equity Shares were allotted to Thomas George Muthoot, 144,750 Equity Shares were allotted to Thomas Muthoot and 871,992 Equity Shares were allotted to Muthoot Fincorp Limited	10	114.68	Cash	Preferential allotment	83,807,986	838,079,860
December 26, 2016	43,600	43,600 Equity Shares were allotted to Creation Investments India LLC	10	114.68	Cash	Preferential allotment	83,851,586	838,515,860

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital
August 31, 2017	1,307,987	435,996 Equity Shares were allotted to Thomas John Muthoot, 435,996 Equity Shares were allotted to Thomas George Muthoot and 435,995 Equity Shares were allotted to Thomas Muthoot	10	114.68	Cash	Preferential allotment^	85,159,573	851,595,730
December 19, 2017	3,051,971	930,125 Equity Shares were allotted to Thomas Muthoot, 930,124 Equity Shares were allotted to Thomas George Muthoot, 930,125 Equity Shares were allotted to Thomas John Muthoot, and 261,597 Equity Shares were allotted to Muthoot Fincorp Limited	10	114.68	Cash	Preferential allotment^	88,211,544	882,115,440
March 31, 2018	14,666,667	902,256 Equity Shares were allotted to Thomas John Muthoot, 902,021 Equity Shares were allotted to Thomas George Muthoot, 905,343 Equity Shares were allotted to Thomas Muthoot, 2,581,643 Equity Shares were allotted to Nina George, 2,581,687 Equity Shares were allotted to Preethi John Muthoot, 2,579,754 Equity Shares were allotted to Remmy Thomas, 2,337,320 Equity Shares were allotted to Muthoot Fincorp Limited, 178,114 Equity Shares were allotted to MML Employee Welfare Trust, 20,783 Equity Shares were allotted to Sadaf Sayeed, 4,157 Equity Shares were allotted to Udeesh Ullas, 1,455 Equity Shares were allotted to Subhransu Pattnayak, 1,247 Equity Shares were allotted to Praveen T. and 1,670,887 Equity Shares were allotted to Creation Investments India LLC	10	150	Cash	Rights issue in the ratio of 1,663 Equity Shares for every 10,000 Equity Shares	102,878,211	1,028,782,110
March 9, 2019	11,292,291	11,292,291 Equity Shares were allotted to Creation Investments India LLC	10	114.68	Cash*	Allotment of Equity Shares pursuant to conversion of CCPS into Equity Shares	114,170,502	1,141,705,020
December 8, 2021	100	100 Equity Shares were allotted to Greater Pacific Capital WIV Ltd	10	194.86	Cash	Preferential allotment	114,170,602	1,141,706,020
September 30, 2022	2,666,647	2,666,647 Equity Shares were allotted to MML Employee Welfare Trust[#]	10	102.06	Cash	Preferential allotment	116,837,249	1,168,372,490
Allotment of Equity Shares in the last one year preceding the date of this Prospectus								
November 25, 2023	27,520,722	27,520,722 Equity Shares were allotted to Greater Pacific Capital WIV Ltd.	10	165.40	Cash*	Allotment of Equity Shares pursuant to conversion of CCPS into Equity Shares	144,357,971	1,443,579,710
Total							**144,357,971**	**1,443,579,710**

^ *Certain corporate records including minutes of the meetings of Board and Shareholders of our Company and corresponding form filings are not traceable by our Company, or with the RoC. For further details, see "Risk Factors – We are unable to trace some of our historical records including minutes of the Board and Shareholders meetings and corresponding form filings. Further, certain of our secretarial records have not been adequately maintained. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation" on page 34. Accordingly, certain details in relation to these allotments cannot be ascertained.*

* *Cash was paid at the time of respective allotments of CCPS.*

\# *Held by Nadana Sabapathy R and Subha Joseph on behalf of MML Employee Welfare Trust.*

(ii) ***Preference share capital***

The history of the preference share capital of our Company is set forth in the table below:

Date of allotment/ conversion of CCPS to Equity Shares	Number of CCPS allotted/ converted to Equity Shares	Details of allottees	Face value per CCPS (in ₹)	Issue price per CCPS (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of CCPS	Cumulative paid-up CCPS capital
December 26, 2016	4,316,358	4,316,358 CCPS were allotted to Creation Investments India LLC	10	114.68	Cash	Preferential allotment	4,316,358	43,163,580
August 31, 2017	1,307,987	1,307,987 CCPS were allotted to Creation Investments India LLC	10	114.68	Cash	Preferential allotment	5,624,345	56,243,450
December 19, 2017	3,051,971	3,051,971 CCPS were allotted to Creation Investments India LLC	10	114.68	Cash	Preferential allotment	8,676,316	86,763,160
March 24, 2018	2,615,975	2,615,975 CCPS were allotted to Creation Investments India LLC	10	114.68	Cash	Preferential allotment	11,292,291	112,922,910
March 9, 2019	(11,292,291)	11,292,291 Equity Shares were allotted to Creation Investments India LLC on conversion of 11,292,291 CCPS(1)	10	114.68	NA	Conversion of CCPS into Equity Shares	Nil	Nil
December 6, 2021	9,633,739	9,633,739 CCPS were allotted to Greater Pacific Capital WIV Ltd	10	194.86(2)	Cash	Preferential allotment	9,633,739	96,337,390
January 11, 2022	9,527,994	9,527,994 CCPS were allotted to Greater Pacific Capital WIV Ltd	10	194.86(2)	Cash	Preferential allotment	19,161,733	191,617,330
September 30, 2022	4,198,527	4,198,527 CCPS were allotted to Greater Pacific Capital WIV Ltd	10	194.86(2)	Cash	Preferential allotment	23,360,260	233,602,600
Allotment of CCPS in the last one year preceding the date of this Prospectus								
November 25, 2023	(23,360,260)	27,520,722 Equity Shares were allotted to Greater Pacific Capital WIV Ltd on conversion of 23,360,260 CCPS(1)	10	165.40	NA	Conversion of CCPS into Equity Shares(3)	Nil	Nil
Total							-	-

(1) *For further details, please see "- Equity Share capital" on page 83.*

(2) *The issue price per CCPS of ₹194.86 for the allotment of CCPS to Greater Pacific Capital WIV Ltd was based on the commercial consideration between our Company and Greater Pacific Capital WIV Ltd.*

(3) *The conversion price of the GPC CCPS is 1.76 times the Offer Price of the Equity Shares.*

2. Offer of specified securities at a price lower than the Offer Price in the last year

Except as disclosed below, our Company has not issued any Equity Shares at a price that may be lower than the Offer Price during the last one year preceding the date of this Prospectus:

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason for allotment	Part of Promoter Group
November 25, 2023	27,520,722	27,520,722 Equity Shares were allotted to Greater Pacific Capital WIV Ltd.	10	165.40	Cash*	Allotment of Equity Shares pursuant to conversion of CCPS into Equity Shares	No

* *Cash was paid at the time of allotment of CCPS.*

Note: Pursuant to resolutions, each dated November 25, 2023, passed by our Board and our Shareholders, 23,360,260 CCPS held by GPC were converted to 27,520,722 Equity Shares of face value of ₹10 each. The CCPS were issued to GPC at a price of ₹ 194.86 per CCPS and post conversion of the CCPS to Equity Shares, the resulting price per Equity Share is ₹ 165.40. No additional consideration was paid at the time of conversion of the GPC CCPS into Equity Shares. For details, see "Capital Structure – Notes to Capital Structure – Share Capital history of our Company" on page 83.

3. Offer of shares for consideration other than cash or out of revaluation reserves

(i) As on the date of this Prospectus, our Company has not issued any Equity Shares out of revaluation reserves since its incorporation.

(ii) Our Company has not issued any Equity Shares for consideration other than cash as on the date of this Prospectus.

4. Offer of shares pursuant to schemes of arrangement

Our Company has not allotted any shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

5. History of the share capital held by our Promoters

As on the date of this Prospectus, our Individual Promoters and our Corporate Promoter hold 14,124,724 Equity Shares and 85,595,744 Equity Shares, respectively, equivalent to 9.79% and 59.29%, respectively, of the issued, subscribed and paid-up pre-Offer Equity Share capital of our Company on a fully diluted basis assuming exercise of vested options under the ESOP Schemes.

Consequently, our Promoters hold 99,720,468 Equity Shares equivalent to 69.08% of the issued, subscribed and paid-up pre-Offer Equity Share capital of our Company on a fully diluted basis assuming conversion of vested options under the ESOP Schemes. The details regarding our Promoters' shareholding are set forth in the table below.

(a) Build-up of the Equity shareholding of our Promoters in our Company

The details regarding the build-up of the Equity shareholding of our Promoters in our Company since incorporation is set forth in the table below:

Date of allotment/ transfer	Number of Equity Shares	Nature of transaction	Nature of consideration	Face value per Equity Share (₹)	Issue price/ transfer price per Equity Share (₹)	Percentage of the pre-Offer Equity Share capital* (%)	Percentage of the post- Offer Equity Share capital (%)**
Thomas John Muthoot							
January 23, 2012	43,500	Transfer of 43,500 Equity Shares from Ajay Shanghavi	Cash	10	23.66	0.03	0.03
December 20, 2013	13,500	Transfer of 13,500 Equity Shares from Janamma Thomas	Gift	10	Nil	0.01	0.01
May 27, 2015	103,640	Rights issue in the ratio of one Equity Share for every one Equity Share	Cash	10	10	0.07	0.06
September 29, 2016	4,166,667	Preferential allotment	Cash	10	12	2.89	2.44
December 21, 2016	145,622	Preferential allotment	Cash	10	114.68	0.11	0.09
August 31, 2017	435,996	Preferential allotment	Cash	10	114.68	0.30	0.26
November 2, 2017	(412,500)	Transfer of 412,500 Equity Shares to MML Employee Welfare Trust	Cash	10	12	(0.29)	(0.24)
December 19, 2017	930,125	Preferential allotment	Cash	10	114.68	0.64	0.55
March 31, 2018	902,256	Rights issue in the ratio of 1,663 Equity Shares for every 10,000 Equity Shares	Cash	10	150	0.63	0.53
October 3, 2022	(2,783,975)	Transfer of 2,783,975 Equity Shares to Muthoot Fincorp Limited	Cash	10	194.86	(1.93)	(1.63)
Sub Total (A) **	**3,544,831**					**2.46**	**2.08**
Thomas Muthoot							
January 23, 2012	3	Transfer of 3 Equity Shares from Meeta Ghosh	Cash	10	23.66	Negligible	Negligible
	3	Transfer of 3 Equity Shares from Vikas Lahoti	Cash	10	23.66	Negligible	Negligible
	10	Transfer of 10 Equity Shares from Arun Kumar Varma	Cash	10	23.66	Negligible	Negligible
	1	Transfer of 1 Equity Shares from Vipul Chaturvedi	Cash	10	23.66	Negligible	Negligible
	3	Transfer of 3 Equity Shares from Narendra Jadhav	Cash	10	23.66	Negligible	Negligible
	50,380	Transfer of 50,380 Equity Shares from Harsh Kumar Maheshwary	Cash	10	23.66	0.04	0.03
December 20, 2013	13,500	Transfer of 13,500 Equity Shares from Janamma Thomas	Gift	10	Nil	0.01	0.01
May 27, 2015	116,180	Rights issue in the ratio of one Equity Share for every one Equity Share	Cash	10	10	0.08	0.07
September 29, 2016	4,166,666	Preferential allotment	Cash	10	12	2.89	2.44
December 21, 2016	144,750	Preferential allotment	Cash	10	114.68	0.10	0.08
August 31, 2017	435,995	Preferential allotment	Cash	10	114.68	0.30	0.26
November 2, 2017	(412,500)	Transfer of 412,500 Equity Shares to MML Employee Welfare Trust	Cash	10	12	(0.29)	(0.24)
December 19, 2017	930,125	Preferential allotment	Cash	10	114.68	0.64	0.55
March 31, 2018	905,343	Rights issue in the ratio of 1,663 Equity Shares for every 10,000 Equity Shares	Cash	10	150	0.63	0.53
October 3, 2022	(2,793,500)	Transfer of 2,793,500 Equity Shares to Muthoot Fincorp Limited	Cash	10	194.86	(1.94)	(1.64)
Sub Total (B) **	**3,556,959**					**2.46**	**2.09**
Thomas George Muthoot							
January 23, 2012	43,000	Transfer of 43,000 Equity Shares from Ajay Shanghavi	Cash	10	23.66	0.03	0.03
December 20, 2013	13,500	Transfer of 13,500 Equity Shares from Janamma Thomas	Gift	10	Nil	0.01	0.01
May 27, 2015	102,730	Rights issue in the ratio of one Equity Share for every one Equity Share	Cash	10	10	0.07	0.06
September 29, 2016	4,166,667	Preferential allotment	Cash	10	12	2.89	2.44
December 21, 2016	145,622	Preferential allotment	Cash	10	114.68	0.10	0.09
August 31, 2017	435,996	Preferential allotment	Cash	10	114.68	0.30	0.26
November 2, 2017	(412,500)	Transfer of 412,500 Equity Shares to MML Employee Welfare Trust	Cash	10	12	(0.29)	(0.24)
December 19, 2017	930,124	Preferential allotment	Cash	10	114.68	0.64	0.55
March 31, 2018	902,021	Rights issue in the ratio of 1,663 Equity Shares for every 10,000 Equity Shares	Cash	10	150	0.63	0.53
October 3, 2022	(2,783,251)	Transfer of 2,783,251 Equity Shares to Muthoot Fincorp Limited	Cash	10	194.86	(1.93)	(1.63)
Sub Total (C) **	**3,543,909**					**2.45**	**2.08**
Preethi John Muthoot							

Date of allotment/ transfer	Number of Equity Shares	Nature of transaction	Nature of consideration	Face value per Equity Share (₹)	Issue price/ transfer price per Equity Share (₹)	Percentage of the pre-Offer Equity Share capital* (%)	Percentage of the post- Offer Equity Share capital (%)**
January 23, 2012	22,000	Transfer of 22,000 Equity Shares from Ajay Shanghavi	Cash	10	23.66	0.02	0.01
	21,000	Transfer of 21,000 Equity Shares from Harsh Kumar Maheshwary	Cash	10	23.66	0.01	0.01
May 27, 2015	78,180	Rights issue in the ratio of one Equity Share for every one Equity Share	Cash	10	10	0.05	0.05
March 31, 2018	2,581,687	Rights issue in the ratio of 1,663 Equity Shares for every 10,000 Equity Shares	Cash	10	150	1.79	1.51
October 3, 2022	(11,88,963)	Transfer of 11,88,963 Equity Shares to Muthoot Fincorp Limited	Cash	10	194.86	(0.82)	(0.70)
November 28, 2023	(350,493)	Transfer of 350,493 Equity Shares to Muthoot Fincorp Limited	Cash	10	290	(0.24)	(0.21)
Sub Total (D) **	**1,163,411**					**0.81**	**0.68**
Remmy Thomas							
January 23, 2012	1,000	Transfer of 1,000 Equity Shares from Ajay Shanghavi	Cash	10	23.66	Negligible	Negligible
	35,000	Transfer of 35,000 Equity Shares from Harsh Kumar Maheshwary	Cash	10	23.66	0.02	0.02
May 27, 2015	65,460	Rights issue in the ratio of one Equity Share for every one Equity Share	Cash	10	10	0.05	0.04
March 31, 2018	2,579,754	Rights issue in the ratio of 1,663 Equity Shares for every 10,000 Equity Shares	Cash	10	150	1.79	1.51
October 3, 2022	(11,79,438)	Transfer of 11,79,438 Equity Shares to Muthoot Fincorp Limited	Cash	10	194.86	(0.82)	(0.69)
November 28, 2023	(350,494)	Transfer of 350,494 Equity Shares to Muthoot Fincorp Limited	Cash	10	290	(0.24)	(0.21)
Sub Total (E) **	**1,151,282**					**0.80**	0.68
Nina George							
January 23, 2012	43,600	Transfer of 43,600 Equity Shares from Harsh Kumar Maheshwary	Cash	10	23.66	0.03	0.03
May 27, 2015	79,270	Rights issue in the ratio of one Equity Share for every one Equity Share	Cash	10	10	0.05	0.05
March 31, 2018	2,581,643	Rights issue in the ratio of 1,663 Equity Shares for every 10,000 Equity Shares	Cash	10	150	1.79	1.51
October 3, 2022	(11,89,687)	Transfer of 11,89,687 Equity Shares to Muthoot Fincorp Limited	Cash	10	194.86	(0.82)	(0.70)
November 28, 2023	(350,494)	Transfer of 350,494 Equity Shares to Muthoot Fincorp Limited	Cash	10	290	(0.24)	(0.21)
Sub Total (F) **	**1,164,332**					**0.81**	**0.68**
Muthoot Fincorp Limited							
September 29, 2012	4,700,000	Preferential allotment	Cash	10	10	3.26	2.76
January 15, 2014	500,000	Preferential allotment	Cash	10	10	0.35	0.29
May 27, 2015	9,454,540	Rights issue in the ratio of one Equity Share for every one Equity Share	Cash	10	10	6.55	5.55
June 15, 2015	34,500,000	Preferential allotment	Cash	10	10	23.90	20.24
January 21, 2016	10,000,000	Preferential allotment	Cash	10	10	6.93	5.87
April 29, 2016	10,000,000	Preferential allotment	Cash	10	10	6.93	5.87
December 21, 2016	871,992	Preferential allotment	Cash	10	114.68	0.60	0.51
December 19, 2017	261,597	Preferential allotment	Cash	10	114.68	0.17	0.15
March 31, 2018	2,337,320	Rights issue in the ratio of 1,663 Equity Shares for every 10,000 Equity Shares	Cash	10	150	1.62	1.37
October 3, 2022	2,783,975	Transfer of 2,783,975 Equity Shares from Thomas John Muthoot	Cash	10	194.86	1.93	1.63
	2,793,500	Transfer of 2,793,500 Equity Shares from Thomas Muthoot	Cash	10	194.86	1.94	1.64
	2,783,251	Transfer of 2,783,251 Equity Shares from Thomas George Muthoot	Cash	10	194.86	1.93	1.63
	11,88,963	Transfer of 11,88,963 Equity Shares from Preethi John Muthoot	Cash	10	194.86	0.82	0.70
	11,79,438	Transfer of 11,79,438 Equity Shares from Remmy Thomas	Cash	10	194.86	0.82	0.69
	11,89,687	Transfer of 11,89,687 Equity Shares from Nina George	Cash	10	194.86	0.82	0.70
November 28, 2023	350,493	Transfer of 350,493 Equity Shares from Preethi John Muthoot	Cash	10	290	0.24	0.21
	350,494	Transfer of 350,494 Equity Shares from Remmy Thomas	Cash	10	290	0.24	0.21
	350,494	Transfer of 350,494 Equity Shares from Nina George	Cash	10	290	0.24	0.21
Sub Total (G) **	**85,595,744**					**59.29**	**50.21**

Date of allotment/ transfer	Number of Equity Shares	Nature of transaction	Nature of consideration	Face value per Equity Share (₹)	Issue price/ transfer price per Equity Share (₹)	Percentage of the pre-Offer Equity Share capital* (%)	Percentage of the post- Offer Equity Share capital (%)**
Total (A+B+C+D+E+F+G) **	**99,720,468**					**69.08**	**58.50**

**The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon exercise of vested options under the ESOP Schemes, as applicable*

***Subject to finalisation of the Basis of Allotment*

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment/ acquisition of such Equity Shares.

As on the date of this Prospectus, none of the Equity Shares held by our Promoters are pledged.

(b) Details of lock-in:

1. Details of Promoters contribution and lock-in

(i) In accordance with Regulation 14 and Regulation 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters, shall be locked in for a period of 18 months from the date of Allotment as minimum Promoters' contribution and the shareholding of our Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment.

(ii) The details of the Equity Shares held by our Promoters, which shall be locked-in for a period of 18 months from the date of Allotment as minimum Promoter's contribution are set forth in the table below:

Name of Promoter	Number of Equity Shares locked-in[(1)(2)]	Date of allotment /transfer of Equity Shares and when made fully paid-up	Nature of transaction	Face value per Equity Share (₹)	Issue/ acquisition price per Equity Share (₹)	Percentage of the pre-Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)
MFL	34,150,000	June 15, 2015	Preferential Allotment	10	10	23.66	20.03

(1) *For a period of 18 months from the date of Allotment.*
(2) *All Equity Shares were fully paid-up at the time of allotment/acquisition.*

(iii) Our Promoters have given consent for inclusion of such number of Equity Shares held by them as part of the Promoters' contribution, subject to lock-in requirements as specified under Regulation 14 of the SEBI ICDR Regulations. Our Promoters have agreed not to dispose, sell, transfer, create any pledge, lien or otherwise encumber in any manner, the Promoter's contribution from the date of filing the Draft Red Herring Prospectus, until the expiry of the lock-in specified above, or for such other time as required under the SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

(iv) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of minimum Promoter's contribution in terms of Regulation 15 of the SEBI ICDR Regulations.

In this connection, we confirm the following:

a. The Equity Shares offered as a part of the minimum Promoter's contribution do not include Equity Shares acquired in the three immediately preceding years (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets was involved in such transaction; or (b) resulting from bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or resulted from bonus issue against Equity Shares which are otherwise ineligible for computation of minimum Promoter's contribution.

b. Our minimum Promoter's contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer.

c. Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a Company.

d. As on the date of this Prospectus, Equity Shares held by our Promoters and offered for minimum Promoter's contribution are not subject to pledge with any creditor.

2. Details of Equity Shares locked-in for six months

(i) In accordance with Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment, except for (i) the Equity Shares transferred pursuant to the Offer for Sale; (ii) any Equity Shares allotted to eligible employees of the Company, whether currently employees or not and including the legal heirs or nominees of any deceased employees or previous employees pursuant to the ESOP Schemes; and (iii) the Equity Shares held by VCFs or Category I AIF or Category II AIF or FVCI, subject to certain conditions set out in Regulation 17 of the SEBI ICDR Regulations, provided that such Equity Shares will be locked-in for a period of at least six months from the date of purchase by the VCFs or Category I AIF or Category II AIF or FVCI.

(ii) As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

3. Lock-in of Equity Shares allotted to Anchor Investors

(i) There shall be a lock-in of 90 days on 50% of the Equity Shares allotted to the Anchor Investors from the date of Allotment, and lock-in of 30 days on the remaining 50% of the Equity Shares allotted to the Anchor Investors from the date of Allotment.

4. Other lock-in requirements

(i) The Equity Shares held by the Promoters which are locked-in for a period of 18 months from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions or NBFC-ND-SI or housing finance companies, as collateral security for loans granted by such banks or public financial institutions or NBFC-ND-SI or housing finance companies in terms of Regulation 21 of the SEBI ICDR Regulations, provided that such loans have been granted for the purpose of financing one or more of the objects of the Offer and pledge of Equity Shares is a term of sanction of such loans. However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

(ii) In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in as per Regulation 16 of the SEBI ICDR Regulations, may be transferred to and among our Promoters and/or any member of our Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of the transferee for the remaining period and compliance with the Takeover Regulations, as applicable, and such transferee shall not be eligible to transfer them till the lock-in period stipulated in the SEBI ICDR Regulations has expired.

(iii) The Equity Shares held by any person other than our Promoters and locked-in for a period of six months from the date of Allotment in the Offer as per Regulation 17 of the SEBI ICDR Regulations, may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

6. Details of Equity Shares held by our Promoters, members of our Promoter Group, Directors, Key Managerial Personnel and Senior Management Personnel

(i) Set out below are the details of the Equity Shares held by our Promoters and directors of our Corporate Promoter in our Company. Other than as disclosed below, none of the members of our Promoter Group hold any Equity Shares in our Company.

Sr. No.	Name	Number of Equity Shares	Percentage of the pre-Offer Equity Share capital* (%)	Percentage of the post-Offer Equity Share capital (%)**
Promoters				
1.	Thomas John Muthoot	3,544,831	2.46	1.75
2.	Thomas Muthoot	3,556,959	2.46	1.76
3.	Thomas George Muthoot	3,543,909	2.45	1.75
4.	Preethi John Muthoot	1,163,411	0.81	Negligible
5.	Remmy Thomas	1,151,282	0.80	Negligible
6.	Nina George	1,164,332	0.81	Negligible
7.	Muthoot Fincorp Limited	85,595,744	59.29	50.21

Sr. No.	Name	Number of Equity Shares	Percentage of the pre-Offer Equity Share capital* (%)	Percentage of the post-Offer Equity Share capital (%)**
Total		**99,720,468**	**69.08**	**55.47**
Directors of our Corporate Promoter, MFL				
8.	Thomas John Muthoot	3,544,831	2.46	1.75%
9.	Thomas Muthoot	3,556,959	2.46	1.76%
10.	Thomas George Muthoot	3,543,909	2.45	1.75%
11.	Preethi John Muthoot	1,163,411	0.81	Negligible
Total		**11,809,110**	**8.18**	**5.26**

* *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon exercise of vested options under the ESOP Schemes, as applicable.*

*** Subject to finalisation of the Basis of Allotment.*

For further details, see "*Our Promoters and Promoter Group*" on page 246.

(ii) Set out below are details of the Equity Shares and the employee stock options, as applicable, held by the Directors, Key Managerial Personnel and Senior Management Personnel of our Company:

S. No.	Name	Number of Equity Shares	Number of employee stock options vested	Number of employee stock options not vested	Percentage of the pre-Offer Equity Share capital** (%)	Percentage of the post-Offer Equity Share capital (%)***
Directors						
1.	Thomas Muthoot	3,556,959	Nil	Nil	2.46	2.09
2.	Thomas John Muthoot	3,544,831	Nil	Nil	2.46	2.08
3.	Thomas George Muthoot	3,543,909	Nil	Nil	2.45	2.08
Total (A)		**10,645,699**	**Nil**	**Nil**	**7.37**	6.24
Key Managerial Personnel*						
1.	Sadaf Sayeed	408,283	340,000	567,500	0.28	0.24
2.	Praveen T.	26,247	84,000	214,000	0.02	0.02
3.	Neethu Ajay	2,500	46,932	129,579	0.00	Negligible
Total (B)		**437,030**	**470,932**	**911,079**	**0.30**	**0.26**
Senior Management Personnel						
1.	Udeesh Ullas	84,157	110,500	236,500	0.06	0.05
2.	Subhransu Pattnayak	32,705	68,750	170,000	0.02	0.02
3.	Jinsu Joseph	2,500	21,250	41,250	0.00	Negligible
4.	Linson Chelamattathil Paul	Nil	10,000	30,000	Nil	NIL
Total (C)		**119,362**	**210,500**	**477,750**	**0.08**	0.07
Total (A+B+C)		**11,202,091**	**681,432**	**1,388,829**	**7.76**	**6.57**

* *Our Key Managerial Personnel are also our Senior Management Personnel in terms of the SEBI ICDR Regulations.*

** *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon exercise of vested options under the ESOP Schemes, as applicable.*

**** Subject to finalisation of the Basis of Allotment.*

For further details, see "*Our Management*" on page 228.

3. As of the date of the filing of this Prospectus, the total number of our Shareholders is 64.

8. Shareholding pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of this Prospectus:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying depository receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)			Number of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								Number of voting rights		Total as a % of (A+B+C)			Number (a)	As a % of total shares held (b)	Number (a)	As a % of total shares held (b) on a fully diluted basis	
								Class: Equity Shares	Total								
(A)	**Promoters and Promoter Group**	7	99,720,468	-	-	99,720,468	69.08	-	-	-	-	69.08	-	-	-	-	99,720,468
(B)	**Public**	56	41,183,992	-	-	41,183,992	28.53	-	-	-		28.53	-	-	-	-	41,183,992
(C)	**Non Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	**Shares underlying depository receipts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	**Shares held by employee trusts**	1[(1)]	3,453,511	-	-	3,453,511	2.39	-	-	-	-	2.39	-	-	-	-	3,453,511
	Total (A+B+C)	**64**	**144,357,971**	**-**	**-**	**144,357,971**	**100.00**	**-**	**-**	**-**		**100.00**	**-**	**-**	**-**	**-**	**144,357,971**

(1) Certain Equity Shares are held by MML Employee Welfare Trust under the ESOP Schemes.

(2) The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholders and such number of Equity Shares which will result upon exercise of vested options under the ESOP Schemes, as applicable.

9. Details of equity shareholding of the major Shareholders of our Company

a) The Shareholders holding 1% or more of the paid-up Equity Share capital of the Company and the number of Equity Shares held by them as on the date of this Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares on a fully diluted basis	Percentage of the pre-Offer Equity Share capital* (%)
1.	Muthoot Fincorp Limited	85,595,744	59.29
2.	Greater Pacific Capital WIV Ltd^	27,520,822	19.06
3.	Creation Investments India, LLC^	13,006,778	9.01
4.	Thomas Muthoot	3,556,959	2.46
5.	Thomas John Muthoot	3,544,831	2.46
6.	Thomas George Muthoot	3,543,909	2.45
7.	Subha Joseph#^	3,453,511	2.39
Total		**140,222,554**	**97.12**

Jointly held with Nadana Sabapathy R on behalf of MML Employee Welfare Trust.

* *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon exercise of vested options under the ESOP Schemes, as applicable.*

^ *Public shareholders of our Company.*

b) The Shareholders who held 1% or more of the paid-up Equity Share capital of the Company and the number of Equity Shares held by them 10 days prior to the date of this Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares on a fully diluted basis	Percentage of the pre-Offer Equity Share capital on a fully diluted basis* (%)
1.	Muthoot Fincorp Limited	85,595,744	59.29
2.	Greater Pacific Capital WIV Ltd&	27,520,822	19.06
3.	Creation Investments India, LLC&	13,006,778	9.01
4.	Thomas Muthoot	3,556,959	2.46
5.	Thomas John Muthoot	3,544,831	2.46
6.	Thomas George Muthoot	3,543,909	2.45
7.	Subha Joseph#&	3,453,511	2.39
Total		**140,222,554**	**97.12**

Jointly held with Nadana Sabapathy R on behalf of MML Employee Welfare Trust.

* *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholders and such number of Equity Shares which will result upon exercise of vested options under the ESOP Schemes, as applicable.*

& *Public shareholders of our Company.*

c) The Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them one year prior to the date of this Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Offer Equity Share capital	Number of Equity Shares on a fully diluted basis (post conversion of CCPS, as applicable)	Percentage of the pre-Offer Equity Share capital on a fully diluted basis* (%)
1.	Muthoot Fincorp Limited	84,544,263	72.36	84,544,263	58.57
2.	Greater Pacific Capital WIV Limited^	100	Negligible	27,520,822	19.06
3.	Creation Investments India, LLC&	13,006,778	11.13	13,006,778	9.01
4.	Thomas Muthoot	3,556,959	3.04	3,556,959	2.46
5.	Thomas John Muthoot	3,544,831	3.03	3,544,831	2.46
6.	Thomas George Muthoot	3,543,909	3.03	3,543,909	2.45
7.	Subha Joseph#&	3,468,511	2.97	3,468,511	2.40
8.	Nina George	1,514,826	1.30	1,514,826	1.05
9.	Preethi John Muthoot	1,513,904	1.30	1,513,904	1.05
10.	Remmy Thomas	1,501,776	1.29	1,501,776	1.04
Total		**116,195,857**	**99.45**	**143,716,579**	**99.56**

Jointly held with Nadana Sabapathy R on behalf of MML Employee Welfare Trust.

* *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon conversion of CCPS and exercise of vested options under the ESOP Schemes, as applicable.*

^ *Greater Pacific Capital WIV Ltd held 23,360,260 CCPS one year prior to this Prospectus. Pursuant to resolutions, each dated November 25, 2023, passed by our Board and our Shareholders, 23,360,260 CCPS held by GPC were converted to 27,520,722 Equity Shares of face value of ₹10 each. For details, see "Capital Structure – Notes to Capital Structure – Share Capital history of our Company" on page 83.*

& *Public shareholders of our Company.*

d) The Shareholders who held 1% or more of the paid-up Equity Share capital of the Company and the number of Equity Shares held by them two years prior to the date of this Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Offer Equity Share capital	Number of Equity Shares on a fully diluted basis (post conversion of CCPS, as applicable)	Percentage of the pre-Offer Equity Share capital on a fully diluted basis* (%)
1.	Muthoot Fincorp Limited	72,625,449	63.61	72,625,449	57.86
2.	Creation Investments India, LLC[&]	13,006,778	11.39	13,006,778	10.36
3.	Greater Pacific Capital WIV Limited[^]	100	Negligible	11,349,608	9.04
4.	Thomas Muthoot	6,350,459	5.56	6,350,459	5.06
5.	Thomas John Muthoot	6,328,806	5.54	6,328,806	5.04
6.	Thomas George Muthoot	6,327,160	5.54	6,327,160	5.04
7.	Nina George	2,704,513	2.37	2,704,513	2.15
8.	Preethi John Muthoot	2,702,867	2.37	2,702,867	2.15
9.	Remmy Thomas	2,681,214	2.35	2,681,214	2.14
Total		**112,727,346**	**98.73**	**124,076,854**	**98.84**

* *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon conversion of CCPS and exercise of vested options under the ESOP Schemes, as applicable.*

& *Public shareholder of our Company.*

^ *Greater Pacific Capital WIV Ltd held 9,633,739 CCPS two years prior to this Prospectus. Pursuant to resolutions, each dated November 25, 2023, passed by our Board and our Shareholders, 23,360,260 CCPS held by GPC prior to this Prospectus were converted to 27,520,722 Equity Shares of face value of ₹10 each. For details, see “Capital Structure – Notes to Capital Structure – Share Capital history of our Company” on page 83.*

10. Employee Stock Options Schemes of our Company

(i) ESOP 2016

Our Company, pursuant to the resolutions passed by our Board on November 23, 2016 and our Shareholders on December 5, 2016, adopted the ESOP 2016. The ESOP 2016 was further amended by Board and Shareholders resolutions dated September 11, 2021 and September 29, 2021, respectively, and Board and Shareholders’ resolutions each dated June 26, 2023. The objective of ESOP 2016 is to reward the employees for their association with our Company and their performance as well as to attract, retain, reward and motivate them to contribute to the growth and profitability of the Company. The ESOP 2016 is in compliance with the SEBI SBEB & SE Regulations.

Pursuant to the trust deed dated March 1, 2017 between our Company, Nadana Sabapathy R and Subha Joseph, the ESOP Trust was constituted to administer, manage, fund and implement the ESOP 2016 and for the purpose of acquiring and holding options granted through the ESOP 2016.

As on the date of this Prospectus, under ESOP 2016, an aggregate of 1,514,864 options have been granted (including an aggregate of 99,250 lapsed options), an aggregate of 1,222,682 options have been vested and an aggregate of 292,182 options have been unvested.

The following are the details of the Equity Shares issued under the ESOP 2016 on a quarterly basis:

Quarter ended	Aggregate number of Equity Shares issued pursuant to exercise of vested employee stock options granted under ESOP 2016	Price range at which Equity Share was issued (₹)
June 30, 2020	Nil	Nil
September 30, 2020	Nil	Nil
December 31, 2020	Nil	Nil
March 31, 2021	Nil	Nil
June 30, 2021	168,750	14-67
September 30, 2021	45,750	14-67
December 31, 2021	Nil	Nil
March 31, 2022	Nil	Nil
June 30, 2022	Nil	Nil
September 30, 2022	Nil	Nil
December 31, 2022	Nil	Nil
March 31, 2023	Nil	Nil
June 30, 2023	Nil	Nil
September 30, 2023	Nil	Nil

Quarter ended	Aggregate number of Equity Shares issued pursuant to exercise of vested employee stock options granted under ESOP 2016	Price range at which Equity Share was issued (₹)
October 1, 2023 till the date of this Prospectus	15,000	67.00-77.20

The details of the ESOP 2016, as certified by Sharp & Tannan Associates, Chartered Accountants, through a certificate dated December 21, 2023, 2023 are as follows:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	For the six months period ended September 30, 2022	For the six months period ended September 30,2023	From October 1, 2023 till the date of this Prospectus
Options granted	Nil	479,864	Nil	Nil	71,000	Nil
Options vested	231,250	62,500	103,341	Nil	Nil	1,10,591
Options exercised	Nil	214,500	Nil	Nil	Nil	15,000
Exercise price (in ₹)	NA	166,250 options at the rate of ₹14 per option and 48,250 options at the rate of ₹67 per option	NA	NA	NA	5,000 options at the rate of ₹67 per option and 10,000 options at the rate of ₹77.20 per option
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)	564,750	785,864	761,239	770,614	801,864	786,864
Options forfeited/lapsed/cancelled	Nil	44,250	24,625	Nil	30,375	Nil
Options outstanding (including vested and unvested options)	564,750	785,864	761,239	770,614	801,864	786,864
Variation of terms of options	Nil					
Money realized by exercise of options during the year/period	Nil	5,560,250	Nil	Nil	Nil	1,107,000
Total number of options in force	564,750	785,864	761,239	770,614	801,864	786,864
Employee wise details of options granted to:						
(i) Key Managerial Personnel and Senior Management Personnel	Nil	Sadaf Sayeed - 80,000 Udeesh Ullas - 45,000 Praveen T. - 48,000 Neethu Ajay - 28,864 Subhransu Pattnayak - 35,000 Jinsu Joseph - 15,000	Nil	Nil	Nil	Nil
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil	Nil	Nil	Nil	Deepu S - 5000 Justine George - 7500 Kinnary Pillai - 4000 Lakshman Vema - 8000	Nil

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	For the six months period ended September 30, 2022	For the six months period ended September 30,2023	From October 1, 2023 till the date of this Prospectus
					Manju K - 5000 Mofet Joseph - 4000 Nithin S - 4000 Popuri Promod - 7500 Prabhath M P - 4000 Santhosh Kumar K - 8000 Vinayak Nadesh - 7500 Vinodchandran Nair V - 4000	
(iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil					
Diluted EPS pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share'	0.62	3.94	11.66	0.91	14.22	NA
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and EPS of the Company	The Company's ESOP Plan is at fair value					
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	NA	1. Weighted Average Price per Share - ₹77.2 2. Expected Volatility – 50.53% 3. Vesting period – 4 years 4. Risk-free interest rate – 5.67% 5. Expected dividends – Nil	NA	NA	1.Weighted Average price per share- ₹196.70 2.Expected volatility- 51.09% 3.Vesting period-4 years 4.Risk-free Interest Rate- 7.03% 5.Expected dividends-Nil	NA
Impact on profits and EPS of the last three years if the accounting policies prescribed in the SEBI SBEB & SE Regulations	As per Regulation 15 of SEBI SBEB & SE Regulations, Company is already following the disclosure requirements of the Accounting Standards notified by the Central Government in terms of Section 133 of Companies Act, 2013					

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	For the six months period ended September 30, 2022	For the six months period ended September 30,2023	From October 1, 2023 till the date of this Prospectus
had been followed in respect of options granted in the last three years						
Intention of the Key Managerial Personnel and Senior Management Personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares pursuant to the Offer	Key Managerial Personnel and Senior Management Personnel do not intend to sell any Equity Shares within three months after the date of listing of the Equity Shares allotted on exercise of options allotted pursuant to ESOP 2016					
Intention to sell Equity Shares arising out of an employee stock option scheme within three months after the date of listing of Equity Shares, by directors, senior management personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	At the time of grant, no employee received options that equalled or surpassed 1% of Company's issued capital (excluding outstanding warrants and conversions) therefore clause is not applicable					

(ii) ESOP 2022

Our Company, pursuant to the resolutions passed by our Board on May 10, 2022 and our Shareholders on August 24, 2022, adopted the ESOP 2022. The ESOP 2022 was further amended by and Board and Shareholders resolutions each dated June 26, 2023. The objective of ESOP 2022 is to retain the key talents working with our Company by way of rewarding their high performance and motivating them to contribute to the overall corporate growth and profitability of the Company. The ESOP 2022 is in compliance with the SEBI SBEB & SE Regulations.

Pursuant to the trust deed dated March 1, 2017 between our Company, Nadana Sabapathy R and Subha Joseph, the ESOP Trust was constituted to administer, manage, fund and implement the ESOP 2022 and for the purpose of acquiring and holding options granted through the ESOP 2022.

As on the date of this Prospectus, under ESOP 2022, an aggregate of 2,702,674 options have been granted (including an aggregate of 36,000 lapsed/ cancelled options), an aggregate of 643,375 options have been vested and an aggregate of 2,059,272 options have been unvested.

The following are the details of the Equity Shares issued under the ESOP 2022 on a quarterly basis:

Quarter ended	Aggregate number of Equity Shares issued pursuant to exercise of vested employee stock options granted under ESOP 2022	Price range at which Equity Share was issued (₹)
September 30, 2022	Nil	Nil
December 31, 2022	Nil	Nil
March 31, 2023	Nil	Nil
June 30, 2023	Nil	Nil
September 30, 2023	Nil	Nil
October 1, 2023 till the date of this Prospectus	Nil	Nil

The details of the ESOP 2022, as certified by Sharp & Tannan Associates, Chartered Accountants, through a certificate dated December 21, 2023 are as follows:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	For the six months ended September 30, 2022	For the six months ended September 30, 2023	From October 1, 2023 till the date of this Prospectus
Options granted	NA	NA	2,465,500	Nil	237,147	Nil
Options vested	NA	NA	Nil	Nil	Nil	607,375
Options exercised	NA	NA	Nil	Nil	Nil	Nil
Exercise price (in ₹)	NA	NA	NA	NA	NA	NA
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)	NA	NA	2,465,500	NA	2,666,647	2,666,647
Options forfeited/lapsed/cancelled	NA	NA	Nil	NA	36,000	Nil
Options outstanding (including vested and unvested options)	NA	NA	2,465,500	NA	2,666,647	2,666,647
Variation of terms of options	Nil					
Money realized by exercise of options during the year/period	NA	NA	Nil	Nil	Nil	Nil
Total number of options in force	NA	NA	2,465,500	NA	2,666,647	2,666,647
Employee wise details of options granted to:						
(i) Key Managerial Personnel and Senior Management Personnel	NA	NA	Sadaf Sayeed - 650,000 Udeesh Ullas - 232,000 Praveen T. - 200,000 Neethu Ajay - 100,000 Subhransu Pattnayak - 150,000 Jinsu Joseph - 45,000	NA	Sadaf Sayeed- 40,000 Udeesh Ullas- 40,000 Praveen T- 40,000 Neethu Ajay- 40,147 Subhransu Pattnayak - 40,000	NA
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	NA	NA	Nil	Nil	Nil	Nil
(iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil					
Diluted EPS pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the	0.62	3.94	11.66	0.91	14.22	NA

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	For the six months ended September 30, 2022	For the six months ended September 30, 2023	From October 1, 2023 till the date of this Prospectus
applicable accounting standard on 'Earnings Per Share'						
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and EPS of the Company	The Company's ESOP Plan is at fair value					
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	NA	NA	1. Weighted Average Price per Share - ₹151 2. Expected Volatility – 52.28% 3. Vesting period – 4 years 4. Risk-free interest rate – 7.34 5. Expected dividends - Nil	NA	1.Weighted Average price per share- ₹196.70 2.Expected volatility- 51.09% 3.Vesting period-4 years 4.Risk free Interest rate- 7.03% 5.Expected dividends-Nil	NA
Impact on profits and EPS of the last three years if the accounting policies prescribed in the SEBI SBEB & SE Regulations had been followed in respect of options granted in the last three years	As per Regulation 15 of SEBI SBEB & SE Regulations, Company is already following the disclosure requirements of the Accounting Standards notified by the Central Government in terms of Section 133 of Companies Act, 2013					
Intention of the Key Managerial Personnel and Senior Management Personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme, to sell their Equity Shares within three months after the date of listing	Key Managerial Personnel and Senior Management Personnel do not intend to sell any Equity Shares within three months after the date of listing of the Equity Shares allotted on exercise of options allotted pursuant to ESOP 2022					

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	For the six months ended September 30, 2022	For the six months ended September 30, 2023	From October 1, 2023 till the date of this Prospectus
of the Equity Shares pursuant to the Offer						
Intention to sell Equity Shares arising out of an employee stock option scheme within three months after the date of listing of Equity Shares, by directors, senior management personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	At the time of grant, no employee received options that equalled or surpassed 1% of Company's issued capital (excluding outstanding warrants and conversions) therefore the clause is not applicable.					

9. As on the date of the Draft Red Herring Prospectus and the Red Herring Prospectus and this Prospectus, all the Equity Shares held by our Promoters are held in dematerialised form. None of the members of our Promoter Group hold any Equity Shares in our Company.

10. None of the BRLMs and their respective associates (as defined under the SEBI Merchant Bankers Regulations) hold any Equity Shares in our Company as on the date of this Prospectus.

11. There are no partly paid up Equity Shares as on the date of this Prospectus and all Equity Shares issued pursuant to the Offer will be fully paid up at the time of Allotment.

12. Except as disclosed in this section, none of our Promoters, members of our Promoter Group, our Directors and their respective relatives have purchased, acquired or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Prospectus.

13. Our Company, our Directors and the BRLMs have not made any or entered into any buy-back arrangements for purchase of Equity Shares being offered through the Offer.

14. Except for the allotment of Equity Shares pursuant to the Offer and exercise of options vested under the ESOP Schemes there will be no further issue of Equity Shares whether by way of issue of bonus shares, rights issue, preferential issue or any other manner during the period commencing from the date of filing of the Red Herring Prospectus and the Prospectus until the listing of the Equity Shares on the Stock Exchanges pursuant to the Offer or all application moneys have been refunded to the Anchor Investors, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc., as the case may be this is in the event there is a failure of the Offer.

15. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to (a) the issuance of any Equity Shares under the Offer; and (b) any issuance of Equity Shares pursuant to the exercise of employee stock options granted or which may be granted under the ESOP Schemes.

16. At any given time, there shall be only one denomination for the Equity Shares.

17. Except as disclosed in this section, there are no outstanding convertible securities or any warrant, option or right to convert a debenture, loan or other instrument which would entitle any person any option to receive Equity Shares, as on the date of this Prospectus.

18. No person connected with the Offer, including, but not limited to the BRLMs, the Syndicate Members, our Company, the Promoters, Selling Shareholders, our Directors, or the members of the Promoter Group, shall offer or make payment of any incentive, direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.

19. There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their respective relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity, during a period of six months immediately preceding the date of the Draft Red Herring Prospectus and the Red Herring Prospectus and this Prospectus.

20. Our Company shall ensure that transactions in the Equity Shares by our Promoters and the Promoter Group between the date of filing of the Draft Red Herring Prospectus and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transaction.

21. Our Promoters and Promoter Group shall not participate in the Offer, except by way of participation as Promoter Selling Shareholders, as applicable, in the Offer for Sale.

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue and an Offer for Sale.

Offer for Sale

The Selling Shareholders shall be entitled to their respective portion of the proceeds of the Offer for Sale after deducting their proportion of Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. For further details, please see *"-Offer related expenses"* on page 106.

The Fresh Issue

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards augmenting our capital base to meet future capital requirements (referred to herein as the "**Objects**").

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us: (i) to undertake our existing business activities; and (ii) to undertake the activities proposed to be funded from the Net Proceeds. Further, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including to enhance our brand image among our existing and potential customers and creation of a public market for the Equity Shares in India.

Net Proceeds

The details of the proceeds from the Fresh Issue are summarised in the following table:

Particulars	Estimated amount (*₹ in million*)
Gross Proceeds of the Fresh Issue	7,600.00
(Less) Fresh Issue related expenses	551.90
Net Proceeds	7,048.10

Appraising entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency, including any bank or finance institutions.

Proposed schedule of implementation and deployment of Net Proceeds

The Net Proceeds are proposed to be deployed in the Financial Year 2024.

The Net Proceeds will be utilised for increasing business of our Company which is towards onward lending, which is expected to arise out of growth in our Company's business and assets, primarily towards onward lending under our Company's lending verticals and to ensure compliance with regulatory requirements on capital adequacy prescribed by the RBI from time to time. Additionally, we are required to maintain certain minimum capital adequacy ratio on an ongoing basis towards mitigation of unexpected risk in accordance with regulatory guidelines. The ability to grow the business comes from the sufficiency of adequate capital cushion besides regulatory comfort of having enough margin above minimum levels. The cash being the working capital of our Company, utilisation will be for increasing the assets which are primarily the advances and investments similar to any resources like deposits or borrowings. The Net Proceeds will increase our Tier I capital and the capital adequacy ratio will be utilised for growth in our Company's business and assets, primarily towards onward lending under our Company's lending verticals.

The RBI requires all NBFCs to formulate a policy for ascertaining the internal capacity adequacy requirement. The CRAR of our Company is higher than the statutory limit of 15.00% and the internal capacity adequacy assessment process rate keeps changing depending on various external factors in the industry. Our Company plans to strengthen the CRAR by further infusion of capital pursuant to the Fresh Issue. Further, majority of the borrowers of our Company are unsecured and to protect the interests of shareholders of our Company, a higher CRAR is required to be maintained. Our Company's AUM has grown by 47.22% in the Financial Year 2023, 25.43% in Financial Year 2022 and 3.06% in Financial Year 2021. The growth of the business of our Company requires further infusion of capital and such capital infusion will also lead to improvement in the credit rating of our Company which will help our Company to receive funds at preferable terms of rate of interest.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, prevailing market conditions and other commercial and technical factors. The fund requirements and deployment of funds have not been appraised by any bank, or financial institution or any other independent agency. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws.

In the event that the estimated utilization of the Net Proceeds in a scheduled Financial Year is not completely met, due to the reasons stated above, the same shall be utilised in the next Financial Year, as may be determined by our Company, in accordance with applicable laws. For details on risks involved, see "*Risk Factors – Our funding requirements and the proposed deployment of Net Proceeds have not been appraised and our management will have discretion over the use of the Net Proceeds*" on page 59.

Details of the Objects of the Fresh Issue

1. Augmenting the capital base of our Company

As an NBFC-MFI, we are subject to regulations relating to the capital adequacy, which determine the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio and of the risk adjusted value of off-balance sheet items, as applicable. As per the master direction and prudential norms issued by the RBI, we are required to maintain a minimum CRAR of 15% consisting of Tier I Capital and Tier II Capital. Our Company's CRAR, Tier-I capital base and Tier-II capital base in accordance with Restated Financial Statements, as applicable, as at March 31, 2023 was 21.87%, ₹13,638.38 million and nil and as of September 30, 2023 was 20.46%, ₹15,403.52 million and nil, respectively.

The following table sets forth details of composition of the Company's Tier I Capital for the six months ended September 30, 2023 and September 30, 2022 and as at March 31, 2023, March 31, 2022 and March 31, 2021:

(in ₹ million)

Particulars	Six months ended September 30, 2023	Six months ended September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Share capital	1,401.98	1,401.98	1,401.98	1,333.33	1,141.71
Reserves and surplus	14,719.94	11,406.70	12,821.54	10,401.04	6,428.37
Intangible assets	(2.65)	(1.21)	(2.92)	(0.84)	(1.25)
Deferred tax asset (net)	(73.41)	(76.86)	(57.75)	(47.75)	(100.35)
50% of cash collateral towards securitization (*cash collateral to be limited to 15% of the securitization pool outstanding*)	(642.34)	(477.65)	(524.47)	(349.22)	(215.46)

Capital Adequacy

The following table sets forth certain details regarding our capital under Basel II norms as of the dates indicated:

(₹ in millions except percentages)

Particulars	Six months ended September 30,		Financial Year ended March 31,		
	2023	2022	2023	2022	2021
Tier I Capital	15,403.52	12,252.95	13,638.38	11,336.56	7,253.02
Tier II Capital	Nil	Nil	Nil	150.12	250.33
Total capital	15,403.52	12,252.95	13,638.38	11,486.69	7,503.35
Total risk weighted assets and contingents	75,274.17	50,716.38	62,358.19	39,947.73	33,269.12
Capital adequacy ratios					
Tier I Capital ratio (%)	20.46%	24.16%	21.87%	28.38%	21.80%
Tier II Capital ratio (%)	0.00%	0.00%	0.00%	0.38%	0.75%
CRAR (%)	20.46%	24.16%	21.87%	28.75%	22.55%

Since our Company continues to grow our loan portfolio and asset base, it will require additional capital in order to continue to meet applicable capital adequacy ratios with respect to its business.

Our Company proposes to utilise the Net Proceeds towards augmenting its capital base to meet future capital requirements, which are expected to arise out of growth of our business and assets and onward lending under our Company's lending verticals. For further details, see "*Our Business*" on page 181.

Means of finance

The fund requirements set out in the aforesaid Objects are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable accruals as required under the SEBI ICDR Regulations. In case of a shortfall in the Net Proceeds or any increase in the actual utilization of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/ or seeking additional debt from existing and/ or other lenders.

Offer related expenses

The total Offer related expenses are estimated to be approximately ₹696.88 million. The Offer related expenses consist of listing fees, underwriting fees, selling commission and brokerage, fees payable to the book running lead managers, legal counsels, Registrar to the Offer, Escrow Collection Bank, Public Offer Account Bank, Refund Bank and Sponsor Banks including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

Other than (a) listing fees which will be borne by our Company, and (b) fees and expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the respective Selling Shareholders, all costs, charges, fees and expenses associated with and incurred in connection with the Offer, including corporate advertisements, issue advertising, printing, road show expenses, accommodation and travel expenses, stamp, transfer, issuance, documentary, registration, costs for execution and enforcement of the Offer Agreement, Registrar's fees, fees to be paid to the BRLMs, fees and expenses of legal counsel to our Company and the BRLMs, fees and expenses of the auditors, fees to be paid to Sponsor Banks, SCSBs (processing fees and selling commission), brokerage for Syndicate Members, commission to Registered Brokers, Collecting DPs and Collecting RTAs, and payments to consultants, and advisors, shall be shared among our Company and each of the Selling Shareholders in proportion to the number of Equity Shares issued and Allotted by our Company through the Fresh Issue and sold by each of the Selling Shareholders through the Offer for Sale. All such payments except BRLMs' fees shall be first made by our Company on behalf of the Selling Shareholders and upon the successful completion of the Offer, the Selling Shareholders agree that, any such expense attributable to themselves (severally and not jointly), which has been paid by the Company at the first instance on behalf of the Selling Shareholders, shall be paid to our Company from the escrow account in terms of the cash escrow and sponsor bank agreement. The fees of the BRLMs shall be paid directly from the public offer account(s) where the proceeds of the Offer have been received, and immediately upon receipt of final listing and trading approvals from the Stock Exchanges, in the manner as may be set out in the escrow and sponsor bank agreement. It is further clarified that all payments shall be made first by our Company and that each of the Selling Shareholders shall reimburse our Company for respective proportion of the expenses upon the successful completion of the Offer. Provided that, in the event any Selling Shareholder withdraws or abandons the Offer or the Offer Agreement is terminated in respect of such Selling Shareholder at any stage prior to the completion of Offer, it shall reimburse to our Company all costs, charges, fees and expenses associated with and incurred in connection with the Offer on a pro-rata basis, up to the date of such withdrawal, abandonment or termination with respect to such Selling Shareholder. In the event that the Offer is postponed or withdrawn or abandoned for any reason or the Offer is not successful or consummated including during the period of validity of SEBI's final observations on the Draft Red Herring Prospectus, all costs and expenses with respect to the Offer shall be borne by our Company and Selling Shareholders as may be agreed between our Company and the Selling Shareholders, in accordance with Applicable Laws.

The break-up of the estimated Offer expenses is as follows:

Activity	Estimated expenses(1)* (₹ in million)	As a % of the total estimated Offer expenses(1)	As a % of the total Offer size(1)
BRLMs fees and commissions (including underwriting commission, brokerage and selling commission)	311.52	44.70	3.25
Commission/ processing fee for SCSBs and Bankers to the Offer and fees payable to the Sponsor Bank(s) for Bids made by UPI Bidders. Brokerage, selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(2)(3)(4)(5)	51.79	7.43	0.54
Fees payable to the Registrar to the Offer	3.84	0.55	0.04
Fees payable to advisors and consultants to the Offer:			
- Auditors#	14.16	2.03	0.15
- Independent Chartered Accountant#	0.89	0.13	0.01
- Industry expert#	3.18	0.46	0.03
- Fee payable to legal counsel#	69.42	9.96	0.72
Others			
- Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	32.56	4.67	0.34
- Printing and stationery	30.06	4.31	0.31
- Advertising and marketing expenses	95.03	13.64	0.99
- Miscellaneous	84.43	12.12	0.88
Total estimated Offer expenses	696.98	100.00	7.26

* *Including GST*

(1) *Amounts will be finalised and incorporated in the Prospectus upon determination of the Offer Price.*

(2) *Selling commission payable to the SCSBs on the portion for RIBs, Non-Institutional Bidders and Eligible Employees Bidding in the Employee Reservation Portion, which are directly procured and uploaded by the SCSBs, would be as follows:*

*Portion for RIB**	*0.35% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*0.20% of the Amount Allotted (plus applicable taxes)*
*Portion for Eligible Employees**	*0.15% of the Amount Allotted (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid book of BSE or NSE.

(3) *No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the Bid cum Application Forms directly procured by them.*

Processing fees payable to the SCSBs on the portion for RIBs, Non-Institutional Bidders and Eligible Employees (excluding UPI Bids) which are procured by the Members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

*Portion for RIBs, Non-Institutional Bidders and Eligible Employees **	*₹10 per valid Bid cum Application Form (plus applicable taxes)**

* *For each valid application*

* *Processing fees payable to the SCSBs for capturing Syndicate Member/Sub-syndicate/Sub-broker code on the ASBA Form for Non-Institutional Bidders, Eligible Employees and QIBs with bids above ₹0.50 million would be ₹10 plus applicable taxes, per Bid cum Application Form.*

(4) *Brokerage, selling commission and processing/uploading charges on the portion for UPI Bidders (using UPI Mechanism), RIBs, Non-Institutional Bidders and Eligible Employees which are procured by Members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts linked online trading, demat and bank account provided by some of the brokers which are Members of the Syndicate (including their sub-Syndicate Members) would be as follows:*

*Portion for RIBs**	*0.35% of the Amount Allotted* (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*0.20% of the Amount Allotted* (plus applicable taxes)*
*Portion for Eligible Employees**	*0.15% of the Amount Allotted* (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

The Selling commission payable to the Syndicate / sub-Syndicate Members will be determined (i) for RIBs, Non-Institutional Bidders and Eligible Employees (up to ₹0.50 million), on the basis of Bid cum Application Form number/ series, provided that the Bid cum Application Form is also bid by the respective Syndicate / sub-Syndicate Members. For clarification, if a Syndicate ASBA application on the Bid cum Application Form number/ series of a Syndicate / sub-Syndicate member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate / sub-Syndicate member,' and (ii) for Non-Institutional Bidders (above ₹0.50 million), Syndicate ASBA Form bearing SM code & sub-Syndicate code of the Bid cum Application Form submitted to SCSBs for blocking of the fund and uploading on the Stock Exchanges platform by SCSBs. For clarification, if a Syndicate ASBA application on the Bid cum Application Form number/ series of a Syndicate / sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the Syndicate / sub- Syndicate member and not the SCSB.

Bidding charges payable to Members of the Syndicate (including their sub-Syndicate Members) on the application made using 3-in-1 accounts, would be ₹10 plus applicable taxes, per valid Bid cum Application Form bid by the Syndicate (including their sub-Syndicate Members). Bidding charges payable to SCSBs on the QIB portion, Non-Institutional Bidders and Eligible Employees (excluding UPI Bids) which are procured by the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSBs for blocking and uploading would be ₹10 per valid Bid cum Application Form (plus applicable taxes).

The selling commission and bidding charges payable to the Registered Brokers, RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid book of BSE or NSE.

(5) *Selling commission/ uploading charges payable to the Registered Brokers on the portion of Non-Institutional Bidders and Eligible Employees which are directly procured by the Registered Broker and submitted to SCSBs for processing, would be as follows:*

Portion for RIBs, Non-Institutional Bidders and Eligible Employees	*₹10 per valid Bid cum Application Form (plus applicable taxes)*

(6) *The bidding charges/ processing fees for applications made by UPI Bidders would be as follows:*

Members of the Syndicate / RTAs / CDPs / Registered Brokers	*₹30 per valid Bid cum Application Form* (plus applicable taxes)*
Axis Bank Limited	*Nil ₹ per valid Bid cum Application Form* (plus applicable taxes)* *The Sponsor Bank(s) shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*
ICICI Bank Limited	*Up to 300,000 valid UPI applications: Nil ₹ per Bid cum Application Form* (plus applicable taxes)* *Above 300,000 valid UPI applications: ₹6.50 per Bid cum Application Form* (plus applicable taxes)* *The Sponsor Bank(s) shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

* *For each valid application.*

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement. Pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Syndicate / sub-Syndicate Member shall not be able to Bid the Bid cum Application Form above ₹0.50 million and the same Bid cum Application Form need to be submitted to SCSB for blocking of the fund and uploading on the Stock Exchange bidding platform. To identify bids submitted by Syndicate / sub-Syndicate Member to SCSB a special Bid-cum application form with a heading / watermark "Syndicate ASBA" may be used by Syndicate / sub-Syndicate Member along with SM code and broker code mentioned on the Bid-cum Application Form to be eligible for brokerage on allotment. However, such special forms, if used for RIBs and Non-Institutional Bidders Bids up to ₹0.50 million will not be eligible for brokerage. The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 read with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

\# *The roles and responsibility of the advisors and consultants to the offer are as follows:*

(i) Auditors: Sharp & Tannan Associates, Chartered Accountant has been engaged for the purpose of audit and for providing certain deliverables in connection with the offer.
(ii) Independent chartered accountant: Rangamani & Co., Chartered Accountant, has been engaged to certify certain information in the offer documents.
(iii) Industry expert: CRISIL Limited has been engaged to provide an industry report exclusively in connection with the Offer.
(iv) Fees payable to the legal counsel: Legal counsels have been engaged to provide legal and advisory service in connection with the Offer.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, our Company will deposit the Net Proceeds only with one or more scheduled commercial banks included in Second Schedule of the Reserve Bank of India Act, 1934 as may be approved by our Board. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the shares of any other listed company.

Bridge financing facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of the Red Herring Prospectus and this Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilization of funds

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company has appointed a monitoring agency to monitor the utilisation of the Net Proceeds, prior to filing of the Red Herring Prospectus with the RoC. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulations, on a quarterly basis, until such time as the Net Proceeds have been utilised in full. Our Company undertakes to provide details/ information/ certifications obtained from Statutory Auditors on the utilization of Net Proceeds, along with in-line description of all expense heads under each object of the Offer to the Monitoring Agency, and place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such Fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised, till the time any part of the Fresh Issue proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable Fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in the Red Herring Prospectus and this Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor and such certification shall be provided to the Monitoring Agency. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net Proceeds from the objects of the Offer as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the objects of the Offer as stated above.

Variation in objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the objects of the Offer without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in an English national daily newspaper, one in a Hindi national daily newspaper and one in a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), in accordance with the Companies Act and applicable rules. The Shareholders who do not agree to the proposal to vary the objects shall be given an exit offer, at such price, and in such manner, in accordance with our Articles of Association, the Companies Act, and the SEBI ICDR Regulations.

Other confirmations

Except to the extent of the proceeds received by the Promoter Selling Shareholders pursuant to the Offer for Sale, none of our Promoters, the members of the Promoter Group, Directors, Key Managerial Personnel, Senior Management Personnel or Group Companies will receive any portion of the Offer Proceeds. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue, except as set out above.

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company, acting through its IPO Committee in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is 1.05 times the Floor Price and 1.00 times the Cap Price, and Floor Price is 27.70 times the face value and the Cap Price is 29.10 times the face value. Bidders should also see "*Risk Factors*", "*Our Business*", "*Restated Financial Statements*", and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 31, 181, 278 and 388, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe that some of the qualitative factors and our strengths which form the basis for computing the Offer Price are:

- Market leadership with a pan-India presence;
- Rural focused operations, with a commitment towards health and social welfare of our customers;
- Brand recall and synergies with the Muthoot Pappachan Group;
- Robust risk management framework leading to healthy portfolio quality;
- Streamlined operating model with effective use of technology;
- Access to diversified sources of capital and effective cost of funds; and
- Experienced and Professional Management, with Strong Corporate Governance and support from Promoters and Investors.

For further details, see "*Our Business – Our Strengths*" on page 184.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Financial Statements. For details, see "*Restated Financial Statements*" and "*Other Financial Information*" on pages 278 and 387, respectively.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Basic and Diluted Earnings per share for continuing operations ("EPS") (face value of each Equity Share is ₹10):

Fiscal	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2023	14.19	11.66	3
March 31, 2022	4.15	3.94	2
March 31, 2021	0.62	0.62	1
Weighted Average for the above three financial years	8.58	7.25	-
September 30, 2023*	17.57	14.22	-
September 30, 2022*	1.09	0.91	-

** Not annualised*

Notes:

1. *EPS has been calculated in accordance with the Indian Accounting Standard 33 – "Earnings per share". The face value of equity shares of the Company is ₹10.*
2. *Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.*
3. *For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.*

B. Price/Earning ("P/E") ratio in relation to Price Band of ₹ 277 to ₹ 291 per Equity Share:

Particulars	P/E at Floor Price (number of times)	P/E at the Offer Price (number of times)
Based on basic EPS for financial year ended March 31, 2023	19.52	20.51
Based on diluted EPS for financial year ended March 31, 2023	23.76	24.96

C. Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company) given below in this section, the highest P/E ratio is 551.18, the lowest P/E ratio is 9.33 and the average P/E ratio is 94.86.

Particulars	Industry Peer P/E	Name of the company	Face value of the equity shares (₹)
Highest	551.18	Spandana Spoorthy Financial Limited	10
Lowest	9.33	Ujjivan Small Finance Bank Limited	10
Average	94.86	-	-

Notes:

1. *The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see “Basis for the Offer Price – E. Comparison with Listed Industry Peers” beginning on page 110.*
2. *The industry P/E ratio mentioned above is as on financial year ended March 31, 2023.*

D. Industry Peer P/B ratio

Based on the peer group information (excluding our Company) given below in this section, the highest P/B ratio is 5.15, the lowest P/B ratio is 1.07 and the average P/B ratio is 2.49.

Particulars	Industry Peer P/B	Name of the company	Face value of the equity shares (₹)
Highest	5.15	CreditAccess Grameen Limited	10
Lowest	1.07	Suryoday Small Finance Bank Limited	10
Average	2.49	-	-

Notes:

1. *The industry high and low have been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/B of the industry peer set disclosed in this section. For further details, see “Basis for the Offer Price – E. Comparison with Listed Industry Peers” beginning on page 110.*

E. Return on Net Worth (“RoNW”)

Fiscal	RoNW (%)	Weight
March 31, 2023	10.08%	3
March 31, 2022	3.55%	2
March 31, 2021	0.79%	1
Weighted Average for the above three Financial Years	6.35%	-
September 30, 2023*	11.14%	-
September 30, 2022*	0.86%	-

* *Not annualised.*

Notes:

1. *Return on Net Worth (%) = Net profit/(loss) after tax divided by net worth at the end of the year. Please see “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Non-GAAP Financial Measures” on page 16.*

F. Net Asset Value (“NAV”) per Equity Share

Net Asset Value per Equity Share	₹
As at March 31, 2023*	112.63
As at March 31, 2022*	97.74
As at March 31, 2021*	77.94
Six months ended September 30, 2023	127.61
Six months ended September 30, 2022	100.21
After the Offer	
- At Floor Price	151.47
- At Cap Price	152.64
- At Offer Price	152.64

Notes:

1. *Net Asset Value per equity share represents net worth as at the end of the fiscal year, as restated, divided by the number of Equity Shares outstanding at the end of the period/year. Equity shares on fully diluted basis is considered for the purpose of calculation of NAV.*

* *As per the Restated Financial Statements.*

G. Comparison with Listed Industry Peers

Following is the comparison with our peer group companies listed in India and in the same line of business as our Company:

Name of the company	Total Income (₹ in million)	Face Value (₹)	P/E	P/B	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV per equity share (₹)
Muthoot Microfin Limited	14,463.44	10	24.96#	2.58#	14.19	11.66	10.08%	112.63

Name of the company	Total Income (₹ in million)	Face Value (₹)	P/E	P/B	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV per equity share (₹)
Listed peers								
Equitas Small Finance Bank Limited	48,314.64	10	20.29	2.04	4.71	4.67	11.12%	46.44
Ujjivan Small Finance Bank Limited	47,541.90	10	9.33	2.70	5.88	5.87	27.79%	20.25
CreditAccess Grameen Limited	35,507.90	10	32.47	5.15	52.04	51.82	16.18%	326.89
Spandana Sphoorty Financial Limited	14,770.32	10	551.18	2.20	1.74	1.74	0.40%	436.58
Bandhan Bank Limited	183,782.50	10	15.59	1.75	13.62	13.62	11.21%	121.58
Suryoday Small Finance Bank Limited	12,811.00	10	21.73	1.07	7.32	7.32	4.90%	149.28
Fusion Micro Finance Limited	17,999.70	10	13.46	2.52	43.29	43.13	16.67%	230.74

**Financial information for Muthoot Microfin Limited is derived from the Restated Financial Statements for the year ended March 31, 2023*

 # The Offer Price has been considered for calculating the P/B and P/E ratio

Notes:

1. *All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports/ financial results as available of the respective company for the year ended March 31, 2023.*
2. *P/E ratio is calculated as closing share price (Nov 24, 2023, - BSE) / Diluted EPS for year ended March 31, 2023.*
3. *P/B ratio is calculated as closing share price (Nov 24, 2023, -BSE) / NAV per share for year ended March 31, 2023.*
4. *Basic and Diluted EPS as reported in the annual report/financial results of the company for the year ended March 31, 2023.*
5. *Return on net worth (%) = Net profit/(loss) after tax / Net worth at the end of the year.*
6. *Net asset value per share (in ₹) = Net worth at the end of the year / Total number of equity shares outstanding at the end of the year.*
7. *Net worth includes share capital, reserve and surplus.*
8. *The audited financial statement for the year ended March 31, 2023 of CreditAccess Grameen Limited, Spandana Sphoorty Financial Limited, Fusion Micro Finance Limited and Muthoot Microfin Limited were prepared as per Ind AS and Equitas Small Finance Bank, Ujjivan Small Finance Bank Limited and Bandhan Bank Limited were prepared as per Indian GAAP*

H. Key Performance Indicators

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated December 11, 2023 and the Audit Committee has confirmed that verified and audited details of all the KPIs pertaining to the Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of filing of this Prospectus have been disclosed in this section. Further, the KPIs herein have been certified by Rangamani & Co., Chartered Accountants pursuant to certificate dated December 21, 2023.

The KPIs disclosed below have been used historically by the Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals in comparison to its peers.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once a year (or any lesser period as may be determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchanges or till the utilisation of the Offer Proceeds as per the disclosure made in the section "*Objects of the Offer*" on page 104, whichever is later, or for such other duration as required under the SEBI ICDR Regulations.

Key Performance Indicators:

KPIs		September 30, 2023	September 30, 2022	FY 2023	FY 2022	FY 2021
Sr. No.	**Operations**					
1.	Number of branches	1,340	1,008	1,172	905	755
2.	Number of districts	339	305	321	281	249
3.	Assets under management (in ₹ million)	1,08,670.66	74,494.86	92,082.96	62,549.42	49,867.11
4.	Assets under management growth (%)	45.88%	55.54%	47.22%	25.43%	3.06%
5.	Disbursements (in ₹ million)	51,815.75	34,865.20	81,044.74	46,469.63	26,367.66
6.	Disbursement growth (%)	48.62%	171.87%	74.40%	76.24%	(35.42)%
7.	Average ticket size (₹)	42,344.65	32,440.41	38,481.83	34,359.82	34,594.02
8.	Number of active clients (million)	3.19	2.40	2.77	2.05	1.86

KPIs		September 30, 2023	September 30, 2022	FY 2023	FY 2022	FY 2021
Sr. No.	**Operations**					
9.	Number of repeating clients (million)	1.00	0.76	1.29	1.12	0.98
10.	Unique client accounts (million)	2.20	1.64	1.49	0.93	0.87
11.	Collection efficiency	98.89%	93.71%	95.84%	85.75%	67.52%
12.	Share or rural portfolio (%)	95.63%	95.56%	94.67%	95.33%	95.05%
13.	Share of top 3 States (%)	51.69%	59.14%	54.81%	63.58%	65.19%
14.	Share of top 25 districts	36.34%	43.96%	39.75%	47.99%	49.92%
Productivity						
15.	Disbursement per branch (₹ million)	38.67	34.59	69.15	51.35	34.92
16.	Assets under management per loan officer (₹ million)	14.50	13.19	14.68	12.52	10.95
Capital						
17.	Net worth (in ₹ million)	18,420.95	14,465.84	16,258.49	13,365.79	8,898.90
18.	Total capital ratio (CRAR) (%)	20.46%	24.16%	21.87%	28.75%	22.55%
19.	Tier 1 capital ratio (%)	20.46%	24.16%	21.87%	28.38%	21.80%
20.	Cost of funds (%)	11.20%	10.54%	10.94%	10.44%	11.08%
21.	Leverage or debt to equity ratio	4.21	3.62	3.99	2.99	3.39
Asset Quality						
22.	Standard asset	96.46%	93.64%	96.20%	85.79%	82.86%
23.	SMA 0 %	0.55%	1.02%	0.22%	2.23%	5.29%
24.	SMA 1 %	0.32%	0.35%	0.26%	2.29%	1.97%
25.	SMA 2 %	0.30%	1.73%	0.35%	3.43%	2.50%
26.	Gross NPA (%)	2.37%	3.26%	2.97%	6.26%	7.39%
27.	Provision coverage ratio (%)	86.42%	73.73%	80.32%	76.68%	81.32%
28.	Restructured book as % of advances (%)	0.65%	4.65%	1.70%	8.36%	Not applicable
29.	Net NPA (%)	0.33%	0.88%	0.60%	1.55%	1.42%
Profitability						
30.	Net profit (in ₹ million)	2,052.57	124.66	1,638.89	473.98	70.54
31.	Annual average yield on gross outstanding loan portfolio (%)	22.94%	22.05%	21.84%	17.94%	19.91%
32.	Net interest margin (%)	12.39%	11.12%	11.60%	9.60%	8.24%
33.	Credit cost ratio (%)	1.24%	4.80%	2.95%	2.17%	2.83%
34.	Opex (%)	5.82%	6.13%	6.08%	6.38%	5.47%
35.	Cost to income ratio (%)	46.61%	53.69%	51.39%	65.02%	64.41%
36.	Return on average gross outstanding loan portfolio (%)	2.03%	0.18%	2.16%	0.92%	0.15%
37.	Return on average equity (%)	11.84%	0.90%	11.06%	4.26%	0.79%
Others						
38.	Basic EPS (in ₹)	17.57	1.09	14.19	4.15	0.62
39.	Diluted EPS (in ₹)	14.22	0.91	11.66	3.94	0.62
40.	Net Asset Value per Equity Share (in ₹)	127.61	100.21	112.63	97.74	77.94
Digital Adoption						
41.	Unique customer transacted digitally (during the period) (in million)	2.46	0.83	1.70	0.52	0.13
42.	Mahila Mitra App Downloads (in million)	0.32	0.19	0.31	0.85	0.02
43.	Digital collection (in million)	9,515.25	2,488.00	10,955.40	1,683.01	308.59
44.	Branch digitalisation (above 80% share)(Nos.)	96	59	116	-	-
Insurance						
45.	Insurance premium collected (₹ million)	2,299.73	1,459.52	3,380.93	1,856.03	981.15
46.	Life insurance (₹ million)	1,643.08	1,069.72	2,440.26	1,383.05	772.36
47.	Medical insurance (₹ million)	304.88	304.31	598.28	387.54	175.44
48.	Natural calamity insurance (₹ million)	351.78	85.49	342.38	85.43	33.36

For details of our other operating metrics disclosed elsewhere in this Prospectus, see “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 181 and 388, respectively.

I. Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Financial Statements. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools.

Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS.

Key Performance Indicators (KPIs)		Description	Rationale
Operations	Number of branches	Number of total active Branches.	This metric is used by the management to assess the physical presence, footprints and geographical expansion of the business.
	Number of districts	Number of total Districts, company is active and having Branches.	
	Assets under management (in ₹ million)	Gross outstanding loan portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets which includes loan assets held by our Company as of the last day of the relevant period/year, loan assets which have been transferred by our Company by way of assignment as well as loan assets managed by our Company through business correspondence and co-lending partners, and are outstanding as of the last day of the relevant period/year. While we act as business correspondent for these loans, these loans are provided on the balance sheet of our business correspondent partners, and not recognized as our loan assets on our balance sheet.	These metrics are used by the management to assess the growth in terms of scale and composition of business.
	Assets under management Growth (%)	Gross outstanding loan portfolio growth represents the growth in gross outstanding loan portfolio as of the last day of the relevant period/year as compared with the gross outstanding loan portfolio as of the last day of the preceding period/year.	
	Disbursements (in ₹ million)	Disbursements represent the aggregate of all loan amounts extended to all our customers for the relevant period/year.	
	Disbursement growth (%)	Disbursement growth represents growth in disbursements for the relevant period/year as a percentage of disbursements for the previous period/year.	
	Average ticket size (₹)	Average Ticket size represents the ratio of aggregate of all loan amounts extended to all our customers to total number of loans disbursed for the relevant period/year	
	# of active clients (million)	Number of active customers represent the aggregate number of customers which have an active loan account as on the last day of the relevant period/year.	
	# of repeating clients	Repeat customers represent the number of customers who have taken one or more additional loans from us after taking their initial loan.	
	Unique client accounts	Unique Client Accounts refer to number of customers who are in their first loan cycle with us during the relevant period/year.	
	Collection efficiency	Collection efficiency represents the ratio of our collections (including overdue collections) to billings for the relevant period/year.	These metrics are used by the management to assess collections
	Share or rural portfolio (%)	Share in rural portfolio of gross outstanding loan portfolio.	Rural presence and commitment towards rural area.

Key Performance Indicators (KPIs)		Description	Rationale
	Share of top 3 States (%)	Share of top 3 States of gross outstanding loan portfolio.	These metrics are used by the management to assess the concentration and distribution of sector wise market power.
	Share of top 25 districts	Share of top 25 districts of gross outstanding loan portfolio.	
Productivity	Disbursement per branch (₹)	Disbursements per branch represents the aggregate of all loan amounts extended to all our customers per branch for the relevant period/year.	These metrics are used by the management to assess the branch and loan officer level productivity.
	Assets under management per loan officer (₹)	Assets under Management per loan officer is the ratio of total gross outstanding loan portfolio to number of loan officers.	
Capital	Net worth (in ₹ million)	Net Worth represents our net worth as of the last day of the relevant period/year as per our Restated Financial Statements.	These metrics are used by the management to ensure the adequacy of capital for the business growth.
	Total capital ratio (CRAR) (%)	The capital to risk assets ratio (CRAR) is calculated as capital funds (Tier I capital plus Tier II capital) divided by risk-weighted assets (the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI).	
	Tier 1 capital ratio (%)	Tier I capital ratio represents the ratio of Tier 1 Capital to total risk weighted assets. Tier I capital include (i) paid-up capital (ordinary shares), statutory reserves, and other disclosed free reserves, if any; (ii) perpetual non-cumulative preference shares eligible for inclusion as Tier I capital, subject to laws in force from time to time; (iii) innovative perpetual debt instruments eligible for inclusion as Tier I capital; and (iv) capital reserves representing surplus arising out of sale proceeds of assets, as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances, including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund as defined in the Master Circular on Prudential Norms on Capital Adequacy, Basel I Framework dated July 1, 2015 issued by the RBI. Total risk weighted assets represents the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI.	
	Cost of funds (%)	Cost of funds represents the ratio of borrowing cost incurred by the company for the relevant financial period/year to the average of borrowings of the company for the relevant period/year.	These metrics are used by the management to assess the cost for financial resources which are deployed for the business growth.
	Leverage or debt to equity ratio	Debt to equity represents the ratio of our total borrowings to our total equity attributable to shareholders as of the last day of the relevant period/year derived from our restated financial statements.	Metric that measures the financial leverage of a company and evaluates the extent to which it can cover its debt.
Asset Quality	Standard asset	Standard Asset (%) represents the ratio of total outstanding portfolio of loan accounts where there is no default in repayment of principal or payment of interest and which does not disclose any problem nor carry more than normal risk attached to the business to total outstanding portfolio as of last day of the relevant period/year.	These metrics are used by the management to assess the asset quality of the loan portfolio and adequacy of provisions against the delinquent loans.
	SMA 0 %	SMA 0 (%) represents the ratio of total outstanding portfolio of loan accounts where the	

Key Performance Indicators (KPIs)		Description	Rationale
		principal or interest payment is overdue between 1 to 30 days to total outstanding portfolio as of last day of the relevant period/year.	
	SMA 1 %	SMA 1 (%) represents the ratio of total outstanding portfolio of loan accounts where the principal or interest payment is overdue between 31 to 60 days to total outstanding portfolio as of last day of the relevant period/year.	
	SMA 2 %	SMA 2 (%) represents the ratio of total outstanding portfolio of loan accounts where the principal or interest payment is overdue between 61 to 90 days to total outstanding portfolio as of last day of the relevant period/year.	
	Gross NPA (%)	Gross NPA ratio represents the ratio of our Stage III assets to total outstanding loan portfolio as of last day of the relevant period/ year. Total outstanding loan portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets held by our Company as of the last day of the relevant period/year, gross of impairment allowance.	
	Provision coverage ratio (%)	Provision Coverage Ratio (%) represents the ratio of total impairment allowance on term loans (gross) derived from our Restated Financial Statements to Stage III Assets (Gross NPAs) for the relevant period/year.	
	Restructured book as % of Advances (%)	Restructured Book as % of Advances (%) represents the ratio of total outstanding portfolio held by our Company on the last day of the relevant period/year which have been restructured according to the directions of the RBI on account of resolution plan implemented under the Resolution Framework for COVID-19-related stress as per RBI circular dated May 5, 2021 (Resolution Framework 2.0) to total outstanding portfolio as of last day of the relevant period/year	
	Net NPA (%)	Net NPA ratio represents the ratio of our Net NPA to Net Outstanding Loan Portfolio as of the last day of the relevant period/year. Net Outstanding Loan Portfolio represents total outstanding loan portfolio reduced by impairment allowance.	
Profitability	Net profit (in ₹ million)	Net Profit represents our profit for the year (after tax) as per our Restated Financial Statements for the relevant period/year.	This metrics is used by the management for assessing the financial performance of our business during a particular period.
	Annual average yield on total outstanding loan portfolio (%)	Annual average yield on total outstanding loan portfolio is the ratio of total interest income to average annual total outstanding loan portfolio for the relevant period/year.	These metrics are used by the management to assess the financial and profitability metrics and cost efficiency of the business.
	Net interest margin (%)	Net Interest Margins is the ratio of our Net Interest Income to our average monthly gross outstanding loan portfolio. Our average monthly gross outstanding loan portfolio is the simple monthly average of our gross outstanding loan portfolio for the relevant period/year	
	Credit cost ratio (%)	Credit cost represents impairment on financial instruments for the relevant period/year derived from our Restated Financial Statements as a	

Key Performance Indicators (KPIs)		Description	Rationale
		percentage of average monthly gross outstanding loan portfolio.	
	Opex (%)	Opex (%) is the ratio of operating expense to average monthly gross outstanding loan portfolio for the relevant period/year.	
	Cost to income ratio (%)	Cost to Income ratio is the ratio of the aggregate of our employee benefit expenses, operating expenses and depreciation and amortisation expense to total income as per our Restated Financial Statements for the relevant period/year.	
	Return on average gross outstanding loan portfolio (%)	Return on average gross outstanding loan portfolio represents profit for the relevant period/year derived from our Restated Financial Statements as a percentage of annual monthly average gross outstanding loan portfolio for such period/year.	These metrics are used by the management to assess the returns on the deployed capital and the assets in the business.
	Return on average equity (%)	Return on Average Equity (%) represents the ratio of Net Profit attributable to equity holders to our annual average of net worth. Our annual average of net worth is the simple average of our net worth as of the last day of the relevant period/year and our net worth as of March 31 of the preceding year.	
Others	Basic EPS (in ₹)	Basic EPS represent Basic Earnings per Equity share as per our Restated Financial Statements for the relevant period/year.	Indicates the Company's financial standing and profitability
	Diluted EPS (in ₹)	Diluted EPS represent Diluted Earnings per Equity share as per our Restated Financial Statements for the relevant period/year	
	Net asset value per Equity Share (in ₹)	Net Asset value per equity share represents the ratio of our Net Worth to Number of Equity shares as of the last day of the relevant period/year	
Digitial adoption	Unique customer transacted digitally (During the Period) (million)	Unique Customer Transacted Digitally represents the number of unique customers who have transacted through various digital channels like BBPS, Dynamic QR, Easypay & Wallet during the relevant period/year.	These metrics are used by the management to understand and optimize the utilization of digital technologies to enhance efficiency, productivity and customer experiences.
	Mahila Mitra app downloads	Mahila Mitra App Downloads represents the total number of customers who have downloaded Mahila Mitra app during the relevant period/year.	
	Digital collection	Digital Collection represents the amount collected through various digital channels like BBPS, Dynamic QR, Easypay & Wallet during the relevant period/year.	
	Branch digitalisation	Branch digitalisation refers to the number of branches that have achieved 80% or more of their total collection through various digital channels like BBPS, Dynamic QR, Easypay & Wallet during the last month of the relevant period/year.	
Insurance	Insurance premium collected	Insurance Premium collected represents the overall sum of insurance premiums received from diverse customers in relation to their loan disbursements for the relevant period/year.	These metrics are used by the management to assess the financial risks and enhance risk management strategies for diverse loan disbursements.
	Life insurance	Insurance Premium collected represents the sum of life insurance premiums received from diverse customers in relation to their loan disbursements for the relevant period/year.	

Key Performance Indicators (KPIs)		Description	Rationale
	Medical insurance	Insurance Premium collected represents the sum of medical insurance premiums received from diverse customers in relation to their loan disbursements for the relevant period/year.	
	Natural calamity insurance	Insurance Premium collected represents the sum of natural calamity insurance premiums received from diverse customers in relation to their loan disbursements for the relevant period/year.	

J. Comparison of its KPIs with Listed Industry Peers

1. CreditAccess Grameen Limited

Key Performance Indicators (KPIs)		Six months ended September 30, 2023	FY 2023	FY 2022	FY 2021
Operations	Number of branches	1,877	1,786	1,164	964
	Number of districts	364	351	301	247
	Assets under management (in ₹ million)	2,24,880	2,10,310	1,37,320	1,13,410
	Assets under management Growth (%)	6.93%	53.15%	21.08%	14.60%
	Disbursements (in ₹ million)	97,370	1,85,390	1,28,330	96,410
	Disbursement growth (%)	NA	44.46%	33.11%	-7.20%
	Average ticket size (₹)	NA	37,965	37,576	35,938
	Number of active clients (million)	4.60	4.40	2.9	2.9
	Number of repeating clients (million)	Not Available	Not Available	Not Available	Not Available
	Unique client accounts (million)	Not Available	Not Available	Not Available	Not Available
	Collection efficiency	98.70%	98.40%	97.00%	97.00%
	Share of rural portfolio (%)	Not Available	Not Available	Not Available	Not Available
	Share of top 3 States (%)	73.50%	Not Available	78.2% (At consolidated Level)	80.5% (At consolidated level)
	Share of top 25 districts	Not Available	Not Available	21% (Top 10 at consolidated level)	23% (Top 10 at consolidated level)
Productivity	Disbursement per branch (₹ million)	26	104	110	100
	Assets under management per loan officer (₹ million)	16.86	13.39	16.63	15.22
Capital	Networth (in ₹ million)	57,977	51,069	39,398.00	36,340.00
	Total capital ratio (CRAR) (%)	25.00%	23.60%	26.54%	31.75%
	Tier 1 capital ratio (%)	24.10%	22.70%	25.87%	30.50%
	Cost of funds (%)	NA	9.05%	8.18%	8.92%
	Leverage or debt to equity ratio	3.05	3.19	2.66	2.42
Asset Quality	Standard Asset	Not Available	Not Available	Not Available	Not Available
	SMA 0%	Not Available	Not Available	Not Available	Not Available
	SMA 1%	Not Available	Not Available	Not Available	Not Available
	SMA 2%	Not Available	Not Available	Not Available	Not Available
	Gross NPA (%)	0.80%	1.21%	3.12%	4.38%
	Provision coverage ratio (%)	70.0%	71.1%	69.9%	68.7%
	Restructured book as % of advances (%)	Not Available	Not Available	Not Available	Not Available
	Net NPA (%)	0.24%	0.35%	0.94%	1.37%
Profitability	Net profit (in ₹ million)	3,492.10	8,260.30	3,821.40	1,423.90
	Yield on advances (%)	Not Available	Not Available	19.16%	19.67%
	Net interest margin (%)	3.70%	11.50%	9.72%	9.74%
	Credit cost ratio (%)	0.50%	2.20%	3.27%	5.54%
	Operating expenses to total average assets (%)	Not Available	4.54%	3.94%	4.60%
	Cost to income ratio (%)	31.20%	35.60%	35.99%	41.65%
	Return on average assets (%)	1.70%	4.50%	2.78%	1.22%
	Return on average equity (%)	6.70%	18.30%	10.09%	4.51%
Others	Basic EPS (in ₹)	43.94	52.04	24.54	9.52
	Diluted EPS (in ₹)	Not Available	Not Available	Not Available	Not Available
	Net asset value per Equity share (in ₹)	Not Available	Not Available	Not Available	Not Available
Digital adoption	Unique customer transacted digitally (during the Period) (million)	Not Available	Not Available	Not Available	Not Available

Key Performance Indicators (KPIs)		Six months ended September 30, 2023	FY 2023	FY 2022	FY 2021
	Mahila Mitra App Downloads (Million)	Not Available	Not Available	Not Available	Not Available
	Digital collection (Million)	Not Available	Not Available	Not Available	Not Available
	Branch digitalisation (Nos)	Not Available	Not Available	Not Available	Not Available
Insurance	Insurance Premium collected (Million)	Not Available	Not Available	Not Available	Not Available
	Life Insurance (Million)	Not Available	Not Available	Not Available	Not Available
	Medical Insurance (Million)	Not Available	Not Available	Not Available	Not Available
	Natural Calamity Insurance (Million)	Not Available	Not Available	Not Available	Not Available

2. **Spandana Sphoorthy Financial Limited**

Key Performance Indicators (KPIs)		Six months ended September 30, 2023	FY 2023	FY 2022	FY 2021
Operations	Number of Branches	1,179	1,153	1,049	1,052
	Number of Districts	NA	314	294	282
	Assets under Management (in ₹ million)	97,840	79,800	61,510	81,390
	Assets under Management Growth (%)	22.61%	29.74%	-24.43%	19.18%
	Disbursements (in ₹ million)	41,120	76,000	31,420	64,260
	Disbursement Growth (%)	Not Available	141.88%	-51.10%	-19.72%
	Average Ticket Size (₹)	Not Available	46,256	45,025	45,318
	Number of active clients (Million)	Not Available	2.10	2.3	2.4
	Number of repeating clients (Million)	Not Available	Not Available	Not Available	Not Available
	Unique Client Accounts (Million)	Not Available	Not Available	Not Available	Not Available
	Collection Efficiency	100.3%^	103.0%^	98.3%^	100.6%^
	Share of rural portfolio (%)	Not Available	Not Available	Not Available	Not Available
	Share of top 3 States (%)	46.00%	44.80%	47.52%	48%
	Share of top 10 districts	13.4%	Not Available	12%	11.70%
Productivity	Disbursement per branch (₹ million)	21	66	30	61
	Assets under management per loan officer (₹ million)	11.51	10.64	9.89	12.11
Capital	Networth (in ₹ million)	32,864	30,432	30,899.45	27,510.97
	Total Capital Ratio (CRAR) (%)	36.60%	36.87%	50.74%	39.20%
	Tier 1 Capital Ratio (%)	Not Available	36.87%	50.55%	39.74%
	Cost of Funds (%)	Not Available	9.31%	11.64%	10.16%
	Leverage or Debt to Equity Ratio	2.28	1.95	1.2	1.91
Asset Quality	Standard Asset	Not Available	Not Available	Not Available	Not Available
	SMA 0%	Not Available	Not Available	Not Available	Not Available
	SMA 1%	Not Available	Not Available	Not Available	Not Available
	SMA 2%	Not Available	Not Available	Not Available	Not Available
	Gross NPA (%)	1.40%	2.07%	17.70%	5.76%
	Provision Coverage Ratio %	70.00%	69.57%	31.6%	43.4%
	Restructured Book as % of Advances (%)	Not Available	Not Available	Not Available	Not Available
	Net NPA (%)	0.42%	0.63%	12.10%	3.26%
Profitability	Net Profit (in ₹ million)	1,163.11	123.37	698.27	1,454.60
	Yield on Advances (%)	0.00%	18.30%	20.81%	22.71%
	Net Interest Margin (%)	3.40%	9.50%	9.69%	12.72%
	Credit Cost Ratio (%)	1.00%	6.20%	6.13%	8.96%
	Operating Expenses to Total Average Assets (%)	NA	5.38%	4.56%	3.22%
	Cost to Income Ratio (%)	38.10%	45.40%	39.55%	21.96%
	Return on Average Assets (%)	2.30%	0.20%	0.61%	1.80%
	Return on Average Equity (%)	7.40%	0.40%	1.62%	4.84%
Others	EPS (Basic) (in ₹)	32.03	1.74	7.22	20.05
	Diluted EPS (in ₹)	Not Available	Not Available	Not Available	Not Available
	Net Asset Value per Equity Share (in ₹)	Not Available	Not Available	Not Available	Not Available

Key Performance Indicators (KPIs)		Six months ended September 30, 2023	FY 2023	FY 2022	FY 2021
Digital adoption	Unique Customer Transacted Digitally (During the Period) (million)	Not Available	Not Available	Not Available	Not Available
	Mahila Mitra App Downloads (million)	Not Available	Not Available	Not Available	Not Available
	Digital collection (Million)	Not Available	Not Available	Not Available	Not Available
	Branch digitalisation (Nos)	Not Available	Not Available	Not Available	Not Available
Insurance	Insurance Premium collected (Million)	Not Available	Not Available	Not Available	Not Available
	Life Insurance (million)	Not Available	Not Available	Not Available	Not Available
	Medical Insurance (million)	Not Available	Not Available	Not Available	Not Available
	Natural Calamity Insurance (million)	Not Available	Not Available	Not Available	Not Available

3. **Fusion Micro Finance Limited**

Key Performance Indicators (KPIs)		Six months ended September 30, 2023	FY 2023	FY 2022	FY 2021
Operations	Number of Branches	1,164	1,019	900	710
	Number of Districts	420	385	361	323
	Assets under Management (in ₹ million)	1,00,260	92,960	66,540	46,380
	Assets under Management Growth (%)	7.85%	39.71%	43.47%	26.83%
	Disbursements (in ₹ million)	45,570	83,750	60,580	36,760
	Disbursement Growth (%)	Not Available	38.25%	64.80%	2.88%
	Average Ticket Size (₹)	Not Available	37,922	35,668	32,113
	Number of active clients (million)	3.70	3.50	2.7	2.1
	Number of repeating clients (million)	Not Available	Not Available	Not Available	Not Available
	Unique Client Accounts (million)	Not Available	Not Available	Not Available	Not Available
	Collection efficiency	Not Available	Not Available	Not Available	Not Available
	Share of rural portfolio (%)	Not Available	Not Available	Not Available	Not Available
	Share of top 3 States (%)	Not Available	Not Available	65.3% (Top 5 states)	65.9% (Top 5 states)
	Share of top 25 districts	Not Available	Not Available	Not Available	Not Available
Productivity	Disbursement per branch (₹ million)	20	82	67	52
	Assets under Management per loan officer (₹ million)	Not Available	14.83	7.92	11.07
Capital	Networth (in ₹ million)	25,770	23,219	13,379.51	12,463.55
	Total Capital Ratio (CRAR) (%)	28.78%	27.94%	21.94%	27.26%
	Tier 1 Capital Ratio (%)	27.59%	26.59%	19.93%	25.52%
	Cost of Funds (%)	10.55%	10.24%	8.18%	10.13%
	Leverage or Debt to Equity Ratio	2.92	2.92	4.32	3.56
Asset Quality	Standard Asset	Not Available	Not Available	Not Available	Not Available
	SMA 0%	Not Available	Not Available	Not Available	Not Available
	SMA 1%	Not Available	Not Available	Not Available	Not Available
	SMA 2%	Not Available	Not Available	Not Available	Not Available
	Gross NPA (%)	2.70%	3.46%	5.70%	5.50%
	Provision Coverage Ratio (%)	76.39%	74.86%	71.9%	60.00%
	Restructured Book as % of Advances (%)	Not Available	Not Available	Not Available	Not Available
	Net NPA (%)	0.65%	0.87%	1.60%	2.20%
Profitability	Net Profit (in ₹ million)	1,257	3,871	217.55	439.44
	Yield on Advances (%)	0.00%	NA	20.56%	20.92%
	Net Interest Margin (%)	3.30%	11.50%	9.72%	8.98%
	Credit Cost Ratio (%)	0.80%	2.40%	3.27%	4.38%

Key Performance Indicators (KPIs)		Six months ended September 30, 2023	FY 2023	FY 2022	FY 2021
	Operating Expenses to Total Average Assets (%)	NA	5.34%	3.94%	4.37%
	Cost to Income Ratio (%)	36.40%	38.40%	44.26%	44.26%
	Return on Average Assets (%)	1.30%	4.60%	0.33%	0.87%
	Return on Average Equity (%)	6.10%	21.20%	1.68%	3.60%
Others	EPS (Basic) (in ₹) Diluted EPS (in ₹)	24.52 Not Available	43.29 Not Available	2.67 Not Available	5.56 Not Available
	Net Asset Value per Equity Share (in ₹)	Not Available	Not Available	Not Available	Not Available
Digital adoption	Unique Customer Transacted Digitally(During the Period) (Million)	Not Available	Not Available	Not Available	Not Available
	Mahila Mitra App Downloads (Million)	Not Available	Not Available	Not Available	Not Available
	Digital collection (Million)	Not Available	Not Available	Not Available	Not Available
	Branch digitalisation (Nos)	Not Available	Not Available	Not Available	Not Available
Insurance	Insurance Premium collected (Million)	Not Available	Not Available	Not Available	Not Available
	Life Insurance (Million)	Not Available	Not Available	Not Available	Not Available
	Medical Insurance (Million)	Not Available	Not Available	Not Available	Not Available
	Natural Calamity Insurance (Million)	Not Available	Not Available	Not Available	Not Available

4. **Equitas Small Finance Bank Limited**

Key Performance Indicators (KPIs)		Six months ended September 30, 2023	FY 2023	FY 2022	FY 2021
Operations	Number of Branches	956	922	869	861
	Number of Districts	Not Available	Not Available	Not Available	Not Available
	Assets under Management (in ₹ million)	3,12,290	2,78,610	2,05,970	1,79,250
	Assets under Management Growth (%)	12.09%	35.27%	14.91%	16.65%
	Disbursements (in ₹ million)	97,180	1,77,970	105,490	74,620
	Disbursement Growth (%)	Not Available	68.71%	41.37%	-24.71%
	Average Ticket Size (₹)	Not Available	Not Available	Not Available	Not Available
	Number of active clients (Million)	Not Available	Not Available	5.68	3.9
	Number of repeating clients (Million)	Not Available	Not Available	Not Available	Not Available
	Unique Client Accounts (Million)	Not Available	Not Available	Not Available	Not Available
	Collection Efficiency	75%	Not Available	Not Available	Not Available
	Share of rural portfolio (%)	Not Available	Not Available	Not Available	Not Available
	Share of top 3 States (%)	Not Available	Not Available	Not Available	77%
	Share of top 25 districts	Not Available	Not Available	Not Available	Not Available
Productivity	Disbursement per branch (₹ million)	101.65	193.03	121.39	86.67
	Assets under Management per loan officer (₹ million)	Not Available	Not Available	Not Available	Not Available
Capital	Networth (in ₹ million)	54,790.00	51,580.00	42,460.00	33,963.41
	Total Capital Ratio (CRAR) (%)	21.30%	23.80%	25.16%	24.18%
	Tier 1 Capital Ratio (%)	20.65%	23.08%	24.53%	23.23%
	Cost of Funds (%)	7.21%	6.48%	6.75%	7.66%
	Leverage or Debt to Equity Ratio	6.08	5.50	5.08	6.05
Asset Quality	Standard Asset	Not Available	Not Available	Not Available	Not Available
	SMA 0%	Not Available	Not Available	Not Available	Not Available
	SMA 1%	Not Available	Not Available	Not Available	Not Available

Key Performance Indicators (KPIs)		Six months ended September 30, 2023	FY 2023	FY 2022	FY 2021
	SMA 2%	Not Available	Not Available	Not Available	Not Available
	Gross NPA (%)	2.27%	2.60%	4.24%	3.59%
	Provision Coverage Ratio (%)	57.27%	56.15%	44.10%	57.66%
	Restructured Book as % of Advances (%)	Not Available	1.00%	3.12%	Not Available
	Net NPA (%)	0.97%	1.14%	2.37%	1.52%
Profitability	Net Profit (in ₹ million)	1,981	5,736	2,807.32	3,842.23
	Yield on Advances (%)	17.40%	16.70%	17.33%	18.96%
	Net Interest Margin (%)	8.40%	8.20%	7.89%	8.17%
	Credit Cost Ratio (%)	Not Available	1.30%	1.91%	1.70%
	Operating Expenses to Total Average Assets (%)	Not Available	6.58%	6.60%	6.04%
	Cost to Income Ratio (%)	Not Available	63.40%	66.12%	59.99%
	Return on Average Assets (%)	2.03%	1.85%	1.09%	1.75%
	Return on Average Equity (%)	14.60%	12.20%	7.35%	12.51%
Others	EPS (Basic) (in ₹) Diluted EPS (in ₹)	3.49 Not Available	4.71 Not Available	2.43 Not Available	3.53 Not Available
	Net Asset Value per Equity Share (in INR)	Not Available	Not Available	Not Available	Not Available
Digital adoption	Unique Customer Transacted Digitally (During the Period) (Million)	Not Available	Not Available	Not Available	Not Available
	Mahila Mitra App Downloads (Million)	Not Available	Not Available	Not Available	Not Available
	Digital collection (Million)	Not Available	Not Available	Not Available	Not Available
	Branch digitalisation (Nos)	Not Available	Not Available	Not Available	Not Available
Insurance	Insurance Premium collected (Million)	Not Available	Not Available	Not Available	Not Available
	Life Insurance (million)	Not Available	Not Available	Not Available	Not Available
	Medical Insurance (million)	Not Available	Not Available	Not Available	Not Available
	Natural Calamity Insurance (million)	Not Available	Not Available	Not Available	Not Available

5. Ujjivan Small Finance Bank Limited

Key Performance Indicators (KPIs)		Six months ended September 30, 2023	FY 2023	FY 2022	FY 2021
Operations	Number of Branches	700	629	575	575
	Number of Districts	305	271	248	248
	Assets under Management (in ₹ million)	2,65,740	2,40,850	1,81,620	1,51,400
	Assets under Management Growth (%)	10.33%	32.61%	19.96%	6.97%
	Disbursements (in ₹ million)	1,10,330	2,00,370	141130	83970
	Disbursement Growth (%)	Not Available	41.98%	68.07%	-36.49%
	Average Ticket Size (INR)	700	629	Not Available	Not Available
	Number of active clients (Million)	7.94	7.69	6.48	5.92
	Number of repeating clients (Million)	Not Available	Not Available	Not Available	Not Available
	Unique Client Accounts (Million)	Not Available	Not Available	Not Available	Not Available
	Collection Efficiency	99%	100%	100%	Not Available
	Share of rural portfolio (%)	Not Available	Not Available	Not Available	Not Available
	Share of top 3 States (%)	40.10%	41.13%	42.40%	43.50%
	Not Available Share of top 25 districts	Not Available	Not Available	Not Available	Not Available
Productivity	Disbursement per branch (₹ million)	157.61	318.55	245.44	146.03
	Assets under Management per loan officer (in ₹ million)	Not Available	Not Available	Not Available	Not Available
Capital	Networth (in ₹ million)	47,160	41,580	27,604.30	31,750.20
	Total Capital Ratio (CRAR) (%)	25.20%	25.80%	18.99%	26.44%

Key Performance Indicators (KPIs)		Six months ended September 30, 2023	FY 2023	FY 2022	FY 2021
	Tier 1 Capital Ratio (%)	22.50%	22.69%	17.70%	25.06%
	Cost of Funds (%)	7.40%	6.08%	5.70%	6.93%
	Leverage or Debt to Equity Ratio	6.97	6.78	7.27	5.16
Asset Quality	Standard Asset	Not Available	Not Available	Not Available	Not Available
	SMA 0%	Not Available	Not Available	Not Available	Not Available
	SMA 1%	Not Available	Not Available	Not Available	Not Available
	SMA 2%	Not Available	Not Available	Not Available	Not Available
	Gross NPA (%)	2.88%	7.10%	7.10%	7.10%
	Provision Coverage Ratio (%)	95.45%	98.61%	91.55%	59.15%
	Restructured Book as % of Advances (%)	Not Available	Not Available	Not Available	Not Available
	Net NPA (%)	0.10%	0.04%	0.60%	2.90%
Profitability	Net Profit (in ₹ million)	3,277	10,999	-4,145.90	82.97
	Yield on Advances (%)	Not Available	19.70%	16.73%	18.22%
	Net Interest Margin (%)	8.80%	9.50%	8.07%	8.91%
	Credit Cost Ratio (%)	NA	0.10%	5.19%	4.08%
	Operating Expenses to Total Average Assets (%)	5.70%	6.33%	6.80%	6.34%
	Cost to Income Ratio (%)	52.00%	54.80%	71.68%	60.58%
	Return on Average Assets (%)	3.60%	3.86%	-1.89%	0.04%
	Return on Average Equity (%)	28.00%	31.80%	-13.97%	0.26%
Others	EPS (Basic) (in INR)	3.33	5.82	-2.4	0.05
	Diluted EPS (in INR)	Not Available	Not Available	Not Available	Not Available
	Net Asset Value per Equity Share (in INR)	Not Available	Not Available	Not Available	Not Available
Digital adoption	Unique Customer Transacted Digitally (During the Period) (Million)	Not Available	Not Available	Not Available	Not Available
	Mahila Mitra App Downloads (Million)	Not Available	Not Available	Not Available	Not Available
	Digital collection (Million)	Not Available	Not Available	Not Available	Not Available
	Branch digitalisation (Nos)	Not Available	Not Available	Not Available	Not Available
Insurance	Insurance Premium collected (Million)	Not Available	Not Available	Not Available	Not Available
	Life Insurance (Million)	Not Available	Not Available	Not Available	Not Available
	Medical Insurance (Million)	Not Available	Not Available	Not Available	Not Available
	Natural Calamity Insurance (Million)	Not Available	Not Available	Not Available	Not Available

6. **Suryoday Small Finance Bank Limited**

Key Performance Indicators (KPIs)		Six months ended September 30, 2023	FY 2023	FY 2022	FY 2021
Operations	Number of Branches	635	577	565	556
	Number of Districts	Not Available	Not Available	Not Available	Not Available
	Assets under Management (in ₹ million)	69,210	61,140	50,630	42,060
	Assets under Management Growth (%)	13.20%	20.76%	20.38%	13.37%
	Disbursements (in ₹ million)	27,880	50,830	35,280	22,170
	Disbursement Growth (%)	Not Available	44.08%	59.13%	-28.25%
	Average Ticket Size (₹)	Not Available	Not Available	Not Available	Not Available
	Number of active clients (Million)	2.51	2.31	1.92	1.49
	Number of repeating clients (Million)	Not Available	Not Available	Not Available	Not Available
	Unique Client Accounts (Million)	Not Available	Not Available	Not Available	Not Available
	Collection Efficiency	NA	102%	116%	121%

Key Performance Indicators (KPIs)		Six months ended September 30, 2023	FY 2023	FY 2022	FY 2021
	Share of rural portfolio (%)	Not Available	Not Available	Not Available	Not Available
	Share of top 3 States (%)	Not Available	69.80%	71.60%	72.00%
	Share of top 25 districts	Not Available	Not Available	Not Available	Not Available
Productivity	Disbursement per branch (₹ million)	43.91	88.09	62.44	39.87
	Assets under Management per loan officer (₹ million)	Not Available	Not Available	Not Available	Not Available
Capital	Networth (in ₹ million)	16,840.00	15,850.00	15,051.20	15,969.00
	Total Capital Ratio (CRAR) (%)	30.20%	33.70%	37.86%	51.47%
	Tier 1 Capital Ratio (%)		30.84%	34.44%	47.23%
	Cost of Funds (%)	Not Available	6.10%	6.31%	8.09%
	Leverage or Debt to Equity Ratio	5.27	5.00	4.25	3.08
Asset Quality	Standard Asset	Not Available	Not Available	Not Available	Not Available
	SMA 0%	Not Available	Not Available	Not Available	Not Available
	SMA 1%	Not Available	Not Available	Not Available	Not Available
	SMA 2%	Not Available	Not Available	Not Available	Not Available
	Gross NPA (%)	2.90%	3.10%	11.80%	9.40%
	Provision Coverage Ratio (%)	49.66%	50.00%	69.83%	63.73%
	Restructured Book as % of Advances (%)	Not Available	Not Available	10.40%	2.70%
	Net NPA (%)	1.46%	1.55%	5.90%	4.70%
Profitability	Net Profit (in ₹ million)	503.00	777.00	-930.32	118.55
	Yield on Advances (%)	Not Available	19.00%	18.72%	17.73%
	Net Interest Margin (%)	Not Available	8.30%	7.85%	6.80%
	Credit Cost Ratio (%)	Not Available	3.20%	5.26%	2.42%
	Operating Expenses to Total Average Assets (%)	Not Available	5.61%	5.55%	5.44%
	Cost to Income Ratio (%)	Not Available	60.00%	60.93%	67.50%
	Return on Average Assets (%)	Not Available	0.86%	-1.25%	0.20%
	Return on Average Equity (%)	Not Available	5.00%	-6.00%	0.89%
Others	EPS (Basic) (in INR) Diluted EPS (in INR)	9.22 Not Available	7.32 Not Available	-8.76 Not Available	1.32 Not Available
	Net Asset Value per Equity Share (in INR)	Not Available	Not Available	Not Available	Not Available
Digital adoption	Unique Customer Transacted Digitally (During the Period) (Million)	Not Available	Not Available	Not Available	Not Available
	Mahila Mitra App Downloads (Million)	Not Available	Not Available	Not Available	Not Available
	Digital collection (Million)	Not Available	Not Available	Not Available	Not Available
	Branch digitalisation (Nos.)	Not Available	Not Available	Not Available	Not Available
Insurance	Insurance Premium collected (million)	Not Available	Not Available	Not Available	Not Available
	Life Insurance (million)	Not Available	Not Available	Not Available	Not Available
	Medical Insurance (million)	Not Available	Not Available	Not Available	Not Available
	Natural Calamity Insurance (Million)	Not Available	Not Available	Not Available	Not Available

7. Bandhan Bank Limited

Key Performance Indicators (KPIs)		Six months ended September 30, 2023	FY 2023	FY 2022	FY 2021
Operations	Number of Branches	6,219	5,999	5,639	5310
	Number of Districts	609	600	566	Not Available
	Assets under Management (in ₹ million)	10,76,300	10,91,200	9,93,380	8,70,430
	Assets under Management Growth (%)	-1.37%	9.85%	14.13%	21.15%
	Disbursements (in ₹ million)	2,50,100	5,74,500	621800	567600

Key Performance Indicators (KPIs)		Six months ended September 30, 2023	FY 2023	FY 2022	FY 2021
	Disbursement Growth (%)	Not Available	-7.61%	9.55%	-5.53%
	Average Ticket Size (₹)	Not Available	Not Available	Not Available	Not Available
	Number of active clients (million)	32.00	30.00	26.3	23
	Number of repeating clients (million)	Not Available	Not Available	Not Available	Not Available
	Unique Client Accounts (million)	Not Available	Not Available	Not Available	Not Available
	Collection efficiency	Not Available	Not Available	Not Available	Not Available
	Share of rural portfolio (%)	Not Available	Not Available	Not Available	Not Available
	Share of top 3 States (%)	Not Available	Not Available	Not Available	Not Available
	Share of top 25 districts	Not Available	Not Available	Not Available	Not Available
Productivity	Disbursement per branch (₹ million)	40.22	95.77	110.27	106.89
	Assets under Management per loan officer (in ₹ million)	Not Available	Not Available	Not Available	Not Available
Capital	Networth (in ₹ million)	2,07,940.00	1,95,840.00	1,73,811.45	1,74,081.84
	Total Capital Ratio (CRAR) (%)	19.20%	20.10%	20.10%	23.47%
	Tier 1 Capital Ratio (%)	Not Available	18.70%	18.89%	22.48%
	Cost of Funds (%)	Not Available	5.34%	4.88%	5.89%
	Leverage or Debt to Equity Ratio	Not Available	6.78%	6.69%	5.45%
Asset Quality	Standard Asset	Not Available	Not Available	Not Available	Not Available
	SMA 0%	Not Available	Not Available	Not Available	Not Available
	SMA 1%	Not Available	Not Available	Not Available	Not Available
	SMA 2%	Not Available	Not Available	Not Available	Not Available
	Gross NPA (%)	7.30%	6.46%	6.46%	6.81%
	Provision Coverage Ratio (%)	68.49%	74.30%	74.30%	48.46%
	Restructured Book as % of Advances (%)	Not Available	Not Available	Not Available	Not Available
	Net NPA (%)	2.30%	1.66%	1.66%	3.51%
Profitability	Net Profit (in ₹ million)	7,210.00	21,946.00	1,257.94	22,054.57
	Yield on Advances (%)	13.30%	13.90%	13.88%	14.69%
	Net Interest Margin (%)	7.20%	6.30%	6.86%	7.32%
	Credit Cost Ratio (%)	NA	2.80%	6.21%	3.70%
	Operating Expenses to Total Average Assets (%)	NA	3.15%	2.78%	2.73%
	Cost to Income Ratio (%)	NA	39.50%	30.54%	29.39%
	Return on Average Assets (%)	1.90%	1.50%	0.10%	2.13%
	Return on Average Equity (%)	14.00%	11.90%	0.72%	13.53%
Others	EPS (Basic) (in INR) Diluted EPS (in INR)	8.95 Not Available	13.62 Not Available	0.78 Not Available	13.7 Not Available
	Net Asset Value per Equity Share (in INR)	Not Available	Not Available	Not Available	Not Available
Digital adoption	Unique Customer Transacted Digitally(During the Period) (Million)	Not Available	Not Available	Not Available	Not Available
	Mahila Mitra App Downloads (Million)	Not Available	Not Available	Not Available	Not Available
	Digital collection (Million)	Not Available	Not Available	Not Available	Not Available
	Branch digitalisation (Nos)	Not Available	Not Available	Not Available	Not Available
Insurance	Insurance Premium collected (Million)	Not Available	Not Available	Not Available	Not Available
	Life Insurance (Million)	Not Available	Not Available	Not Available	Not Available
	Medical Insurance (Million)	Not Available	Not Available	Not Available	Not Available
	Natural Calamity Insurance (Million)	Not Available	Not Available	Not Available	Not Available

K. **Price per share of the Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP Schemes and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding ESOPs granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")**

Sr. No.	Name of the allotee	Date of allotment of Equity Shares/ CCPS	Number of Equity Shares/ CCPS allotted	% of pre-Offer paid-up share capital on fully diluted basis	Issue price per Equity Share (₹)	Nature of allotment	Nature of consideration	Total consideration (in ₹)
1.	Greater Pacific Capital WIV Ltd.	November 25, 2023	27,520,722	19.06	165.40**	Allotment of Equity Shares pursuant to conversion of CCPS into Equity Shares	Cash	4,551,927,419.00*
Total			27,520,722					**4,551,927,419.00**
Weighted average cost of acquisition (in ₹)								**165.40**

** No additional consideration was paid at the time of conversion of the GPC CCPS into Equity Shares.*

*** The CCPS were issued to GPC at a price of ₹ 194.86 per CCPS and post conversion of the CCPS to Equity Shares, the resulting price per Equity Share is ₹ 165.40. No additional consideration was paid at the time of conversion of the GPC CCPS into Equity Shares.*

L. **Price per share of the Company (as adjusted for corporate actions, including split, bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving any of the Promoters, members of the Promoter Group, Selling Shareholders or other shareholders with rights to nominate directors during the 18 months preceding the date of filing of the RHP, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")**

S. No.	Name of the transferor	Name of the acquirer	Date of acquisition of Equity Shares/ CCPS	Number of Equity Shares/ CCPS acquired	% of pre-Offer paid-up share capital on fully diluted basis	Acquisition price per Equity Share/ CCPS (₹)	Nature of acquisition	Nature of consideration	Total consideration (in ₹)
1	Thomas Muthoot	MFL	October 3, 2022	27,93,500	1.79%	194.86	Transfer	Cash	54,43,41,410.00
2	Thomas John Muthoot	MFL	October 3, 2022	27,83,975	1.78%	194.86	Transfer	Cash	54,24,85,368.50
3	Thomas George Muthoot	MFL	October 3, 2022	27,83,251	1.78%	194.86	Transfer	Cash	54,23,44,289.86
4	Remmy Thomas	MFL	October 3, 2022	11,79,438	0.76%	194.86	Transfer	Cash	22,98,25,288.68
5	Preethi John Muthoot	MFL	October 3, 2022	11,88,963	0.76%	194.86	Transfer	Cash	23,16,81,330.18
6	Nina George	MFL	October 3, 2022	11,89,687	0.76%	194.86	Transfer	Cash	23,18,22,408.82
	Total			**1,19,18,814**					**2,32,25,00,096.04**
Weighted average cost of acquisition (in ₹)									**194.86**

M. **The Floor Price is 1.42 times and the Offer Price/ Cap Price is 1.49 times the weighted average cost of acquisition at which the Equity Shares were issued by our Company, or acquired or sold by our Promoters, the Promoter Group, Selling Shareholders or other shareholders with rights to nominate directors in the last 18 months preceding the date of this Prospectus are disclosed below:**

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor price* (i.e. ₹ 277.00)	Cap price* (i.e. ₹ 291.00)
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of this certificate, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options	165.40**	1.67	1.76 times

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor price* (i.e. ₹ 277.00)	Cap price* (i.e. ₹ 291.00)
granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days			
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where promoter / promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	194.86	1.42 times	1.49 times

*** The CCPS were issued to GPC at a price of ₹ 194.86 per CCPS and post conversion of the CCPS to Equity Shares, the resulting price per Equity Share is ₹ 165.40. No additional consideration was paid at the time of conversion of the GPC CCPS into Equity Shares.*

N. Justification for Basis of Offer Price

1. The following provides an explanation to the Offer Price/ Cap Price being 1.76 times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by our Promoters, the Promoter Group or other shareholders with rights to nominate directors by way of primary and secondary transactions in the last 18 months preceding the date of this Prospectus compared to our Company's KPIs and financial ratios for the six months period ended September 30, 2023 and September 30, 2022 and for the Financial Years ended March 31, 2023, 2022 and 2021

a. Our Gross Loan portfolio has grown by 45.88% between September 30, 2023 and September 30, 2022; 47.22% between March 31, 2023 and March 31, 2022; 25.43% between March 31, 2022 and March 31, 2021; and 3.06% between March 31, 2021 and March 31, 2020;
b. Our GNPA ratio improved to 2.37% as of September 30, 2023 and 2.97% as of March 31, 2023 compared to 6.26% and 7.39% as of March 31, 2022 and 2021, respectively;
c. We use technology and automation to establish credit worthiness and repayment behavior of individual customers by analyzing customers' credit bureau reports, cash flows, continued process verification reports and our unique credit score cards which enable us to utilize data-backed underwriting strategies for our customers. Customers who adopted our Mahila Mitra app improved to 1.50 million in the six months ended September 30, 2023 and 1.18 million in the year ended March 31, 2023 compared to 0.87 million and 0.02 million in the year ended March 31, 2022 and 2021, respectively;
d. Our number of branches improved to 1,340 as of September 30, 2023 and 1,172 as of March 31, 2023 compared to 905 and 755 in March 31, 2022 and 2021, respectively.

2. The following provides an explanation to the Offer Price/ Cap Price being 1.49 times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired by our Promoters, the Promoter Group or other shareholders with rights to nominate directors by way of primary and secondary transactions in the last 18 months preceding the date of this Prospectus in view of external factors, if any, which may have influenced the pricing of the Offer

a. Our Gross Loan portfolio has grown by 45.88% between September 30, 2023 and September 30, 2022; 47.22% between March 31, 2023 and March 31, 2022; 25.43% between March 31, 2022 and March 31, 2021; and 3.06% between March 31, 2021 and March 31, 2020.
b. Our GNPA ratio improved to 2.37% as of September 30, 2023 and 2.97% as of March 31, 2023 compared to 6.26% and 7.39% as of March 31, 2022 and 2021, respectively.
c. We use technology and automation to establish credit worthiness and repayment behavior of individual customers by analyzing customers' credit bureau reports, cash flows,continued process verification reports and our unique credit score cards which enable us to utilize data-backed underwriting strategies for our customers. Customers who adopted our Mahila Mitra app improved to 1.50 million in the six months ended September 30, 2023 and 1.18 million in the year ended March 31, 2023 compared to 0.87 million and 0.02 million in the year ended March 31, 2022 and 2021, respectively.
d. Our number of branches improved to 1,340 as of September 30, 2023 and 1,172 as of March 31, 2023 compared to 905 and 755 in March 31, 2022 and 2021, respectively.

O. The Offer price is 29.10 times of the face value of the Equity Shares

The Offer Price of ₹291 has been determined by our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, on the basis of market demand from investors for Equity Shares through the Book Building Process.

Investors should read the above-mentioned information along with "*Risk Factors*", "*Our Business*", "*Restated Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 31, 181, 278 and 388, respectively, to have a more informed view.

STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors
Muthoot Microfin Limited
13th Floor
Parinee Crescenzo
Bandra Kurla Complex
Bandra East, Mumbai 400 051
Maharashtra, India

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India

Axis Capital Limited
1st Floor, Axis House,
C-2 Wadia International Centre,
PB Marg, Worli,
Mumbai 400 025
Maharashtra, India

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Maharashtra, India

SBI Capital Markets Limited
1501, 15th Floor, Parinee Crescenzo,
G Block, Bandra Kurla Complex, Bandra (East),
Mumbai- 400051
Maharashtra, India

(Collectively with any other book running lead managers that may be appointed in connection with the Offer, the "**Book Running Lead Managers**")

Re: Proposed initial public offering of equity shares of ₹ 10 each (the "Equity Shares") of Muthoot Microfin Limited (the "Company") and such offer (the "Offer").

Dear Sir/Madam,

We, Sharp & Tannan Associates, Chartered Accountants, (Firm registration number: 109983W), Statutory Auditor of the Company, have received a request from the Company to certify the special tax benefits, available to the Company, and its shareholders, under the direct and indirect tax laws presently in force in India, as on the date of this certificate (the "Statement").

Management's responsibility

The preparation of the statement annexed to this certificate is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation of internal control relevant to the preparation and presentation of the statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.

The Management is also responsible for ensuring compliance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") and Income-tax Act, 1961.

Auditor's responsibility

We have performed the following procedures: -

1. Obtained and reviewed the details stated in Annexure prepared by the management of the Company.

2. Obtained and reviewed the Income Tax returns and Income Tax forms filed by the Company to avail the stated special tax benefits.
3. Obtained and reviewed the annual returns and relevant workings for Goods and Services Tax ("**GST**").

The contents of the enclosed statement are based on information, explanations, and representations provided by the Company and on the basis of our understanding of the business activities and operations of the Company.

We also consent to the references to us as "Experts" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the red herring prospectus of the Company or in any other documents in connection with the Offer.

We have conducted our examination in accordance with the 'Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.

Opinion

We report that the enclosed statement in the Annexure, states the special tax benefits, available to the Company, and its shareholders, under the direct and indirect tax laws presently in force in India, as on the date of this certificate. Several of these special tax benefits are dependent on the Company, and its shareholders, fulfilling the conditions prescribed under the relevant provisions of the laws. Hence, the ability of the Company, or its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company, or its shareholders face in the future, the Company and its shareholders may or may not choose to fulfill.

We confirm that there are no subsidiaries of the Company, either incorporated in India or abroad.

The special tax benefits discussed in the enclosed Annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. We are neither suggesting nor advising the investor to invest in the Offer based on this statement.

We do not express any opinion or provide any assurance as to whether:

(i) the Company, and its shareholders will continue to obtain these special tax benefits in future; or
(ii) the conditions prescribed for availing the special tax benefits have been/would be met with.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the tax laws and their interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We confirm that the information in this certificate is true and correct and is in accordance with the requirements of Schedule VI of ICDR Regulations, including Para (9)(L) of Part A thereof, Ind AS 12- Income Taxes issued by Institute of Chartered Accountants of India (the "ICAI") and the Taxation Laws (as defined in the Annexure), and there is no untrue statement or omission, which would render the contents of this certificate misleading in any material aspect. The information in this certificate is adequate to enable investors to make a well- informed decision, to the extent that such information with respect to us is relevant to the prospective investor to make a well-informed decision.

Restriction on use

We hereby give consent to include this statement of special tax benefits in the red herring prospectus, and in any other material used in connection with the Offer.

This certificate is for information and for inclusion (in part or full) in the red herring prospectus ("**RHP**") and the prospectus ("**Prospectus**") filed in relation to the Offer (collectively, the "**Offer Documents**") or any other Offer-related material, and may be relied upon by the Company, the Book Running Lead Managers and the legal advisors appointed by the Company and the Book Running Lead Managers in relation to the Offer. We hereby consent to the submission of this certificate as may be necessary to SEBI, the Registrar of Companies, Maharashtra at Mumbai ("**RoC**"), the relevant stock exchanges, any other regulatory authority and/or for the records to be maintained by the Book Running Lead Managers and in accordance with applicable law. We hereby consent to this certificate being disclosed by the Book Running Lead Managers, if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

We undertake to inform the Book Running Lead Managers promptly, in writing of any changes, intimated to us by the management of the Company in writing, to the above information until the Equity Shares commence trading on the relevant stock exchanges, pursuant to the Offer. In the absence of any such communication from us, the above information should be considered as updated information until the Equity Shares commence trading on the stock exchanges, pursuant to the Offer.

We also consent to the inclusion of this certificate as a part of "Material Contracts and Documents for Inspection" in connection with this Offer, which will be available for public for inspection.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents.

Yours faithfully,

For **Sharp & Tannan Associates,**
Chartered Accountants
ICAI Firm Registration No: 109983W

Tirtharaj Khot
Partner
Membership No.: 037457
Mumbai, December 21, 2023
UDIN: 23037457BGYRPW2453

Encl: As above

Annexure

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO MUTHOOT MICROFIN LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES ("TAX LAWS")

The information provided below sets out the special direct and indirect tax benefits in the hands of Muthoot Microfin Limited and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax benefits, under the current Income-tax Act, 1961 ("**IT Act**"), the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("**GST Act**"), the Customs Act, 1962 ("**Customs Act**") and the Customs Tariff Act, 1975 ("**Tariff Act**") (collectively the "**Taxation Laws**") presently in force in India.

Several of these special tax benefits are dependent on the fulfilling the conditions prescribed under the relevant Taxation Laws. Hence, the ability of the Company and / or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives any of them face, they may or may not choose to fulfill. Further, certain special tax benefits may be optional and it would be at the discretion of the Company or its shareholders to exercise the option by fulfilling the conditions prescribed under the relevant Taxation Laws. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the special tax benefits, which an investor can avail. The statement below covers only relevant Taxation Laws benefits and does not cover any benefit under any other law.

A. SPECIAL TAX BENEFITS UNDER THE INCOME TAX ACT, 1961 IN THE HANDS OF THE COMPANY AND ITS SHAREHOLDERS:

The provision of the law stated below is as per the Income-tax Act, 1961 as amended from time to time and applicable for financial year 2023-24 relevant to assessment year 2024-25.

Special tax benefits available to Company under IT Act

a) Lower corporate tax rate under section 115BAA:

A new section 115BAA has been inserted in the Act by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (A.Y. 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA, it can pay corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their 'book profits' under section 115JB of the IT Act.

However, such a company will no longer be eligible to avail specified exemptions/ incentives under the IT Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The tax expenses are recognized in the Statement of Profit and Loss of the Company for the six months period ended September 30, 2023, as per the provisions of Income Tax Act, 1961 and by applying the tax rate as prescribed in section 115BAA of the IT Act.

b) Deductions from Gross Total Income - Section 80JJAA of the IT Act - Deduction in respect of employment of new employees:

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the IT Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

c) Accelerated deduction of bad and doubtful debts in terms of provision for bad and doubtful debts up to a specified limit under section 36(1) (viia):

The Company is a non-deposit taking Non-Banking Financial Company – Micro Finance Institution (NBFC - MFI) and is entitled to accelerated deduction of bad and doubtful debts in terms of provision for bad and doubtful debts up to a specified limit under section 36(1) (viia) of the IT Act in computing its income under the head "Profits and gains of business or profession. As per the provisions of section 36(1) (viia) of the IT Act, the Company could claim a deduction of provision created for bad and doubtful debts in its books of accounts to the extent of five per cent of its total income (computed before making any deduction under this section and Chapter VI-A), subject to certain conditions, while computing its income under the head "Profits and gains of business or profession".

As per first proviso to section 36(1)(vii) of the IT Act, where the Company has claimed deduction under section 36(1) (viia) of the IT Act, then subsequent claim of deduction of actual bad debts under section 36(1)(vii) of the IT Act would be reduced to the extent of deduction already claimed under section 36(1) (viia) of the IT Act.

It must be noted that as per CBDT instruction 17-2008 dated 26 November 2008 amount of deduction claimed by assessee in respect of bad debts under section 36(1)(vii) of the IT Act is required to be reduced by opening balance of provision for bad and doubtful debts created under section 36(1) (viia) of the IT Act.

As per section 41(4) of the IT Act, where any deduction has been claimed by the Company in respect of a bad debt under Section 36(1)(vii) of the IT Act, then any amount subsequently recovered on any such debt is greater than the difference between such debt and the amount so allowed as a deduction under section 36(1)(vii) of the IT Act, the excess shall be deemed to be business income of the year in which it is recovered.

As per Section 43D(a) of the IT Act, interest income in relation to certain categories of bad or doubtful debts, shall be chargeable to tax in the previous year in which it is credited to its profit and loss account for that year or actually received, whichever is earlier. This provision is an exception to the accrual system of accounting which is regularly followed by such assessee's for computation of total income. The Company being a systemically important non-deposit taking non-banking financial company as per the provisions of Section 36(1) (viia)of the IT Act can claim benefit of this section by virtue of explanation (h) to Section 43D of the IT Act.

Rule 6EA of the Income tax Rules, 1962 specifies certain categories of bad and doubtful debts as covered under Section 43D(a) of the IT Act, the relevant extracts of which are as follows:
"(e)Debts recoverability whereof has become doubtful on account of shortfalls in value of security, difficulty in enforcing and realising the securities, or inability or unwillingness of the borrower to repay the banks dues, partly or wholly, and such debts have not been included in preceding clauses (a) to (d).

Special tax benefits available to the shareholders under IT Act:

There are no special tax benefits available to the shareholders of Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the IT Act.

- Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under Section 80M of the IT Act would be available on fulfilling the conditions (as discussed above). Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, surcharge would be restricted to 15%, irrespective of the amount of dividend.

- As per Section 112A of the IT Act, long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) of such capital gains subject to fulfillment of prescribed conditions under the IT Act as well as per Notification No. 60/2018/F. No.370142/9/2017-TPL dated 1 October 2018. It is worthwhile to note that tax shall be levied where such capital gains exceed INR 100,000/-.

- As per Section 111A of the IT Act, short term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 15% subject to fulfillment of prescribed conditions under the IT Act.

- In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

B. STATEMENT OF SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, AND SHAREHOLDERS OF THE COMPANY:

The Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, the Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively referred to as "Indirect tax")

Special Indirect Tax Benefits available to the Company

The Company has been registered as a Non-Banking Financial Company ('NBFC') with the Reserve Bank of India. The Company is primarily engaged in providing services of microfinance as well as lending to Micro Small and Medium Enterprises ('MSMEs'). The main source of income for the Company is Interest on loans, which is exempt from levy of GST as per the relevant exemption notifications issued under Central Goods and Services Tax Act, 2017 and Integrated Goods and Services Tax Act, 2017.

Additionally, the Company also earns income by way of various Fees and Commissions, which attract GST at the prescribed rates.

If the Company exercises the option under Section 17(4) of the Central Goods and Services Tax Act, 2017 and accordingly may avail 50% of the eligible input tax credit. Further, the Company may utilize the said availed input tax credit in compliance with the GST law.
Apart from the above, there is no special Indirect tax benefits are available to the Company under the Indirect Tax Regulations in India.

Special Tax Benefits available to the Shareholders of the Company

There are no special Tax Benefits available to the Shareholders of the Company under the GST Act.
Note:
Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on this statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on this statement.

This statement has been prepared solely in connection with the proposed issue under the Companies Act, 2013 and Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended.

For **Sharp & Tannan Associates,**
Chartered Accountants
Firm registration no: 109983W

Tirtharaj Khot
Partner
Membership no.: (F) 037457
Mumbai, December 21, 2023

For and on behalf of
Muthoot Microfin Limited

Praveen T.
Chief Financial Officer
Kochi, December 21, 2023

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The information in this section is derived from the report dated November 27, 2023 (the "**CRISIL Report**") prepared by CRISIL Limited ("**CRISIL**"). A copy of the CRISIL Report was made available on the website of our Company at https://muthootmicrofin.com/wp-content/uploads/2023/11/Updated-Industry-Report_27Nov2023.pdf from the date of the Red Herring Prospectus till the Bid Offer/Closing Date. We commissioned and paid for the CRISIL Report for an agreed fee for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged CRISIL in connection with the preparation of the CRISIL Report on May 29, 2023. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the Offer), that have been left out or changed in any manner.*

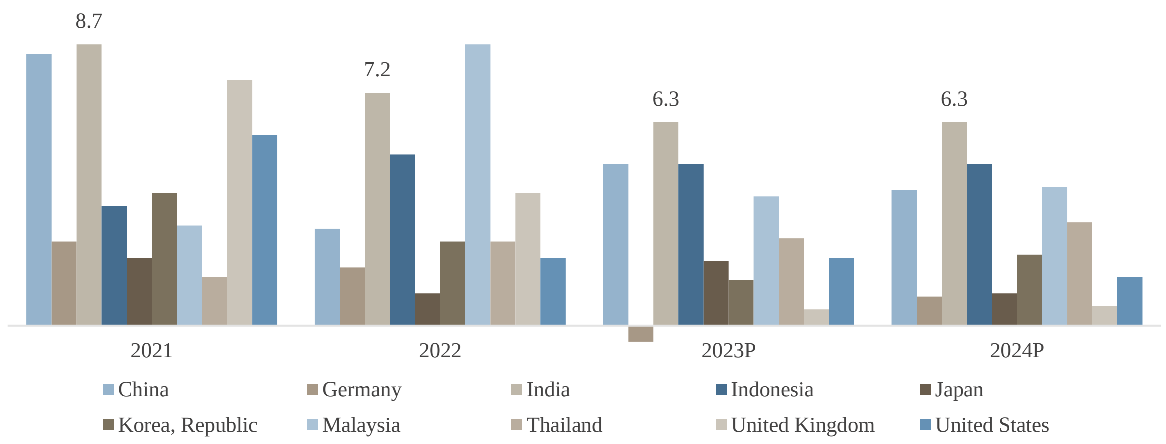
*CRISIL Market Intelligence & Analytics ("**CRISIL MI&A**"), a division of CRISIL has taken due care and caution in preparing the CRISIL Report based on the information obtained by CRISIL from sources which it considers reliable. The CRISIL Report is not a recommendation to invest or disinvest in any entity covered in the CRISIL Report and no part of the CRISIL Report should be construed as an expert advice or investment advice within the meaning of any law or regulation. CRISIL especially states that nothing in the CRISIL Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. CRISIL MI&A operates independently of and does not have access to information obtained by CRISIL Ratings Limited, which may, in its regular operations, obtain information of confidential nature. The views expressed in the CRISIL Report are that of CRISIL MI&A and not of CRISIL Ratings Limited.*

Overview of Indian economy

India among the fastest-growing economies despite Russia-Ukraine conflict

Before the outbreak of the pandemic, India was one of the fastest-growing economies globally. Over the past few years (pre-pandemic), India's macroeconomic situation had seen a gradual improvement. The twin deficits (current account and fiscal) were narrowing, and the growth-inflation mix was improving, and durably so. The government adopted an inflation-targeting framework to provide an institutional mechanism for controlling inflation, while modernising central banking.

Year-on-year real GDP change percentage



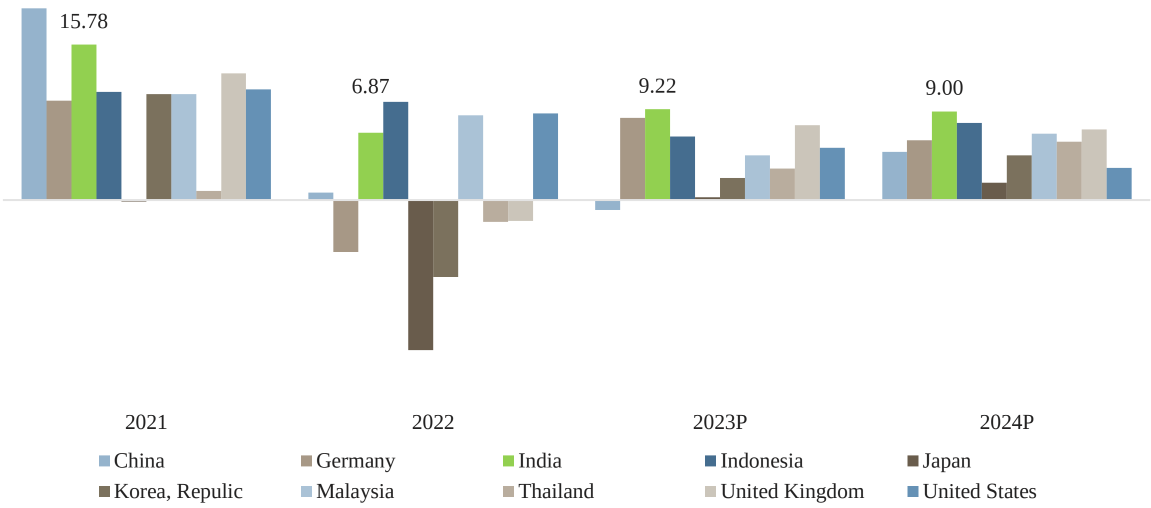
Note: All forecasts refer to International Monetary Fund (IMF) forecasts. *Forecast for the calendar year, while for India, it is fiscal year, i.e., 2021 = fiscal 2022; 2022 = fiscal 2023, P: Projected

Source: International Monetary Fund (IMF October 2023 World Economic outlook), CRISIL MI&A Research

Per capita GDP increasing

With GDP growth having gained pace, CRISIL MI&A Research forecasts that the per capita income will gradually improve, enabling domestic consumption over the medium term. As per IMF estimates, India's per capita income (at current prices) is expected to grow annually at ~9% during FY24.

Growth in per capita GDP, current prices (%)



Note: *Forecast for the calendar year, while for India, it is fiscal year, i.e., 2021 = fiscal 2022; 2022 = fiscal 2023, P: Projected
Source: International Monetary Fund (IMF October 2023 World Economic outlook), CRISIL MI&A Research

Gross domestic product: Review and outlook

Before the pandemic, India was one of the fastest-growing economies in the world with a CAGR of 6.6% between fiscals 2015 and 2020. GDP shot up from ₹105 trillion in fiscal 2015 to ₹145 trillion in fiscal 2020 based on 2011-12 prices.

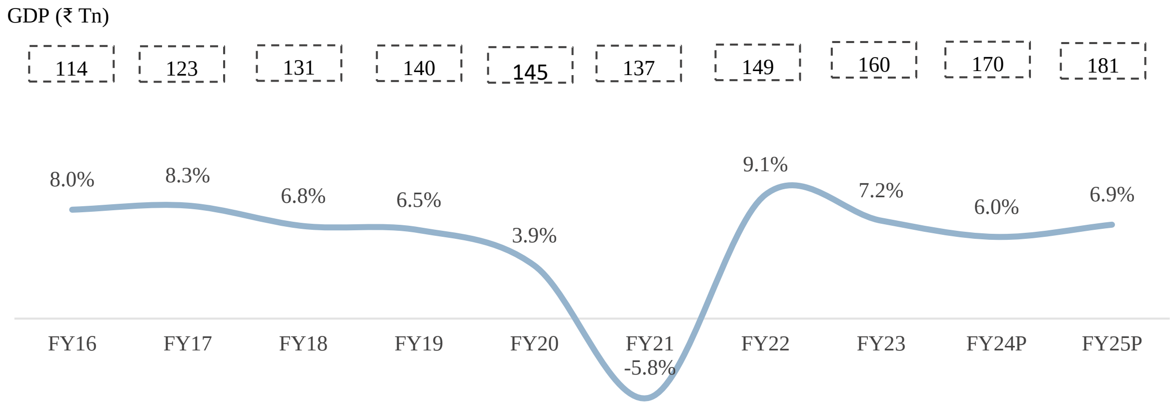
The outbreak of the Covid pandemic and the subsequent imposition of the lockdown on March 25, 2020, onwards sent the Indian economy reeling, leading to a 5.8% decline to ₹137 trillion in fiscal 2021. While the economy was under pressure in the first half of the fiscal, due to the pandemic-induced, lockdown-led demand shocks and weak global demand, low oil and commodity prices provided some respite. The second half saw an uptick in mobility and in economic activity, as sentiment improved, coupled with people learning to live in the post-pandemic world. The opening up of vaccinations in the fourth quarter, albeit for a smaller section of the population, further boosted the sentiment, containing the contraction to 5.8% in fiscal 2021. The Indian government unleased a slew of measures during the pandemic-impacted fiscal under the Atma Nirbhar Bharat Abhiyan to boost the economy with the Production-Linked Incentive (PLI) scheme the standout tying in with the Make in India programme.

GDP grew 9.1% in fiscal 2022 to ~ ₹149 trillion on a low base, surpassing the pre-Covid-19 level of fiscal 2020. Growth in fiscal 2022 would have been higher but for the brutal second wave in the first quarter, which impacted consumer sentiment and hurt demand in contact-intensive services sectors. The resurgence of Covid-19 infections since March 2021 forced many states to implement localised lockdowns and restrictions to prevent the spread of the infection. In the beginning of May, the country reported the highest number of daily cases. The second round of lockdowns were less restrictive for economic activity than last year. Manufacturing, construction, agriculture, and other essential activities had been permitted to continue in most states while travel too was permitted unlike the first wave where all travel services were shut. The third wave in the fourth quarter of fiscal 2022 had minimal impact on the economy attributable to high rates of vaccination and people having learned to live with the pandemic.

The Indian economy recorded a 7.2% on-year growth in real GDP in fiscal 2023 reaching about ₹~160 trillion. While the economic recovery continues to gather pace, it faces multiple risks. Global growth is projected to slow, as central banks in major economies withdraw easy monetary policies to tackle high inflation. This would imply lower demand for our exports. Together with high commodity prices, especially oil, this translates into a negative in terms of a trade shock for India. High commodity prices, along with depreciating rupee, indicate higher imported inflation.

Over the medium term, the Indian economy is projected recording a 6-7% on year growth boosted by healthy capital expenditure by the government, domestic consumption led growth, China + 1 strategy boosting manufacturing in India coupled with the PLI scheme. Slowing global economies would drag Indian exports restricting India's GDP growth.

Year-On-year GDP change percentage



Note: P - projected

Source: National Statistical Office (NSO), CRISIL MI&A Research

Macroeconomic outlook

Macro variable	FY22	FY23	FY24P	Rationale for outlook
Real GDP (%, y-o-y)	9.1	7.2	6.0	Slowing global growth will weaken India's exports in fiscal 2024. Domestic demand could also come under pressure as the RBI's rate hikes impact the end consumer
Consumer price index (CPI)-based inflation (%, y-o-y)	5.5	6.8	5.0	Lower commodity prices, expectation of softer food prices, cooling domestic demand, and base effect will help moderate inflation
Current account balance/ GDP (%)	-1.2	-2.0	-1.8	Correction in international commodity prices and support from healthy services exports and remittances will help CAD narrow during fiscal 2024
₹/$ (March end)	75.8	82.3	83.0	While a lower current account deficit will support the rupee, challenging external financing conditions will continue to exert pressure next fiscal

Note: P – projected;

Source: RBI, National Statistical Office (NSO), CRISIL MI&A Research

Rural economy structurally more resilient, saw relatively less Covid-19 impact

The rural economy is far more resilient today due to two consecutive years of good monsoon, increased spends under the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) scheme and irrigation programmes, direct benefit transfer (DBT) scheme, Pradhan Mantri (PM)-Kisan scheme, Pradhan Mantri Ujwala Yojana scheme for cooking gas, PM Awas Yojana scheme for housing, and Ayushman Bharat scheme for healthcare. To supplement this, there has been a continuous improvement in rural infrastructure such as electricity and roads. These government initiatives have led to lesser leakages and higher incomes in the hands of the rural populace, enhancing their ability and willingness to spend on discretionary products and services. The rural economy accounts for almost half of India's GDP and has performed much better than the urban economy in the aftermath of the pandemic.

There are three reasons for this. First, agricultural activity has continued largely unhindered, with normal monsoons and a lower spread of the pandemic in rural areas, given the lower population density. Second, the government offered support, making available an additional ₹500,000 million of funding towards the MNREGA scheme and also disbursing ₹2,240 billion towards the PM-Kisan scheme till January 2023. Third, the structure of the non-agricultural rural economy has helped it bear the Covid-induced shock better. The rural economy contributes to 51% of India's manufacturing GDP, but the rural share in the services GDP (excluding public administration, defence, and utilities) is much lower, at ~26%.

Structural reforms that will drive future growth

While India has structural advantage on account of young workforce, improving consumption pattern and increasing urbanization, India's long-term growth is expected to be supported by the following government initiatives:

- Focus on infrastructure investments rather than boosting consumption to enhance the productive capacity of the economy

- The Production Linked Incentive (PLI) scheme which aims to boost local manufacturing by providing volume-linked incentives to manufacturers in specified sectors

- Policies aimed at greater formalisation of the economy that will accelerate per capita income growth

- Adoption of digital technology

- The announcement of the National Infrastructure Pipeline to provide better infrastructure for all sectors, enhance ease of living of citizens and make growth more inclusive

- The national policy for monetisation of operating public infrastructure assets acts as a key means for sustainable infrastructure financing

- Inclusion of larger share of population under health insurance as part of 'Ayushman Bharat' scheme

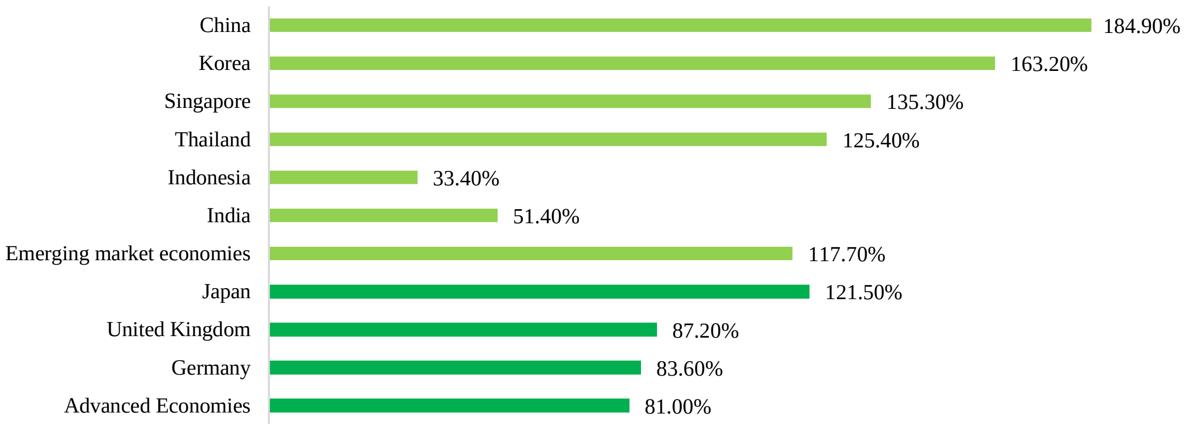
- Initiatives launched by the Indian government to promote financial inclusion are the Pradhan Mantri Jan Dhan Yojana ("PMJDY"), Pradhan Mantri Jeevan Jyoti Bima Yojana ("PMJJBY") and the Pradhan Mantri Suraksha Bima Yojana ("PMSBY")

FINANCIAL INCLUSION

Under penetration of the Indian banking sector provides opportunities for growth

The Indian banking sector is significantly under penetrated as observed in current bank credit to GDP ratio of 51.40% for India as of the third quarter of 2022. This provides immense opportunities for banks and other financial institutions over the long term.

Bank credit to private non-financial sector as % of GDP ratio for major economies (as of Q3-2022)



Note: Emerging market economies comprise of Chile, Korea, Singapore, Thailand, Argentina, Brazil, Chile, China, Colombia, the Czech Republic, Hong Kong SAR, Hungary, India, Indonesia, Israel, Korea, Malaysia, Mexico, Poland, Russia, Saudi Arabia, Singapore, South Africa, Thailand, and Turkey. Advanced economies comprise Australia, Canada, Denmark, the euro area, Japan, New Zealand, Norway, Sweden, Switzerland, the United Kingdom, and the United States.

Source: BIS Data, CRISIL MI&A Research

Rural sector supporting "India growth story"

India's retail segment has been a key driver of the country's consumption growth story in recent years. Over the decade, retail sector in India has expanded at a rapid pace, driven by factors such as rising disposable incomes, urbanization, and the proliferation of e-commerce.

According to Economic Survey report dated Jan 31st, 2023, the Government's emphasis has been on improving the quality of life in rural areas to ensure more equitable and inclusive development. The aim of engagement of the government in the rural economy has been "transforming lives and livelihoods through proactive socio-economic inclusion, integration, and empowerment of rural India". The Survey notes a multi-pronged approach to raise the rural incomes and quality of life through different schemes such as:

Livelihood, Skill Development

(a) **The Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM) which** aims to enable economically weak households to access gainful self-employment and skilled wage employment opportunities resulting in sustainable and diversified livelihood options for them

(b) **Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) under which** a total of 56 million households availed employment and a total of 2,258 million person-days employment has been generated under the Scheme (until 6 January 2023)

Women Empowerment

The transformative potential of Self Help Groups (SHGs), exemplified through their key role in the on-ground response to Covid-19, has served as the fulcrum of rural development through women empowerment. India has around 12 million SHGs, 88 per cent being all-women SHGs. Also, there has been a steady rise in Rural Female Labour Force Participation Rate (FLFPR) from 19.7 per cent in 2018-19 to 27.7 per cent in 2020-21.

Housing For All

Pradhan Mantri Awaas Yojana –Gramin (PMAY-G) was launched in November 2016 with the aim of providing around 30 million pucca houses with basic amenities to all eligible houseless households living in kutcha and dilapidated houses in rural areas by 2024. Under the scheme, landless beneficiaries are accorded the highest priority in the allotment of houses. A total of 27 million houses have been sanctioned and 21 million houses have been completed by 6 January 2023 under the Scheme. Against the total target of completion of 5.28 million houses in FY23, 3.24 million houses have been completed.

Other initiatives are towards Smoke Free Rural Homes and Rural Infrastructure.

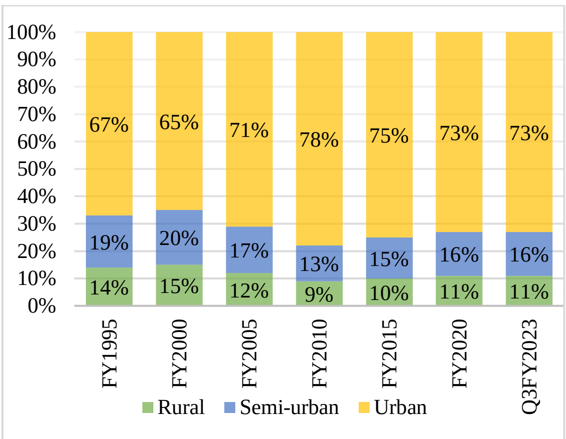
Additionally, E-commerce has been a significant contributor to the growth of the rural areas. The e-commerce market in India has grown exponentially in recent years. This growth can be attributed to increased internet penetration, the proliferation of smartphones, and the convenience offered by online shopping.

Rural India accounts for 45% of GDP, but only 11% of deposits and 9% of credit

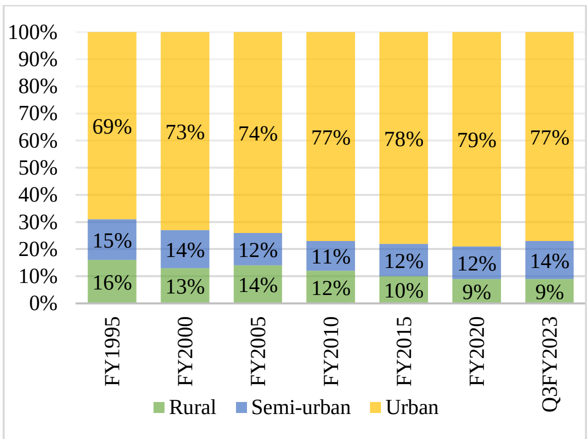
Rural India has a crucial role to play as 65% of the population resides in rural areas basis 2021 data from the Economic Survey dated January 2023. About 45% of India's GDP comes from rural areas; however, their share is abysmally low at just 11% of total banking deposits and 9% of total credit as of December 2022. Lack of bank infrastructure, low level of financial literacy and investment habits along with lack of formal identification are some of the reasons for the low penetration.

Share of bank credit and deposits shows low penetration in rural areas

Population group wise share of deposits



Population group wise share of credit



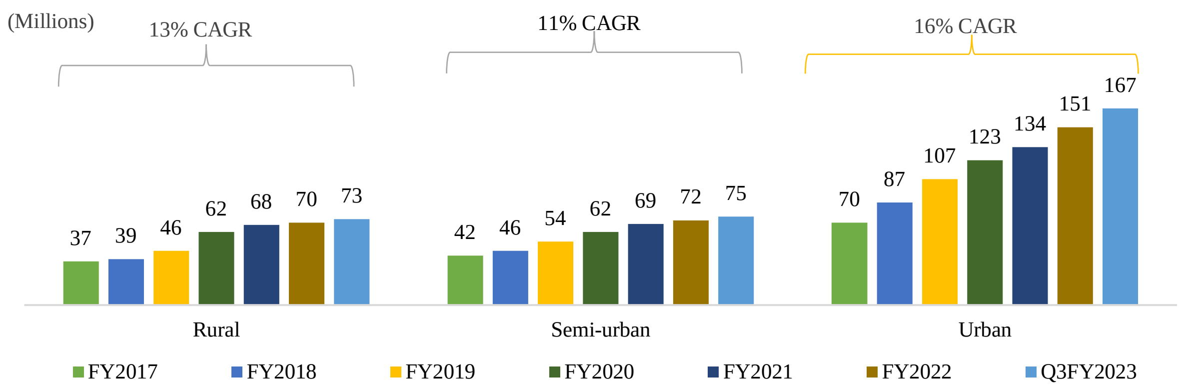
Note: Urban includes data for urban and metropolitan areas, Above data represents indicators for Scheduled Commercial Banks in India

Source: RBI; CRISIL MI&A Research

Financial inclusion is lower in rural areas than urban areas in India, hence, there are significant growth opportunities as competition for banking services is lower in rural areas as well. Initiatives such as PMJDY, digital banking, along with increasing emphasis on financial literacy, has led to increasing financial inclusion in rural areas. The number of bank credit accounts in rural areas grew at 14% CAGR between the end of fiscal 2017 and at the end of fiscal 2022 and at 13% CAGR between the end of fiscal 2017 and the end of the third quarter of fiscal 2023 while the number of bank deposit accounts grew at a CAGR of 5% between the end of fiscal 2017 and the end of fiscal 2022 (Data for no of bank deposit accounts for Q3FY23 is not available for comparison). Due to digital infrastructure and payments banks increasing their reach by expanding into rural areas and increasing financial awareness, we can expect faster growth in rural areas in long term.

The number of credit accounts in semi-urban areas grew at a CAGR of 11% between the end of fiscal 2017 and at the end of fiscal 2022 and at the same rate between the end of fiscal 2017 and the end of the third quarter of fiscal 2023 a while the number of deposit accounts grew at a CAGR of 4% between the end of fiscal 2017 and the end of fiscal 2022. Between the end of fiscal 2017 and at the end of fiscal 2022 and between the end of fiscal 2017 and the third quarter of fiscal 2023, the number of credit accounts in urban areas grew at a CAGR of 17% and 16% respectively and between the end of fiscal 2017 and the end of fiscal 2022, the number of deposit accounts grew at a CAGR of 3%.

Bank credit accounts in rural, semi-urban and urban areas



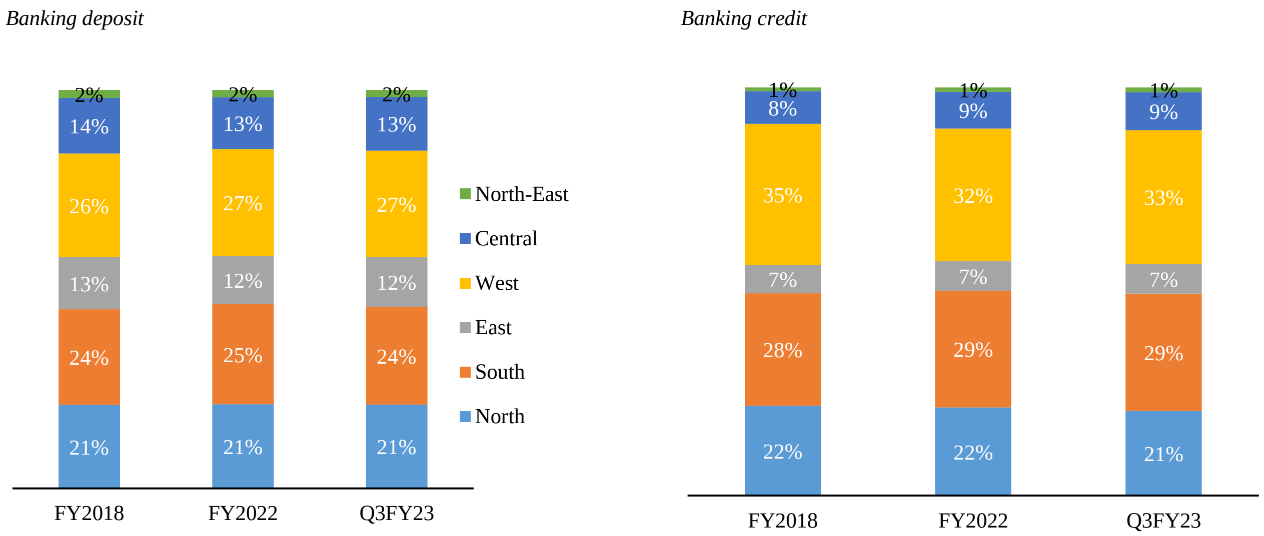
Note: Urban includes data for urban and metropolitan areas; data represents only bank credit accounts, Above data represents indicators for Scheduled Commercial Banks in India

Source: RBI; CRISIL MI&A Research

Region-wise asymmetry: More than 50% of deposits and credit are held by south and west regions

In terms of banking credit, south and central regions gained share from north and west regions between fiscal 2018 and the third quarter of fiscal 2023. The share of east and north-east regions remained stable over the same period.

Region-wise share of banking deposit and credit



Source: RBI; CRISIL MI&A Research

Large variation in credit availability across states and districts

State-wise rural credit accounts in banks and top five districts concentration (Q3 FY23)

State	No of districts	% share in overall population in India	Share in overall credit	Credit to deposit ratio	Concentration of credit in top 5 districts	% of credit in rural areas	Concentration of credit accounts in top 5 districts*	% of credit accounts in rural areas
Maharashtra	36	9%	27%	100%	91%	2%	75%	6%
NCT of Delhi	1	1%	11%	93%	100%	0%	100%	0%
Tamil Nadu	38	6%	9%	105%	59%	11%	38%	26%
Karnataka	29	5%	7%	65%	74%	8%	56%	29%
Gujarat	33	5%	5%	72%	71%	8%	54%	16%
Telangana	34	NA	5%	104%	86%	7%	54%	21%
Uttar Pradesh	75	17%	5%	46%	40%	16%	25%	36%
Andhra Pradesh	26	7%	4%	144%	44%	15%	50%	29%
West Bengal	24	8%	4%	47%	72%	13%	48%	44%
Rajasthan	33	6%	3%	81%	53%	13%	42%	29%
Kerala	14	3%	3%	65%	67%	2%	54%	4%
Haryana	22	2%	3%	57%	64%	9%	49%	19%
Madhya Pradesh	52	6%	3%	72%	54%	12%	33%	25%
Punjab	22	2%	2%	53%	61%	21%	48%	27%
Bihar	38	9%	2%	45%	47%	21%	41%	47%
Odisha	30	3%	1%	44%	61%	19%	48%	50%
Chhattisgarh	27	2%	1%	69%	74%	8%	50%	22%
Assam	33	3%	1%	52%	53%	22%	39%	40%
Jharkhand	24	3%	1%	34%	68%	17%	56%	49%
Jammu and Kashmir	20	1%	1%	55%	59%	35%	51%	49%
Chandigarh	1	0%	1%	84%	100%	0%	100%	1%
Uttarakhand	13	1%	1%	36%	89%	21%	82%	32%
Himachal Pradesh	12	1%	0%	33%	74%	58%	69%	69%
Goa	2	0%	0%	25%	100%	18%	100%	31%
Puducherry	4	0%	0%	66%	100%	9%	100%	15%
Tripura	8	0%	0%	43%	78%	28%	79%	34%
Meghalaya	11	0%	0%	35%	90%	36%	87%	42%
Manipur	16	0%	0%	77%	83%	30%	82%	28%
Nagaland	12	0%	0%	52%	82%	22%	80%	28%
Arunachal Pradesh	26	0%	0%	32%	73%	27%	66%	34%
Mizoram	8	0%	0%	49%	84%	8%	80%	8%
Sikkim	5	0%	0%	45%	100%	28%	100%	40%
Andaman and Nicobar Islands	5	0%	0%	51%	100%	20%	100%	25%
Ladakh	2	NA	0%	44%	100%	37%	100%	45%
Lakshadweep	1	0%	0%	11%	100%	40%	100%	40%
Dadra & Nagar Haveli and Daman & Diu	3	0%	0%	38%	100%	3%	100%	5%

*As of fiscal 2022

Note: Arranged in descending order of share in overall credit outstanding of banks, green indicates states which have higher share in overall credit as compared to its contribution to overall population in India and red indicates states which have lower share in overall credit as compared to its contribution to overall population in India

Source: RBI, CRISIL MI&A Research

States with low financial penetration present a strong case for growth

Madhya Pradesh, Bihar, Uttar Pradesh have ample headroom for growth given low credit penetration and economic growth. Similarly, in the west, states such as Maharashtra and Gujarat have showcased good growth in terms of GDP, and Gujarat has a relatively low credit penetration, presenting a huge potential to be addressed.

Uttar Pradesh, Bihar, Jharkhand, Assam, Meghalaya and Chhattisgarh have the lowest credit account penetration among all other states in the country. These states also exhibit lower CRISIL Inclusix scores, indicating low financial inclusion.

With lower financial penetration, these states present a huge untapped market and potential for growth in the future, as their GDP gradually increases.

State-wise GDP and GDP growth

States	GSDP - constant prices in FY23 in ₹ billion^	Y-o-Y growth (%)	CAGR (FY18-FY23)**	Credit account penetration as of Dec FY22	Deposit account penetration as of FY22	Branch penetration as of Dec FY22*	ATM penetration as of Dec 2022*	CRISIL Inclusix score (FY16)
Maharashtra	21,656	6.78	2.77	64%	176%	107	220	62.7
Tamil Nadu	14,531	8.03	5.24	47%	186%	147	347	77.2
Gujarat*	13,825	10.76	4.94	18%	152%	125	194	62.4
Karnataka	13,263	7.86	5.40	27%	186%	154	264	82.1
Uttar Pradesh*	11,814	9.64	2.26	9%	130%	78	103	44.1
West Bengal	8,540	8.41	4.21	14%	160%	91	124	53.7
Rajasthan	7,994	8.19	4.95	14%	134%	104	139	50.9
Andhra Pradesh	7,543	7.02	4.87	15%	99%	78	123	78.4
Madhya Pradesh	6,431	7.06	5.29	14%	140%	89	130	48.7
Haryana	6,084	7.10	4.77	23%	202%	178	239	67.7
Delhi*	5,978	9.14	1.98	36%	289%	191	396	86.1
Kerala*	5,736	12.01	2.13	30%	211%	176	285	90.9
Odisha	4,547	7.82	4.72	18%	149%	113	170	63
Punjab	4,492	6.08	3.65	20%	207%	203	236	70.9
Bihar*	4,281	10.98	4.47	10%	126%	64	78	38.5
Assam	2,892	10.16	5.63	12%	141%	84	124	47.9
Chhattisgarh	2,891	8.00	5.60	10%	149%	101	142	45.7
Jharkhand*	2,368	8.15	2.38	12%	136%	85	106	48.2
Uttarakhand	2,071	7.08	2.74	13%	184%	187	253	69
Himachal Pradesh*	1,244	8.35	2.60	12%	189%	216	275	72.3
Tripura*	405	8.69	4.11	17%	141%	140	136	66.2
Meghalaya	280	9.06	4.43	7%	96%	110	130	34.6
Jammu and Kashmir	NA	NA	NA	17%	157%	127	186	47.8

^As on March 15, 2023; *GSDP as of FY22; **CAGR for period FY18-22 is calculated for asterisk-marked states

Notes:

(1) Credit account penetration is calculated as the total number of retail bank credit accounts/population of the state

(2) Deposit account penetration is calculated as the total number of bank deposit accounts/population of the state

(3) Branch penetration is calculated as the number of bank branches per million people

(4) ATM penetration is calculated as the number of ATMs per million people

(5) For credit and deposit account penetration, figures does not represent unique borrowers or depositors, total number of accounts have been considered

Source: RBI, MoSPI, CRISIL MI&A Research

CRISIL Inclusix, an index that measures the extent of financial inclusion at a geographical level across all districts in India, reported a score of 58.0 at the end of fiscal 2016 vs 50.1 in fiscal 2013 and 35.4 in fiscal 2009. The index scores each district in India on a scale of 0-100, with 0 being the worst and 100 being the best. The overall improvement of the score in fiscal 2016 was driven by JAM trinity: Jan Dhan Yojana, Aadhaar and Mobile.

State	CRISIL Inclusix score (2016)	Number of districts with CRISIL Inclusix score in the stated range					
		More than 70	60-70	50-60	40-50	Less than 40	Total number of districts
Kerala	90.9	13	1	0	0	0	14
Goa	88.9	2	0	0	0	0	2
Puducherry	87.7	3	1	0	0	0	4
Chandigarh	86.7	1	0	0	0	0	1
Delhi	86.1	1	0	0	0	0	1
Karnataka	82.1	20	5	5	0	0	30
Andhra Pradesh	78.4	10	3	0	0	0	13
Tamil Nadu	77.2	22	8	2	0	0	32
Telangana	72.8	7	3	0	0	0	10
Himachal Pradesh	72.3	9	2	1	0	0	12
Punjab	70.9	9	10	1	2	0	22
Uttarakhand	69.0	3	7	3	0	0	13
Haryana	67.7	7	10	1	2	1	21
Tripura	66.2	2	1	0	5	0	8
Andaman and Nicobar Islands	63.9	1	0	0	0	2	3
Odisha	63.0	6	7	8	7	2	30
Maharashtra	62.7	9	6	8	11	2	36
Gujarat	62.4	10	5	4	7	7	33
Daman and Diu	60.7	0	1	1	0	0	2
Dadra and Nagar Haveli	60.2	0	1	0	0	0	1
Sikkim	60.2	1	0	0	2	1	4
West Bengal	53.7	2	4	5	6	3	20
Lakshadweep	51.3	0	0	1	0	0	1
Rajasthan	50.9	2	3	10	10	8	33
Madhya Pradesh	48.7	3	3	12	15	18	51
Jharkhand	48.2	2	3	2	5	12	24
Assam	47.9	2	4	3	8	10	27
Jammu and Kashmir	47.8	1	2	3	7	9	22
Chhattisgarh	45.7	2	0	5	5	15	27
Uttar Pradesh	44.1	4	4	5	25	37	75
Mizoram	43.2	0	0	1	1	6	8
Bihar	38.5	1	0	0	12	25	38
Arunachal Pradesh	34.7	1	0	2	0	14	17
Meghalaya	34.6	0	0	1	0	10	11
Nagaland	32.4	0	1	0	2	8	11
Manipur	32.0	0	1	0	0	8	9
Total	58.0	156	96	84	132	198	666

Source: CRISIL Inclusix, CRISIL MI&A Research

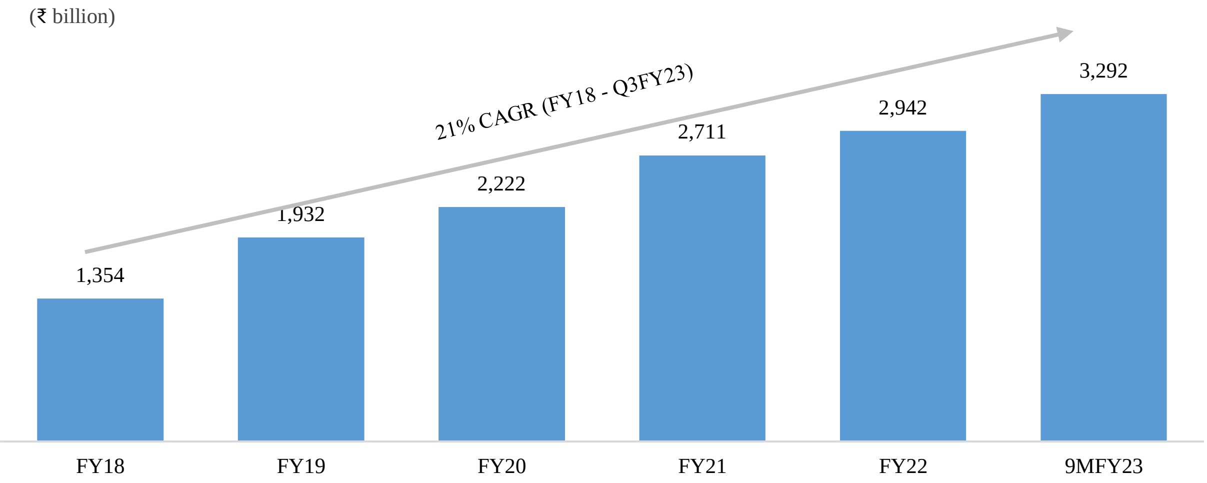
HISTORICAL GROWTH AND DEVELOPMENT OF THE INDIAN MICROFINANCE INDUSTRY

INDUSTRY GLP SURGED AT 21% CAGR BETWEEN MAR-18 AND DEC-2022

The microfinance industry's joint liability group (JLG) portfolio has recorded healthy growth in the past few years. The industry's GLP increased at 21% compound annual growth rate (CAGR) between Mar-18 and Dec-2022 to reach approximately ₹3.3 trillion. The growth rate for non-banking finance institution (NBFC)-MFIs is the fastest as compared with other player groups.

Going forward, the overall microfinance industry will continue to see strong growth on back of the government's continued focus on strengthening the rural financial ecosystem, robust credit demand, and higher-ticket loans disbursed by microfinance lenders.

GLP clocked 21% CAGR between fiscal 2018 and nine months ended financial year 2023



Note: Data includes data for banks' lending through JLG, small finance banks (SFBs), NBFC-MFIs, other NBFCs, and non-profit MFIs. It excludes data for banks' lending through self-help groups (SHG). The amounts are as of the end of the financial year.

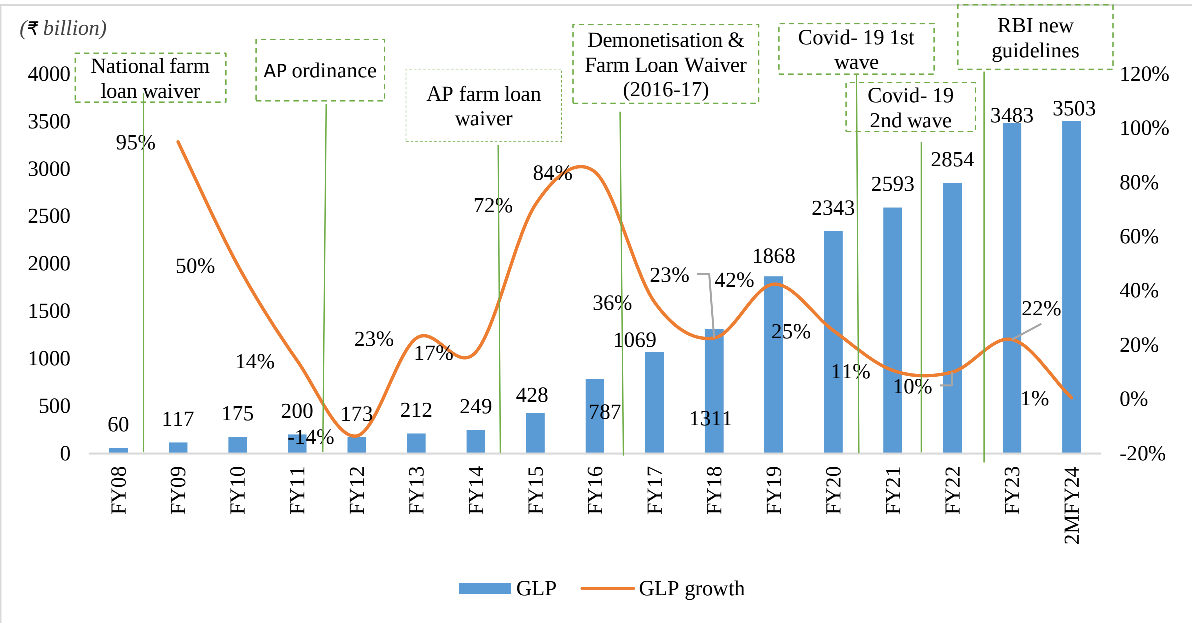
Source: Equifax, CRISIL MI&A Research

INDUSTRY RESILIENT DESPITE MAJOR SETBACKS AND CHANGING LANDSCAPE

The microfinance industry has been growing despite facing various headwinds in the past decade, such as the national farm loan waivers (2008), the Andhra Pradesh crisis (2010), Andhra Pradesh farm loan waiver (2014), demonetisation (2016), and farm loan waiver across some more states (2017 and 2018). Of these events, the Andhra Pradesh crisis of 2010 had a lasting impact on the industry. Some players had to undertake corporate debt restructuring and found it difficult to sustain business. Since then, however, no other event has affected a complete state to such a degree. While the demonetisation of ₹500 and ₹1,000 denomination banknotes in November 2016 hurt the industry, the impact was not as serious as the Andhra Pradesh crisis and was limited to certain districts. Portfolio at risk (PAR) data as of September 2018 indicates the industry recovered strongly from the aftermath of demonetisation. Furthermore, collections of loan disbursements since September 2017 remained healthy. The liquidity crisis in 2018, however, had a ripple effect on microfinance lending since smaller NBFC-MFIs with capital constraints and lenders relying on NBFCs for funding slowed down disbursements.

NBFC-MFIs faced initial hiccups at the start of fiscal 2021 due to the pandemic on account of uncertainty over collections and aversion by lenders to extend further funding to them. However, the situation improved gradually and most NBFC-MFIs, with the exception of a few, were able to improve the liquidity buffers during the course of the year by raising funds and after getting support from various government schemes. While the resurgence of Covid-19 led to a fresh bout of uncertainty with respect to collections in first quarter of fiscal 2022, the impact was not as pronounced as in the early part of the previous fiscal. The industry gradually rebounded in fiscal 2022 on account of increased disbursements. The industry grew in fiscal 2023 on account of the change in RBI guidelines, higher consumption demand and lower slippages

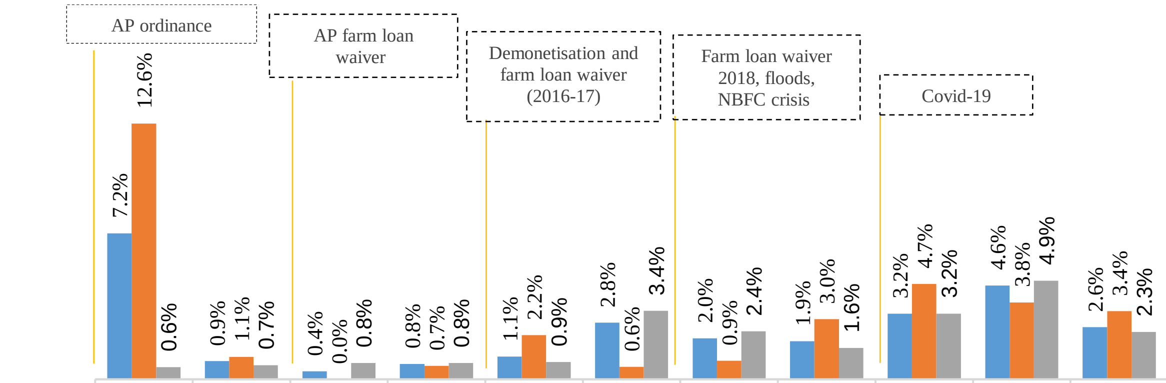
MFI industry has shown resilience over the past decade



Note: Data includes numbers for banks lending through JLGs, SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs. It excludes data for banks lending through SHGs. The amounts are as at of the end of the financial year and as the end of quarter for Q3FY23

Source: MFIN, CRISIL MI&A Research

Credit costs for microfinance industry across various events



	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Overall	7.2%	0.9%	0.4%	0.8%	1.1%	2.8%	2.0%	1.9%	3.2%	4.6%	2.6%
MFIs	12.6%	1.1%	0.0%	0.7%	2.2%	0.6%	0.9%	3.0%	4.7%	3.8%	3.4%
SFBs	0.6%	0.7%	0.8%	0.8%	0.9%	3.4%	2.4%	1.6%	3.2%	4.9%	2.3%

Note: Data includes data for 10 MFIs (includes NBFC MFIs) and 8 SFBs which constitute more than 80% of industry. Jana SFB, North East SFB and Shivalik SFB has been excluded from analysis

Source: Company Reports, CRISIL MI&A Research

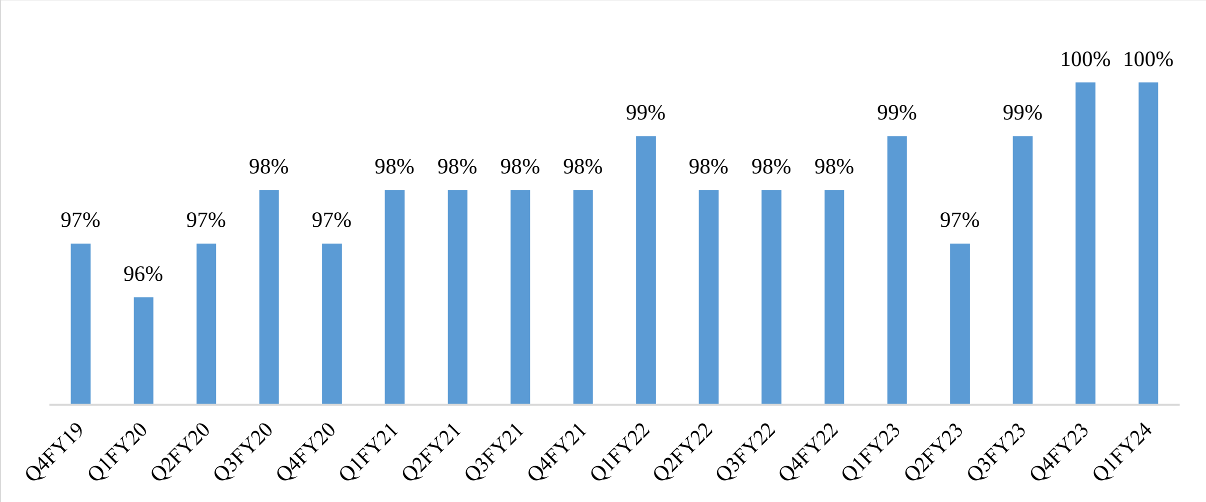
ADOPTION OF TECHNOLOGY IN MICROFINANCE INDUSTRY

- The microfinance industry in India has witnessed a significant transformation with the advent of digital technology. Many players in the industry have adopted digital initiatives to enhance their operations and reach out to more customers. Some of the digital initiatives taken by players in the MFI industry include mobile-based applications, digitalisation of loan process, use of Aadhaar-based authentication, cashless transactions and digital financial education.

- MFIs have also partnered with fintech companies to enhance their digital capabilities and provide better services to customers. Fintech companies offer solutions such as digital payments, credit scoring and loan management systems that MFIs can leverage to improve their operational efficiency and expand their reach.

- Cashless disbursements and collections have become increasingly popular in the microfinance industry in India, as they promote transparency, reduce cash handling costs and improve customer experience.

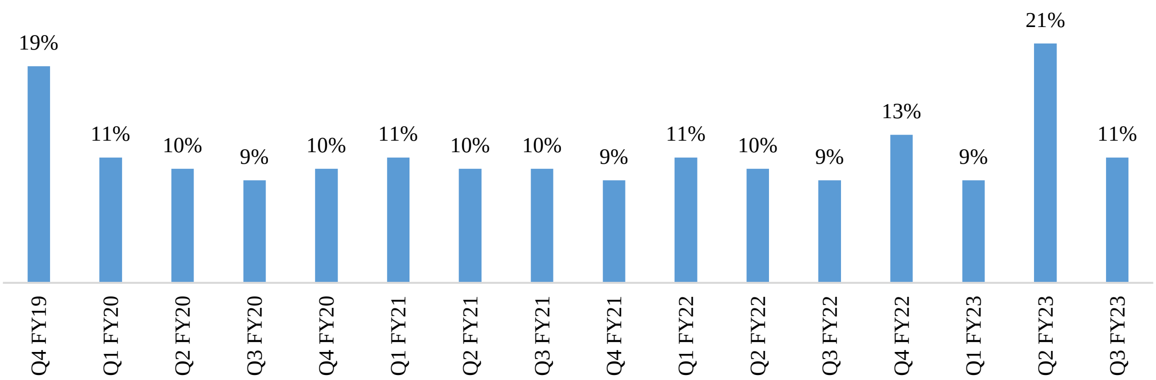
Trend in cashless disbursement



Note: Based on sample set of 47 NBFC-MFIs

Source: MFIN report, CRISIL MI&A Research

Trend in cashless collections



Note: Based on sample set of 53 NBFC-MFIs

Source: MFIN report, CRISIL MI&A Research

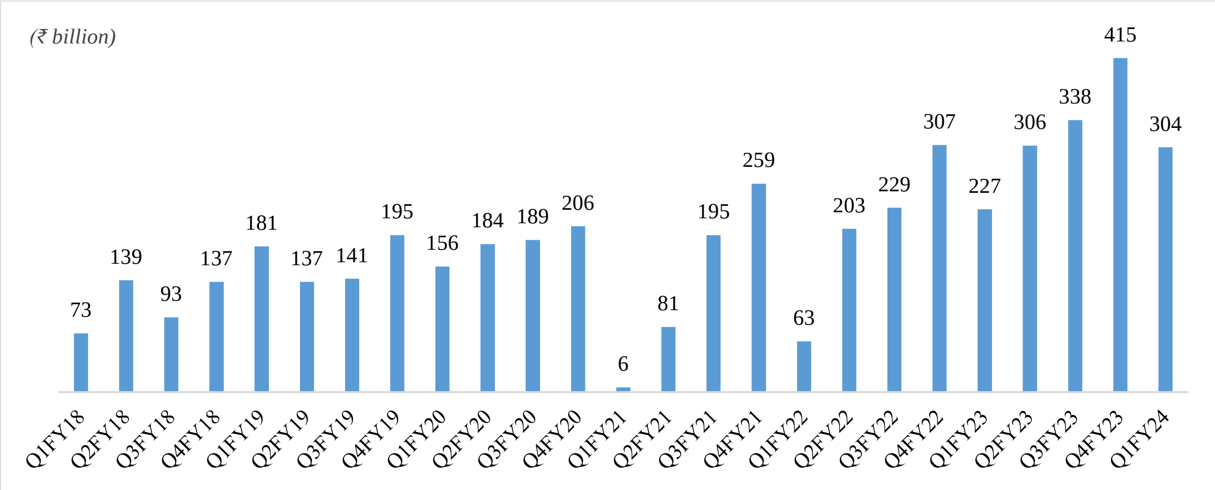
DISBURSEMENTS HAVE SURPASSED PRE-COVID LEVELS

MFI loan disbursements dropped significantly in the first quarter of fiscal 2021 on account of negligible collections and focus of players on preserving liquidity. However, as borrowers were made aware of the impact of moratorium on their outflows and as lockdowns were eased, collections started picking up, giving comfort to lenders towards the sector.

Disbursements started to increase towards the second half of the second quarter of fiscal 2021, and by the third quarter, disbursements were back at pre-Covid levels. Disbursement grew 26% on-year in the fourth quarter of fiscal 2021. Though the disbursements declined in fiscal 2021, the impact was restricted on account of the moratorium provided (in the form of increased tenure), leading to lower quantum of repayments during the year.

Growth in disbursements was halted by the second wave of Covid-19, dropping by approximately 76% over the previous quarter in the first quarter of fiscal 2022. However, with the recovery in economy from July 2021, collections started to improve, and disbursements increased by 150% and 17% on-year in the second and third quarters of fiscal 2022 respectively. In the fourth quarter of fiscal 2022 as well, disbursements continued to remain robust and witnessed a growth of 19% on-year. Collection efficiency of most players reached 98-99% in the fourth quarter of fiscal 2022. In the first quarter of fiscal 2023, although the players were occupied with the new RBI regulations, they clocked healthy growth of 76% during nine months ended fiscal 2023 compared with the previous year period. Additionally, the increasing average ticket size will support disbursements.

Disbursements gaining traction after Covid-19 impact



Note: NBFC-MFI data

Source: MFIN, CRISIL MI&A Research

OUTLOOK FOR INDIAN MICROFINANCE INDUSTRY

Rising penetration to support continued growth of the industry

Although India's household credit penetration on MFI loans has increased, it is still on the lower side. There is a huge untapped market available for MFI players. As of end of FY2023, the microfinance industry had clocked a CAGR of 21% between financial year 2018-23. With economic revival and unmet demand in rural regions, CRISIL MI&A Research expects the overall portfolio size to reach ₹4.9 trillion by the end of the financial year 2025.

CRISIL MI&A Research expects the MFI industry to log 18-22% CAGR during FY 2023-2025. During the period, NBFC-MFIs are expected to grow at a much faster rate of 25-30% compared with the MFI industry. Key drivers behind the superior growth outlook include increasing penetration into the hinterland and expansion into newer states, faster growth in the rural segment, expansion in average ticket size, and support systems like credit bureaus. The presence of self-regulatory organisations like MFIN and Sa-Dhan is also expected to support sustainable growth of the industry going forward. Microfinance sector in India is regulated by the RBI. The RBI's new regulatory regime for microfinance loans effective April 2022 has done away with the interest rate cap applicable on loans given by NBFC-MFIs, and also supports growth by enabling players to calibrate pricing in line with customer risk.

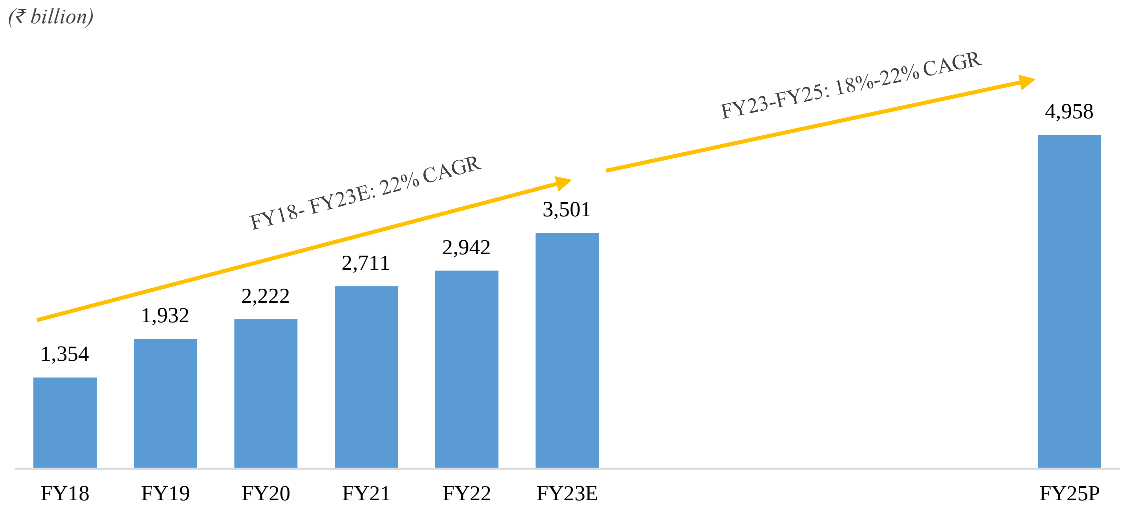
Key enablers for growth of microfinance industry

- Digitalisation is expected to bring down costs, improve collection efficiency and profitability for MFIs. CRISIL MI&A Research expects that the lower cost of servicing customers, better productivity and lower credit costs through the use of technology will help MFIs improve their profitability

- MFIs have built a large distribution network in urban and rural India. Now these MFIs are leveraging this network to distribute financial and non-financial products, including insurance and product financing of other institutions to members at a cost lower than competition

- New regulations will help further deepen the penetration of microcredit in the nation. With enhancement of the household income threshold, MFIs are expected to reach many more households, and with a level playing field and increased competition, the end customer will benefit from this.

MFI industry GLP to grow at 18-22% CAGR between FY23 and FY25

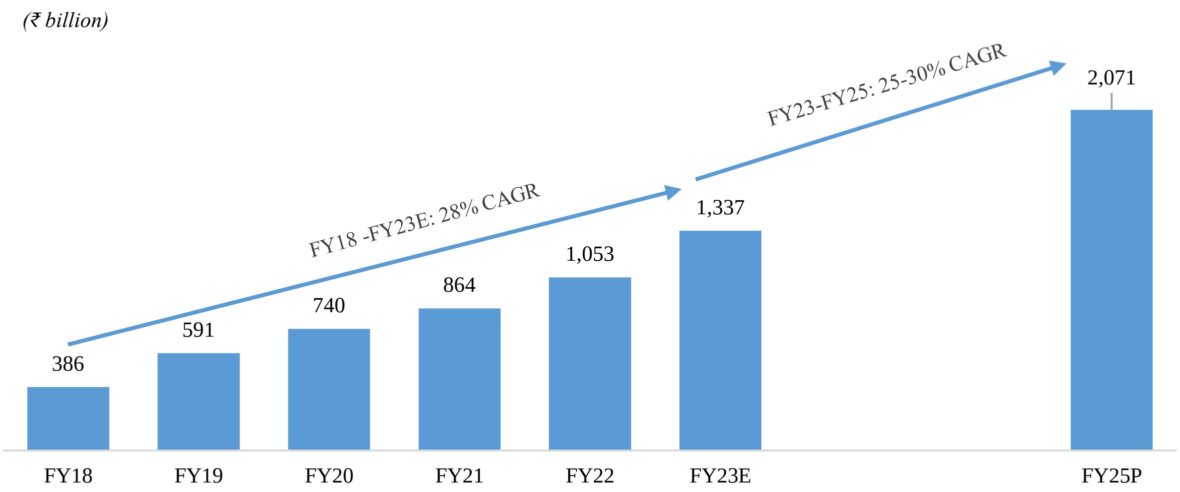


Note: Includes data for banks lending through JLGs, SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs; excludes data on banks lending through SHGs. FY23 GLP estimated as per CRISIL MI&A. P: Projected; E: Estimated

Source: Equifax, company reports, industry and CRISIL MI&A;

Growth in the MFI business is expected to come from increasing presence in newer states, expanding client base, and gradual increasing of the ticket size.

GLP of NBFC-MFI industry to grow faster than industry

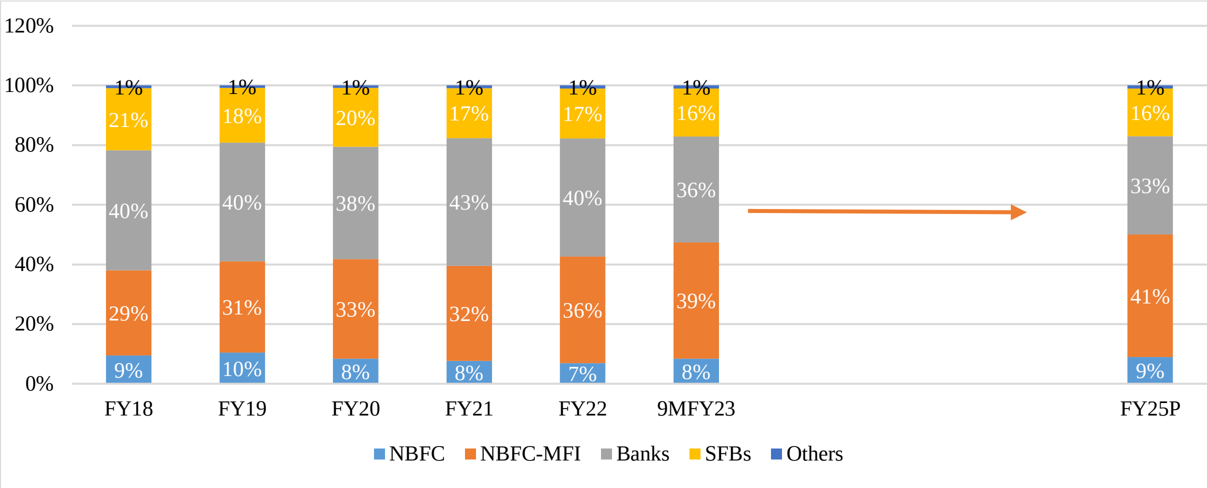


Notes: P: Projected; Data includes NBFC-MFI players

Source: Equifax, CRISIL MI&A Research

While growth of the MFI industry and NBFC-MFI portfolio is considerably lower than historical growth, incremental industry growth would be driven by continuous expansion in the client base of MFIs and increased penetration in rural areas. The share of NBFC-MFIs is expected to increase to 41% by fiscal 2025.

NBFC-MFIs to gain market share between Q3FY23 and FY25 (GLP)



Notes: Data includes data for banks' lending through JLG, SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs. It excludes data for banks' lending through SHG. The amounts are as of the end of the financial year; P: Projected

Source: Equifax, CRISIL MI&A Research

KEY SUCCESS FACTORS

Ability to attract funds/raise capital and maintain healthy capital position

The microfinance industry has seen rapid growth over the past few years owing to the small ticket size and doorstep disbursement. Despite the rapid growth, a large portion of the market remains underpenetrated, making it necessary for MFIs to raise funds at regular intervals to sustain growth. This remains a challenge for several MFIs owing to perceived risk of the borrower segment, their susceptibility to socio-political issues, and volatility in asset quality. The ability of MFIs to raise funding from diverse sources and maintain a capital position much higher than the prescribed regulatory minimum is vital for long-term sustainability.

Geographically diversified portfolio helps MFIs mitigate risks

A large, well-diversified portfolio in different geographies enables players to mitigate risks associated with a concentrated portfolio. Apart from this, a wider scale of operation helps them cut down on operating expenses as a percentage of outstanding loans. Rural areas are still under-penetrated in India; hence, players operating in and focused on rural areas would see faster growth in their portfolios.

Ability to control asset quality and ageing of NPAs

The vulnerability of MFIs' portfolios to local issues and events that impact the repayment ability of borrower households make it critical for them to have a strong hold on asset quality and regularly engage with borrowers to control ageing of NPAs. MFIs, thus, need to put in place methods and use analytics to understand and predict the quality of the portfolio, and minimise the frequency and size of asset quality-related risks.

MFIs are focused on technology enablement

MFIs play a crucial role in providing financial access to underserved segments in the country. There is a huge potential for providing products and services to consumers at the bottom of the pyramid. Considering the challenges, and also the latent growth opportunities in meeting consumer needs, it would be beneficial for MFIs to enter into partnerships with fintech companies and tap the digital medium for financial inclusion.

Digitalisation to bring down costs, improve collection efficiency and profitability for MFIs

Digitalisation has impacted almost all aspects of the financial services industry. However, it is far more critical to the MFI industry as lower operating cost can result in higher financial inclusion and increased benefits for customers. The use of technology has helped MFIs grow at a fast pace, improve efficiency, lower cash usage and turnaround times, develop new products, provide better services to customers, and use analytics for portfolio monitoring and credit appraisal. As confirmed from the MFin report, In the first quarter of the financial year 2024, approximately 47 out of 53 NBFC-MFIs have reported 100% of their disbursement through cashless mode.

CRISIL MI&A Research expects that the lower cost of servicing customers, better productivity and lower credit costs through the use of technology will help MFIs improve their profitability.

Credit risk mitigation by credit bureaus

Credit bureaus, such as Equifax and Highmark, collect data from several MFIs and build a comprehensive database that captures the credit history of borrowers. These databases are updated weekly. The presence of credit bureaus ensures that MFIs have access to more data on their borrowers, helping them make informed lending decisions over the long run.

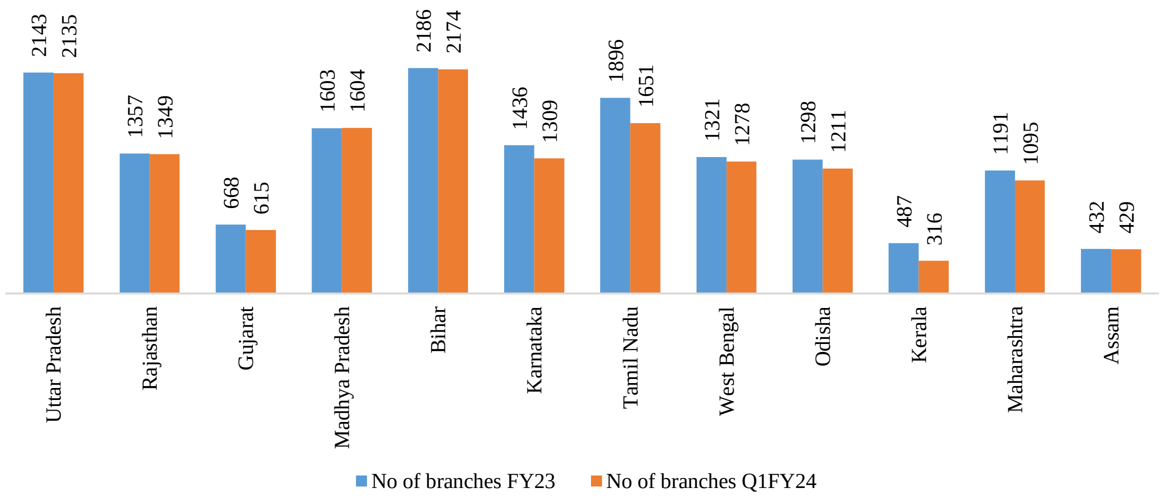
Competitive dynamics

CRISIL MI&A Research expects NBFC-MFIs to grow at a much faster rate vis-a-vis SFBs, on account of increasing focus of the latter towards product suites beyond the MFI loan portfolio and improving liquidity for NBFCs in the system.

Players tapping newer states and districts to widen client base

CRISIL MI&A has seen a significant jump in the number of MFIs operating in Uttar Pradesh, Rajasthan and Gujarat. Total number of branches in these states has significantly increased in recent years, leading to a jump in GLP for these states. The availability of borrower credit related data from credit information companies also ensured that MFIs have access to more data on borrowers, helping them make informed lending decisions.

Total branches of MFIs in each state/UT

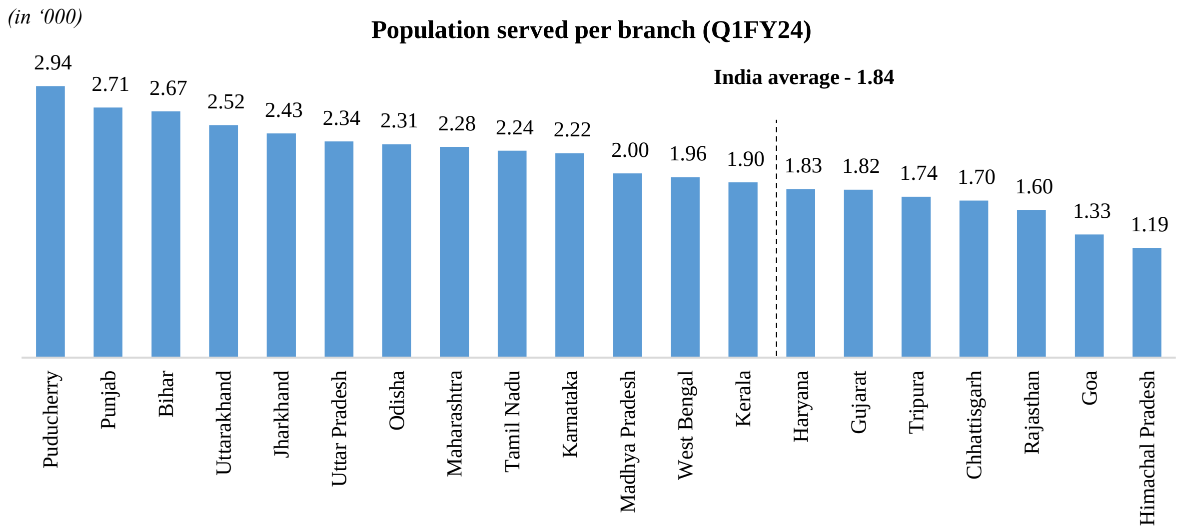


Note: Data includes only NBFC-MFI players and states where five or more MFIs are operating

Source: MFIN, CRISIL MI&A

In the last few years, many MFIs have opened branches in untapped districts, thus increasing their penetration. In states where the presence of MFIs and banks is strong, CRISIL MI&A has witnessed an increase in ticket size as well. Going forward, CRISIL MI&A expects penetration to deepen, which will further drive growth. Madhya Pradesh, Bihar and Tamil Nadu are the few states with large unserved population and, hence, provides an opportunity for existing players to improve their penetration and market share.

Population served per branch in each state/UT



Note: 1) Data includes only NBFC-MFI players and states where five or more MFIs are operating

2) Population served per branch is calculated basis division of total number of clients as of date by total number of branches in state / UT

Source: MFIN, CRISIL MI&A Research

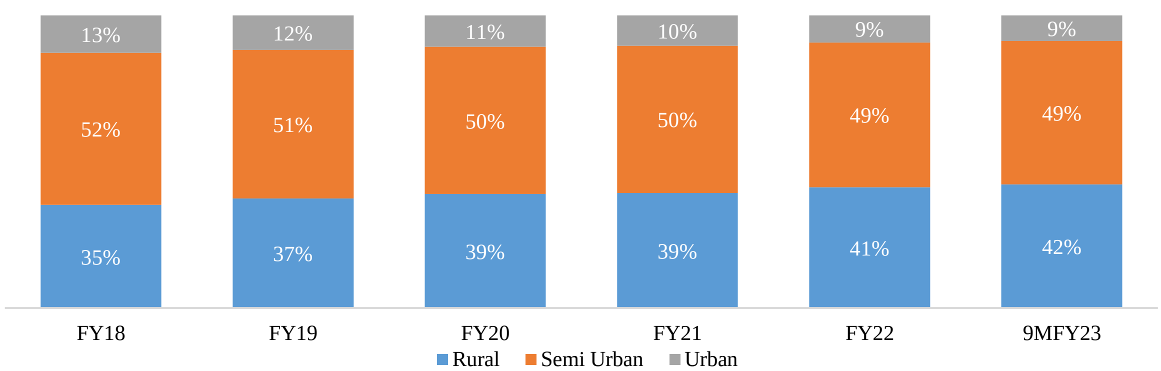
Rural segment to drive MFI business

CRISIL MI&A Research expects the share of rural segment in MFI business to remain higher, with increasing demand expected from this segment. Despite 65% of population and 45% of GDP contribution, the rural segment's share in credit remains fairly low at 9% of the bank credit outstanding as of December 2022, thereby opening up a huge opportunity for savings and loan products.

Although the rural economy has been adversely affected by the second wave of the Covid-19, it is structurally far more resilient and is expected to bounce back strongly. And, with the government's focus on financial inclusion, financial institutions are opening new branches in unbanked areas. CRISIL MI&A Research has observed that demand for loans is higher in rural areas. As of December 2022, the share of rural segment in overall MFI portfolio increased to 42% of the GLP from 35% in fiscal 2018. In case of NBFC-MFIs, the rural share increased to 45% as of December 2022 from 35%. This is due to less competition, lower credit penetration and less migration in rural areas. It also benefitted from overall better credit behaviour and, in turn, lower delinquency rates.

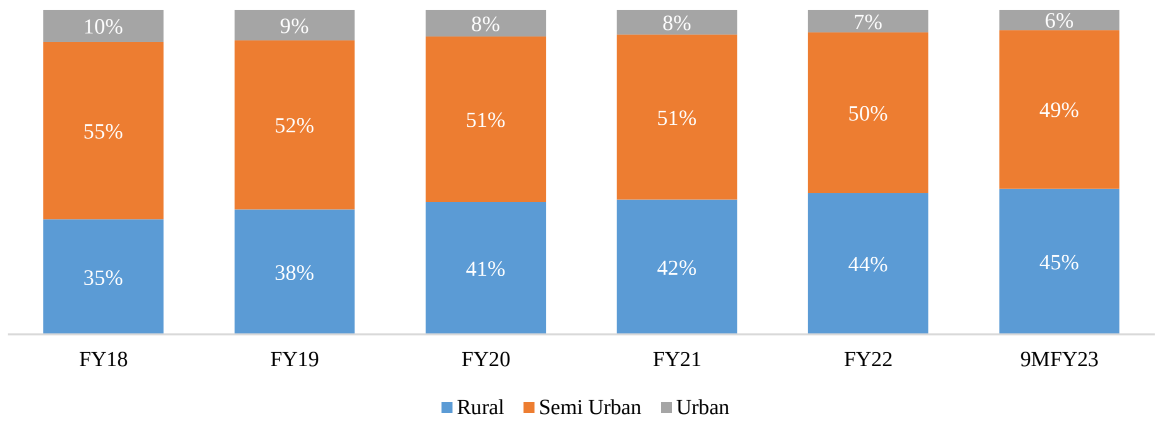
The significant under penetration of credit in rural areas offers strong potential for growth, and given the relatively deeper reach, existing client relationships and employee base, MFIs are well placed to address this demand, which is currently being met by informal sources such as local money lenders.

Rural region accounts for ~42% share in overall MFI portfolio outstanding as of December 2022



Source: Equifax, CRISIL MI&A Research

Rural accounts for approximately 45% share in NBFC-MFI portfolio outstanding as of December 2022



Source: Equifax, CRISIL MI&A Research

ADVANTAGES IN RURAL FOCUSED BUSINESS

- *Huge market opportunity in the rural segment* – Despite its larger contribution to GDP of 45%, however, their share is abysmally low at 9% of total credit as of December 2022. This provides a huge market opportunity for MFI players present in the segment.

- *Less competition* – In remote areas, informal credit channels have a major presence. In other words, there is a huge section of unbanked population with low competition. MFI players are better placed to tap this market.

- *Geographic diversification* – With increased focus on diversifying their portfolio and expanding their reach, MFI players are expected to log higher growth as they tap newer geographies.

- *Ability to manage local stakeholders* – With their microfinance experience, they have the ability to manage local stakeholders and maintain operational efficiency.

- *Lower delinquency rates* – Asset quality of rural regions is better than urban and semi-urban regions since fiscal 2017 due to better risk profile of customers and better credit discipline.

- *Loan recovery and control on aging NPAs* – MFI players are experienced in collecting and monitoring default risk. This will help them keep asset quality under check.

CHALLENGES IN RURAL-FOCUSED BUSINESS

The microfinance industry mainly caters to the poor or marginalised section of the society, because of which it faces inherent challenges, especially in rural areas:

- *High cost of reaching the customers* – Providing microfinance loans in rural India requires reaching people in remote and sparsely populated regions, where deploying manpower and requisite infrastructure for disbursing loans and for recovery can often be expensive. The high cost of reaching the customers, and the small volume and ticket size of transactions lengthens the breakeven period.

- *Lack of financial awareness* – Lack of financial and product awareness is a major challenge for institutions in rural areas. They are faced with the task of educating people about the benefits of financial inclusion, product and services offered by them, and need to establish trust before selling a product.

- *Vulnerability of household income to local developments* – Uncertainty and unpredictability faced by low-income households, and vulnerability of their incomes to local developments affect their repayments.

- *High proportion of cash collections* – Despite a large proportion of loans disbursed through the cashless mode, collections in unbanked and rural areas are still in cash. This leads to increased time spent on reconciliation, risk involved in handling cash, and higher turnaround time from the financier's perspective.

However, the rural economy proved to be resilient during the pandemic. India witnessed above-normal, timely and largely well-distributed monsoon since 2019, thus benefitting the agriculture industry in particular and rural India in general. Further, increase in the agriculture credit target and allocation of infrastructure fund for the development of Agriculture Produce and Livestock Market Committee reiterate the government's commitment to boost rural India.

NBFC-MFI — REGULATION GUIDELINES

Potential harmonisation of regulations for MFI lending

In February 2021, the RBI outlined the need to harmonise regulations governing the MFI lending industry, for which it had to reframe the regulatory framework. A potential harmonisation of regulations for MFI lending will positively impact NBFC-MFIs as banks and small finance banks (SFBs) will also be governed by the same regulations, hence eliminating the competitive edge they currently enjoy. The key proposals include (i) a common definition of microfinance loans for all regulated entities, (ii) a Board-approved policy for household income assessment, (iii) capping the outflow on account of repayment of loan obligations of a household to 50% of the household income, (iv) greater flexibility of repayment frequency for all microfinance loans, (v) no pre-payment penalty and no requirement of collateral, (vi) introduction of a standard simplified fact sheet on pricing of microfinance loans for better transparency, (vii) alignment of pricing guidelines for NBFC-MFIs with guidelines for NBFCs, and (viii) withdrawal of guidelines currently applicable to only NBFC-MFIs, including withdrawal of the two-lender norm for lending by NBFC-MFIs and withdrawal of all pricing-related instructions applicable to NBFC-MFIs.

The new regulatory regime levels the playing field and benefits NBFC-MFIs

The RBI, in its master directions on microfinance loans, released in March 2022, has done away with the interest rate cap applicable on loans given by NBFC-MFIs. Entities providing microfinance loans will have to put in place a Board-approved policy for the pricing of loans. The policy should include the interest rate model, range of spread of each component for categories of borrowers, and ceiling on interest rate and all other charges on MFI loans.

The RBI's move levels the playing field, with both NBFC-MFIs and banks/SFBs providing microfinance loans now being subject to the same rules, which was not the case in the earlier regime. This move is expected to positively impact NBFC-MFIs.

The increase in annual household income cap for microfinance borrowers (to ₹3,00,000 in both urban and rural areas), removal of the two-lender norm for lending by NBFC-MFIs, and allowing NBFC-MFIs greater flexibility to offer non-MFI loans (MFI loans required to account for 75% of total assets for NBFC-MFIs, as per the new regulations) will increase the market opportunity available to MFIs and enable them to create a more balanced portfolio.

On the flip side, the increase in annual household income threshold could increase the maximum permissible indebtedness limit of borrowers from ₹1,25,000. While the limit on the loan repayment obligation will act as a safeguard against excessive leveraging, the increased permissible debt limit and possibility of divergences in household income assessment criteria across lenders still pose risks. Proper data infrastructure would be required to analyse and estimate household incomes, especially in rural areas.

Subsequent to the RBI's revised regulations for MFI loans, effective October 1, 2022, some MFIs have increased interest rates for borrowers by 150-200 bps, especially those who are credit untested.

CRISIL MI&A Research expects the rates to slowly stabilise as MFIs begin to adapt to the new regime and put in place processes for household income, leverage and risk capture based on the new guidelines. Competitive forces would prevent a substantial spurt in rates for MFI customers, especially those with a good repayment track record and credit behaviour.

The key changes in the regulatory framework and their potential impact on NBFC-MFI are captured below:

Area of regulation	Existing regulations		Revised regulations (effective April 1, 2022)
	For NBFC-MFIs	For banks and SFBs	For all regulated entities*
Loan pricing	Margin cap at 10% for large MFIs (loan portfolios > ₹1 billion) 12% for small MFIs (loan portfolios < ₹1 billion)	No restrictions for banks and SFBs	No pricing cap. Underwriting of loans to be done on a risk-based analysis, and a risk premium to be charged based on the borrower. A Board-approved policy for pricing of loans to be put in place. The policy should include the interest rate model, range of spread of each component for categories of borrowers, and ceiling on the interest rate and all other charges on MFI loans.
Processing fees	Not more than 1% of gross loan amount		
Qualifying criteria	85% loans unsecured	Have to meet the target set for priority sector loans	The minimum requirement of microfinance loans for NBFC-MFIs has been revised to 75% of an NBFC-MFI's total assets. The maximum limit on microfinance loans for NBFCs other than NBFC-MFIs has been revised to

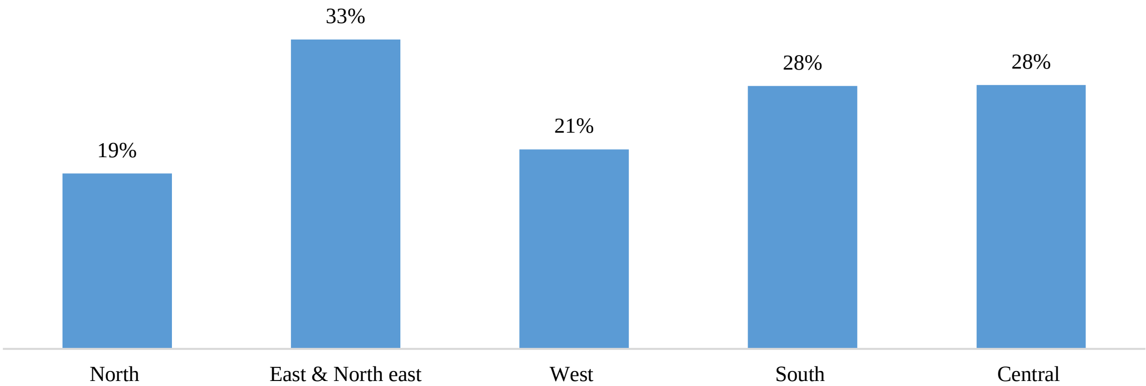
Area of regulation	Existing regulations		Revised regulations (effective April 1, 2022)
	For NBFC-MFIs	**For banks and SFBs**	**For all regulated entities***
			25% of the total assets from 10% previously.
Household income	Rural areas: ₹125,000 per annum Urban areas: ₹200,000 per annum	No restrictions for banks and SFBs	Annual household income: Up to ₹300,000 for urban as well as rural areas. (This amount is higher than what was stated in the consultation paper issued in June 2021 – up to ₹125,000 for rural areas and ₹200,000 for urban and semi-urban areas.) Board-approved policy for the assessment of household income.
Ticket size of loans	Rs 75,000 in the first cycle and ₹125,000 in the subsequent cycles		
Tenure of loans	Not to be less than 24 months for loan amount in excess of ₹30,000		
Lending to the same borrower	Not more than two lenders allowed per borrower	More than two banks can lend to the same borrower	Limit on maximum loan repayment obligation of a household towards all loans: 50% of monthly household income.
Overall borrower indebtedness	Should not exceed ₹125,000	No restrictions for banks and SFBs	

*Regulated entities include all commercial banks (including SFBs, local area banks and regional rural banks), excluding payments banks; all primary (urban) co-operative banks, state co-operative banks and district central co-operative banks; and all NBFCs (including MFIs and housing finance companies)

Source: RBI, CRISIL MI&A Research

REGION AND STATE-WISE ANALYSIS

North and west region have lower penetration indicating probable growth potential(Dec 2022)

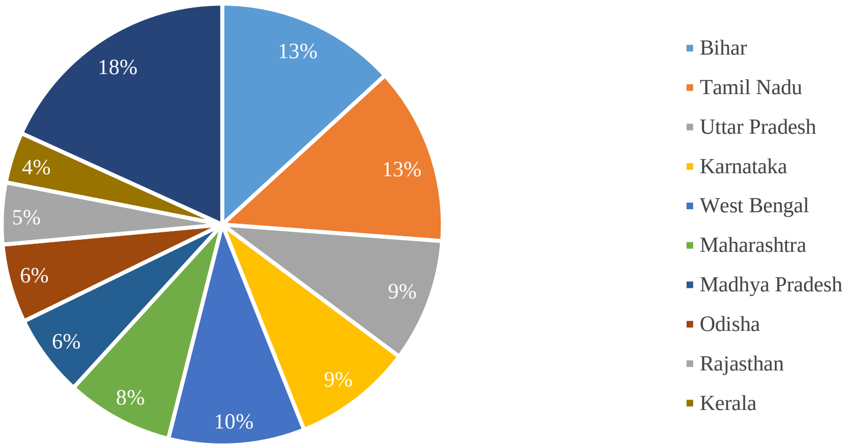


Note: Penetration has been computed by dividing the number of unique active MFI borrowers by the estimated number of households in the respective year

Source: MFIN, secc.gov.in, CRISIL MI&A Research

TOP 10 STATES CONTRIBUTE OVER 82% OF MFI LOANS

State-wise distribution of MFI loans portfolio outstanding (as of December 2022)



Note: Data is for bank lending through JLG, SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs. It excludes data for bank lending through SHGs.

Source: Equifax, CRISIL MI&A Research

State-wise distribution of MFI loan disbursement

₹ billion	FY18	FY19	FY20	FY21	FY22	FY23	FY18-23 CAGR growth
Tamil Nadu	29	54	77	61	96	138	36.61%
Gujarat	9	14	16	12	21	36	31.95%
Karnataka	43	102	20	76	91	124	23.59%
Rajasthan	20	41	30	26	42	67	27.35%
Bihar	56	100	95	61	105	195	28.34%
Punjab	10	20	22	13	18	24	19.14%
Uttar Pradesh	45	68	60	38	74	142	25.84%
Madhya Pradesh	39	51	62	49	59	93	18.98%
Jharkhand	18	26	12	17	24	45	20.11%
West Bengal	38	83	63	32	48	95	20.11%
Maharashtra	56	76	72	46	65	89	9.71%
Uttarakhand	6	3	4	8	6	8	5.92%
Odisha	68	89	65	42	67	132	14.19%
Kerala	24	28	86	13	21	35	7.84%
Chhattisgarh	26	19	21	15	17	25	-0.78%
Assam	10	28	24	7	5	12	3.71%
Haryana	50	14	1	10	16	23	-14.38%

Source: MFIN, CRISIL MI&A Research

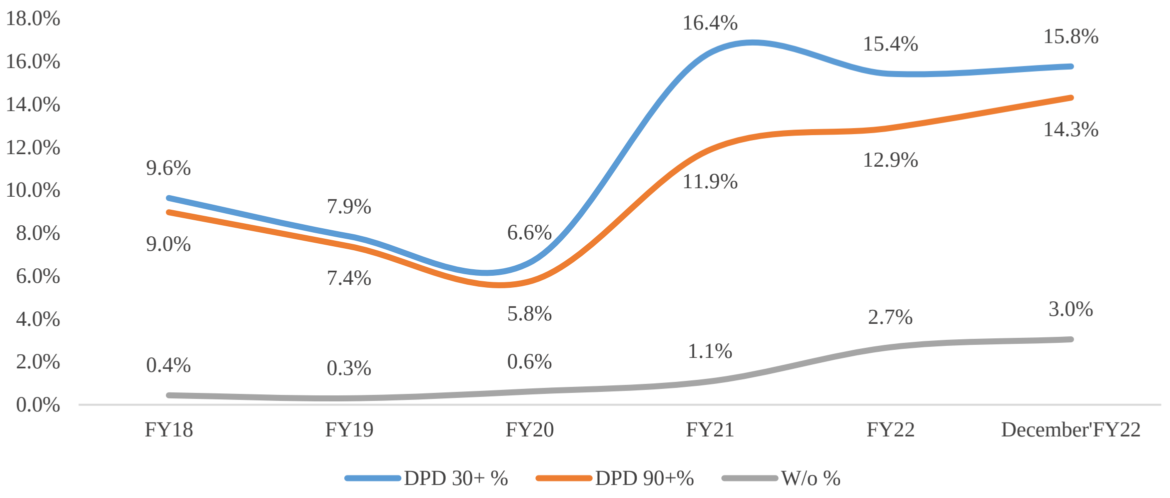
ASSET QUALITY

In fiscal 2021, the industry's asset quality deteriorated sharply, reflecting the adverse impact of Covid-19 on the industry. The industry's PAR>30 and PAR>90 shot up to 16.4% and 11.9%, respectively, in March 2021, and deteriorated to 15.8% and 14,3% respectively, December 2022 vs. 15.4% and 12.9% in March 2022. This could be attributed to slippages from the restructured book for various MFI players. CRISIL MI&A Research believes that going forward, timely recoveries and controlling incremental slippages would be critical for the MFIs to keep their asset quality under check.

Among peer groups, NBFC-MFIs' PAR>30 and PAR>90 improved to 6.1% and 5.3% in the financial year 2020 from 9.7% and 9.0% in the financial year 2018, but again increased to 13.5% and 11.8% in March 2022 and has marginally improved to 12.5% and 11.5% in December of the year. Asset quality, although improving, remains moderate compared with the pre-pandemic level owing to additional slippages arising from the restructured portfolio. With collection efficiency back to pre-pandemic levels, asset quality is expected to improve in the coming fiscals.

While portfolio quality has deteriorated across rural, semi-urban and urban areas, closer analysis of long-term cycles indicates that asset quality tends to be much better in rural areas than in urban and semi-urban areas owing to strong farm income, good monsoon and resilience.

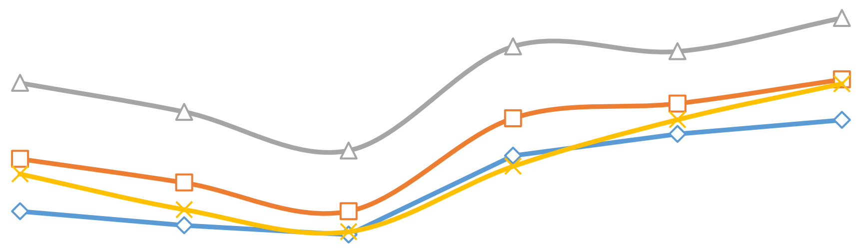
Asset quality trend over the years



Note: PAR 30+ and PAR 90+ include delinquency beyond 180 days of the MFI industry.

Source: Equifax, CRISIL MI&A Research

Asset quality of rural region better than urban and semi-urban regions (PAR 90+)

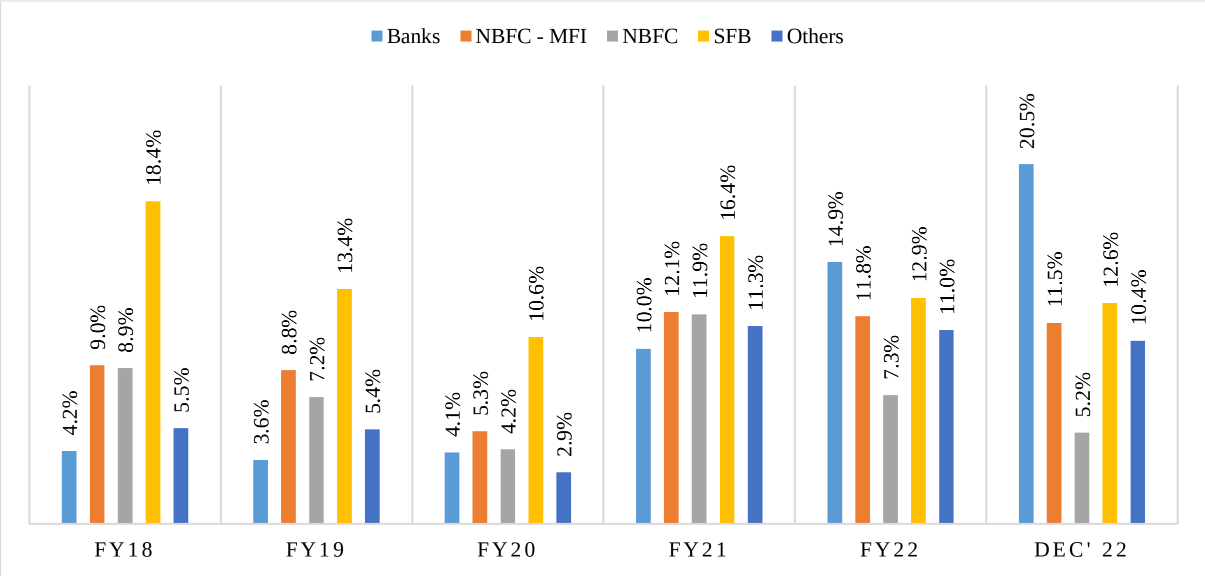


	FY18	FY19	FY20	FY21	FY22	December' FY23
Rural	5.9%	5.0%	4.3%	9.8%	11.3%	12.3%
Semi urban	9.6%	7.9%	5.9%	12.4%	13.5%	15.1%
Urban	14.9%	12.9%	10.2%	17.4%	17.1%	19.4%
Others	8.5%	6.1%	4.5%	9.1%	12.3%	14.8%

Note: PAR 90+ includes delinquency beyond 180 days of the MFI industry.

Source: Equifax, CRISIL MI&A Research

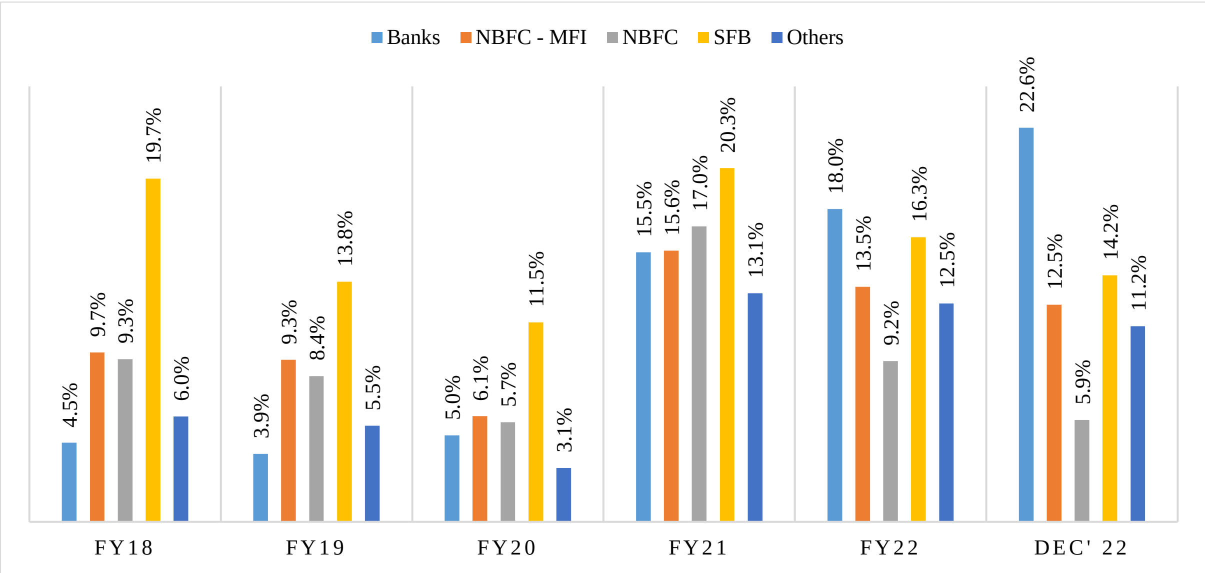
NBFC-MFIs have performed better than other player groups (PAR 90+ days)



Note: PAR 90+ includes delinquency beyond 180 days of the MFI industry.

Source: Equifax, CRISIL MI&A Research

Asset quality of player groups in microfinance industry (PAR 30+ days)



Note: PAR 30+ includes delinquency beyond 180 days of the MFI industry.

Source: Equifax, CRISIL MI&A Research

MFI COLLECTION EFFICIENCY BACK TO PRE-PANDEMIC LEVELS

MFI collections, which had plunged to near zero in April 2020, because of the pandemic-induced nationwide lockdown, rebounded to 80-85% in September 2020, with restrictions being lifted gradually. In December 2020, the industry's collection efficiency rebounded further to 90-93%, as per CRISIL MI&A Research estimates. This is despite MFI borrowers having relatively weaker credit profiles and field-intensive operations involving high personal touch, such as home visits and physical collection of cash.

Borrowers in rural areas and those involved in essential sectors of animal husbandry and agriculture started paying their instalments. Lower number of Covid-19 infections in rural areas and a good harvest also had a positive impact on rural repayments. In the third quarter of fiscal 2021, collection efficiency for the industry rebounded further to 85-93%, as per CRISIL MI&A Research estimates. Subsequently, in the fourth quarter of fiscal 2021, collections improved to 92-95%.

The pandemic's second wave again dented collections in April and May 2021, due to localised lockdowns imposed by several states. The medical impact of the second wave was much worse than the first one. It was felt across rural and urban areas, unlike the first wave's largely urban-centric impact. Southern states witnessed a sharper fall in collections in May 2021, as the lifting of lockdowns was delayed till June, whereas northern states were impacted largely in April. Ground-level infrastructural and operational challenges, as well as restrictions on movement of people, impinged on the MFI sector's collection efficiency. As per CRISIL MI&A Research, overall collection efficiency recovered from 80-85% in June 2021 and reached the pre-pandemic level of 95-98% in March 2022, as economic activity picked up pace.

Going forward, the trend in the restructured book would need to be closely monitored to assess incremental slippages. The microfinance sector restructured ~10% of its loan book under the Resolution Framework 2.0 announced by the RBI in the wake of the second wave.

Monthly collection efficiency trend for MFIs

	Apr-20	May-20	Jun-20	Sep-20	Dec-20	Mar-21	May-21	Jun-21	Sep-21	Dec-21	Mar-22
Industry	<10%	<45%	45-65%	80-85%	90-93%	92-95%	70-80%	80-85%	94-97%	90-93%	95-98%

Note: 1) Collection efficiency numbers are estimated. 2) Monthly collection efficiency = {current + overdue collections (excluding prepayments)}/scheduled billing assuming no moratorium

Source: Company information, CRISIL MI&A Research

REDUCED CREDIT COST POST HEAVY PROVISIONING DURING PANDEMIC SUPPORTS RECOVERY IN ROAS

Yields in the segment have historically been high due to their high borrowing cost and riskier borrower profiles. Borrowers are small businesses and household manufacturing entities with weak payment profiles. Any disruption in a normal business environment impacts their cash flow, weakening their repayment ability. As a result, players factor in this risk in terms of higher yields. Typically, large players in this segment have yields of 18-23%.

Since almost 100% of borrowers are charged a fixed rate of interest, due to the shorter span of loan, any change in repo rate will be immediately passed on to borrowers. After an aggressive hike of 250 bps during fiscal 2023, the Central Bank has been on a pause and is monitoring the movement in inflation and the impact of pass on of rates on the economy.

Monetary policy typically impacts the real economy with a lag of 3-4 quarters. Hence, the rate hikes so far are expected to slow growth and moderate inflation during FY24. With these yields increased at similar rate during fiscal 2023 and going ahead the yields are expected to remain healthy supported by the revised MFI guidelines. In fiscal 2023, the net interest margin was healthy on account of lag in pass on of borrowing cost. Further, during fiscal 2024 interest expense to average asset is expected to increase by 70-80 bps with pass-on of interest rate hikes. In term of credit costs, post heavy provisioning witnessed in fiscal 2021 and 2022, fiscal 2023 witnessed stabilisation in credit cost resulting into improved profitability. The trend is expected to continue with credit costs reducing further during current fiscal. With this CRISIL MI&A Research expects overall return on assets (RoA) will improve 100-130 bps to ~4% during fiscal 2024.

Profitability (return on assets) of MFIs to improve this fiscal

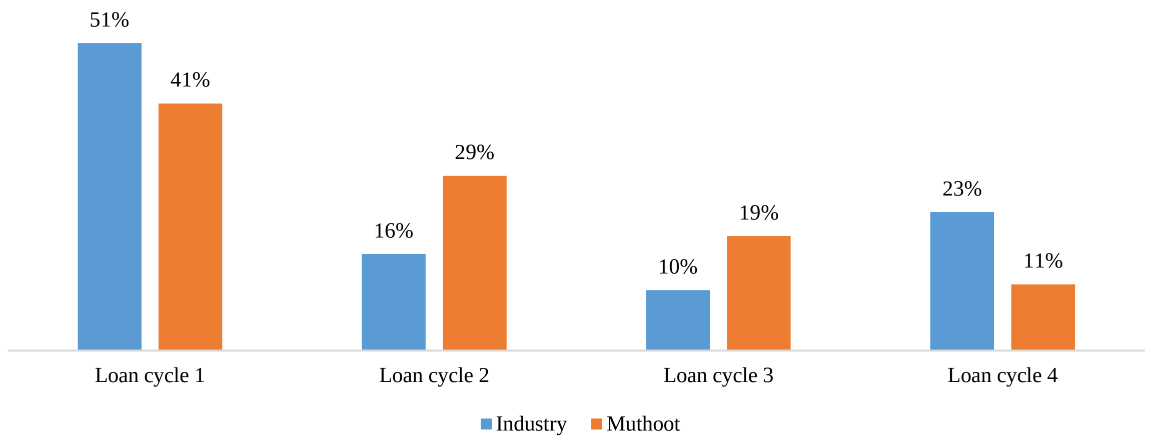
RoA tree	FY18	FY19	FY20	FY21	FY22	FY23	FY24P
Interest income	17.7%	18.1%	17.0%	15.5%	15.9%	17.3%	18.7%
Interest expense	8.9%	8.5%	7.7%	7.4%	7.1%	7.3%	8.0%
Net interest income	8.8%	9.7%	9.4%	8.2%	8.8%	10.0%	10.7%
Opex	5.1%	5.3%	5.0%	4.4%	4.9%	5.4%	4.9%
Other income	1.4%	1.9%	1.9%	1.4%	1.7%	2.3%	1.6%
Credit cost	1.6%	0.6%	1.3%	4.9%	3.8%	3.4%	2.0%
RoA	2.2%	4.1%	3.4%	0.1%	1.3%	2.6%	4.0%

Note: P: projected; All above ratios are calculated on average assets

Source: CRISIL MI&A Research

COMPARISON OF KEY PORTFOLIO CHARACTERISTICS FOR MUTHOOT MICROFIN LTD VIS-À-VIS THE INDUSTRY

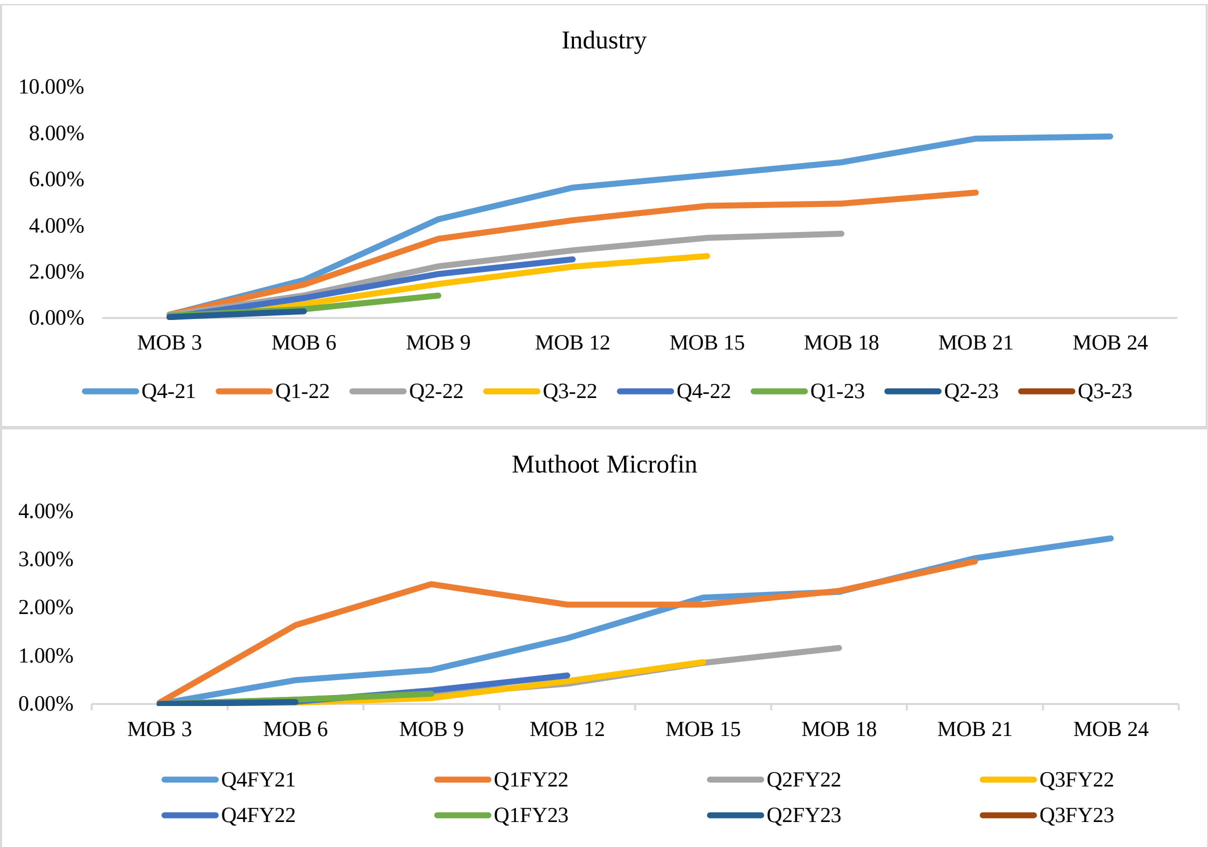
Loan cycle-wise break up of disbursements in financial year 2022



Source: Equifax, company information, CRISIL MI&A Research

Muthoot Microfin has a long-standing track record of high customer retention in loan cycles 2 and 3. Its well-balanced customer distribution across loan cycles indicates focus on acquiring new customers, as well as retaining existing ones. However, as it continues to acquire new customers, the portfolio share in cycle 1 may increase.

Vintage curve analysis (PAR>90) for the industry vs Muthoot Microfin



Source: Equifax, company information, CRISIL MI&A Research

Muthoot has a comparatively lower proportion of loans at each month-on-book stage, which implies that its loan portfolio is performing better than the industry.

<u>PEER COMPARISON</u>

Muthoot Microfin is part of the Muthoot Pappachan Group as the promoters of the company / promoters family including ancestors anytime has business relation in M. George & Brothers, kozhencherry and Muthoot Bankers which were established by Mr. Mathew M Thomas (father of promoters of Muthoot Microfin) along with others in 1969 and 1986 respectively. Muthoot Microfinance is primarily involved in providing finance to low income group customers.

In this chapter, CRISIL MI&A Research has analysed the operational performance and key financial indicators of top 10 NBFC-MFI players in terms of gross loan portfolio (GLP), and some Small Finance Banks (SFBs) and Bandhan Bank that have loan portfolios inclined towards the MFI segment.

Muthoot Microfin is the fifth largest NBFC-MFIs in India in terms of GLP as of end March 2023

Muthoot Microfin has maintained its position among leading players; although it showed significant growth in its gross loan portfolio in financial year 2023, with competitive growth with its nearest peers, placed at the third and fourth positions.

Among banks and SFBs, Bandhan Bank leads in terms of GLP. However, IIFL Samasta Finance reported the highest FY23 growth of 62.74%.

Among the top 10 NBFC-MFIs, Muthoot Microfin reported the third highest disbursement growth in the financial year 2022 and fifth highest during financial year 2023. Its growth rate turned positive to 80.90%, in financial year 2022 followed by 73.57% during financial year 2023. During this period, NBFC-MFI players have shown an uptick in performance with its disbursements for majority of the players having surpassed the previous full year's numbers.

The largest states for Muthoot Microfin as per GLP as of March 2023 are Kerala and Tamil Nadu. The company holds majority share in Kerala in terms of MFI market share which make them the largest in the state and almost 16% in Tamil Nadu, where Muthoot Microfin is a key player. Also, in South India, Muthoot Microfin is the third largest amongst the NBFC-MFIs in terms of GLP[1]

Comparison of key players in MFIs industry

GLP (₹ billion)	Market share*	GLP as of March 31, 20	GLP as of March 31, 21	GLP as of March 31, 22	GLP as of Mar 31, 23	GLP as of Sept '23^	GLP y-o-y growth FY20	GLP y-o-y growth FY21	GLP y-o-y growth FY22	GLP y-o-y growth FY23	GLP y-o-y growth Sept23	GLP CAGR (FY20-FY23)
Top 10 NBFC-MFIs												
CreditAccess Grameen Ltd	15.09%	98.96	113.41	137.32	210.31	224.88	38.21%	14.60%	21.08%	53.15%	35.97%	28.57%
IIFL Samasta Finance Ltd	7.57%	34.00	47.96	64.84	105.52	121.96	48.47%	41.06%	35.20%	62.74%	67.83%	45.86%
Asirvad Microfinance Ltd	7.21%	55.03	59.85	70.20	100.41	NA	43.31%	8.76%	17.29%	43.03%	NA	22.19%
Fusion Micro Finance Ltd	6.67%	36.57	46.38	66.54	92.96	100.26	38.52%	26.83%	43.47%	39.71%	24.59%	36.47%
Muthoot Microfin Ltd	**6.61%**	**49.32**	**49.77**	**65.67**	**92.08**	**NA**	**13.38%**	**0.91%**	**31.95%**	**40.22%**	**NA**	**23.13%**
Annapurna Finance Pvt Ltd	6.33%	40.09	48.08	65.49	88.14	NA	32.75%	19.93%	36.21%	34.59%	NA	30.03%
Spandana Sphoorty Financial Ltd	5.73%	68.29	81.39	61.51	79.8	97.84	56.27%	19.18%	-24.43%	29.74%	69.21%	5.33%
Satin Creditcare Network Ltd	5.69%	72.66	72.75	64.09	79.29	88.94	14.07%	0.12%	-11.90%	23.72%	38.60%	2.95%
Svatantra Microfin Pvt Ltd	5.38%	26.02	35.64	54.47	74.99	74.88	111.54%	36.97%	52.83%	37.67%	13.54%	42.31%
Belstar Microfinance Ltd	4.44%	23.59	32.99	43.65	61.92	78.74	28.14%	39.85%	32.31%	41.86%	53.25%	37.94%

^September 2023 numbers are updated basis disclosures by players in public domain; NA: Data not available
Source: MFIN, company reports, CRISIL MI&A Research

GLP (₹ billion)	Market share	GLP as of March 31, 20	GLP as of March 31, 21	GLP as of March 31, 22	GLP as of March 31, 23	GLP as of Sept' 23^	GLP y-o-y growth FY20	GLP y-o-y growth FY21	GLP y-o-y growth FY22	GLP y-o-y growth FY23	GLP CAGR (FY20-FY23)
Bandhan Bank	NM	718.46	870.43	993.38	1,091.20	1,020.28	81.23%	21.15%	14.13%	9.85%	14.95%
Equitas SFB	NM	153.67	179.25	205.97	278.61	287.68	32.53%	16.65%	14.91%	35.27%	21.94%
Ujjivan SFB	NM	141.53	151.40	181.62	240.85	243.25	28.09%	6.97%	19.96%	32.61%	19.39%
Jana SFB	NM	101.37	118.51	132.50	180.01	210.09	63.05%	16.91%	11.80%	35.86%	21.09%
Utkarsh SFB	NM	66.60	84.08	106.31	139.57	140.80	42.73%	26.24%	26.44%	31.29%	27.97%
ESAF SFB	NM	66.06	84.15	121.31	139.24	NA	45.25%	27.38%	44.16%	14.78%	28.21%

[1] Based on corporate/admin office

GLP (₹ billion)	Market share	GLP as of March 31, 20	GLP as of March 31, 21	GLP as of March 31, 22	GLP as of March 31, 23	GLP as of Sept' 23^	GLP y-o-y growth FY20	GLP y-o-y growth FY21	GLP y-o-y growth FY22	GLP y-o-y growth FY23	GLP CAGR (FY20-FY23)
Fincare SFB	NM	53.45	53.01	70.36	99.11	104.70	93.31%	-0.82%	32.73%	30.41%	22.85%
Suryoday SFB	NM	37.10	42.06	50.63	60.15	67.21	36.80%	13.37%	20.39%	18.80%	17.48%

Notes:
NA – Not available; NM – Not meaningful
*Market share is based on March 2023 GLP of NBFC-MFIs; NBFC MFIs are arranged in order of March 2023 GLP
^For SFBs, total loan advances have been considered as GLP
Source: MFIN, company reports, CRISIL MI&A Research

Disbursement (₹ billion)	FY20	FY21	FY22	FY23	Qtr. ending Sept 23^	Growth y-o-y FY20	Growth y-o-y FY21	Growth y-o-y FY22	Growth y-o-y FY23	Growth y-o-y Q2FY24
Top 10 NBFC-MFIs										
CreditAccess Grameen Ltd	103.89	96.41	128.33	185.39	49.66	26.39%	-7.20%	33.11%	44.46%	13.51%
IIFL Samasta Finance Ltd	30.79	36.95	57.10	102.09	31.70	27.23%	20.01%	54.53%	78.79%	72.85%
Asirvad Microfinance Ltd	47.80	36.20	85.57	193.76	NA	11.42%	-24.27%	136.38%	126.43%	NA
Fusion Micro Finance Ltd	35.73	36.76	60.58	83.75	23.44	26.66%	2.88%	64.80%	38.25%	14.23%
Muthoot Microfin Ltd	**40.66**	**25.81**	**46.69**	**81.04**	**NA**	**-10.83%**	**-36.52%**	**80.90%**	**73.57%**	**NA**
Annapurna Finance Pvt Ltd	40.13	30.86	53.23	77.14	NA	28.21%	-23.10%	72.49%	44.92%	NA
Spandana Sphoorty Financial Ltd	80.04	64.26	31.42	76.24	25.13	61.05%	-19.72%	-51.10%	142.65%	80.66%
Satin Creditcare Network Ltd	80.45	43.94	40.31	73.90	22.02	28.72%	-45.38%	-8.26%	83.33%	40.79%
Svatantra Microfin Pvt Ltd	24.86	24.14	47.30	62.86	NA	119.64%	-2.91%	95.94%	32.90%	NA
Belstar Microfinance Ltd	26.19	24.35	35.46	57.95	42.94	45.75%	-7.03%	45.63%	63.42%	68.52%

^September 2023 numbers are updated basis disclosures by players in public domain
NA: Data not available
Source: MFIN, company reports, CRISIL MI&A Research

Muthoot Microfin recorded fourth highest number of clients as on March'23, among top 10 NBFC-MFIs

Muthoot Microfin reported the second highest clientele growth of 33.33% during March 31, 2023, among the top NBFC-MFIs. This in turn has propelled to the fourth position during financial year 2023 from seventh in financial year 2022. In terms of CAGR growth, Svatantra Microfin and Fusion Micro Finance witnessed a stronger clientele growth of 29.63% and 27.21%, respectively, between financial year 2020 and 2023, as against Muthoot Microfin which grew at 13.79%.

Client outreach	No of Clients (million)				Client growth				
	As of March 31, 20	As of March 31, 21	As of March 31, 22	As of March 31,23	FY20	FY21	FY22	FY23	CAGR (FY20-FY23)
Top 10 NBFC-MFIs									
CreditAccess Grameen Ltd	2.90	2.90	2.90	4.30	17.41%	0.00%	0.00%	48.28%	14.03%
IIFL Samasta Finance Ltd	1.54	1.60	1.80	2.40	52.48%	3.90%	12.50%	33.33%	15.94%
Asirvad Microfinance	2.37	2.40	2.60	3.30	30.94%	1.27%	8.33%	26.92%	11.66%

Client outreach	No of Clients (million)				Client growth				
	As of March 31, 20	As of March 31, 21	As of March 31, 22	As of March 31,23	FY20	FY21	FY22	FY23	CAGR (FY20-FY23)
Ltd									
Fusion Micro Finance Ltd	1.70	2.10	2.70	3.50	9.68%	23.53%	28.57%	29.63%	27.21%
Muthoot Microfin Ltd	**1.90**	**1.90**	**2.10**	**2.80**	**19.50%**	**0.00%**	**10.53%**	**33.33%**	**13.79%**
Annapurna Finance Pvt Ltd	1.75	1.85	2.31	2.50	15.89%	5.71%	24.86%	8.23%	12.62%
Spandana Sphoorty Financial Ltd	2.57	2.40	2.30	2.10	4.47%	-6.61%	-4.17%	-8.70%	-6.51%
Satin Creditcare Network Ltd	3.10	2.70	2.50	2.60	-1.59%	-12.90%	-7.41%	4.00%	-5.69%
Svatantra Microfin Pvt Ltd	1.01	1.30	1.70	2.20	71.19%	28.71%	30.77%	29.41%	29.63%
Belstar Microfinance Ltd	1.20	1.40	1.80	2.10	76.47%	16.67%	28.57%	16.67%	20.51%
Banks and SFBs									
Bandhan Bank	20.1	23	26.3	30.00	21%	14.43%	14.35%	14.07%	14.28%
Equitas SFB	2.4	3.9	5.68	NA	NM	62.50%	45.64%	NA	53.84%
Ujjivan SFB	5.25	5.92	6.48	7.69	14%	12.76%	9.46%	18.67%	13.56%
Jana SFB	3.07	NA	NA	NA	36%	NM	NM	NM	NM
Utkarsh SFB	2.5	NA	3	NA	25%	NM	NM	NM	9.54%
ESAF SFB	2.86	3.89	4.50	NA	-13%	35.73%	15.80%	NM	25.37%
Fincare SFB	2.55	NA	3.2	2.76	65%	NM	NM	15.48%	12.02%
Suryoday SFB	1.46	1.49	1.92	2.31	27%	2.05%	28.86%	20.31%	16.52%

Notes: 1) For ESAF SFB, microloan borrowers are considered as clients, and for others, overall customer base is considered as clients
2) NA – Not available; NM – Not meaningful
Source: MFIN, company reports, CRISIL MI&A Research

Muthoot Microfin has demonstrated comparatively stronger performance in key productivity metrics.

Muthoot Microfin showcased considerable improvement in a number of parameters as of March 2023 compared with the previous year. In terms of number of employees, it reached the fifth position from eight, and fourth from sixth in terms of clients per employee. Muthoot Microfin was able to translate a higher employee strength into better client conversion for business growth. Similarly, it reached the fifth position from sixth in terms of number of branches and sixth position in terms of clients per branch. In terms of number of clients per loan officer also its position improved to fourth from fifth, while number of loans disbursed per loan officer improved from sixth to fifth position. Cross-selling strategy has helped Muthoot Microfin improve its efficiency levels.

Reach and efficiency parameters (FY23)	No of employees	No of branches	Clients per employee	Clients per branch	Clients per loan officer	No of loans disbursed per loan officer
Top 10 NBFC-MFIs						
CreditAccess Grameen Ltd	16,759	1,786	254	2,388	271	311
IIFL Samasta Finance Ltd	12,213	1,267	193	1,858	379	382
Asirvad Microfinance Ltd	15,874	1,684	210	1,983	382	450

Reach and efficiency parameters (FY23)	No of employees	No of branches	Clients per employee	Clients per branch	Clients per loan officer	No of loans disbursed per loan officer
Top 10 NBFC-MFIs						
Fusion Micro Finance Ltd	9,625	1,019	365	3,452	561	352
Muthoot Microfin Ltd	**10,227**	**1,172**	**271**	**2,366**	**442**	**340**
Annapurna Finance Pvt Ltd	10,356	1,183	241	2,106	383	231
Spandana Sphoorty Financial Ltd	9,674	1,153	220	1,844	283	220
Satin Creditcare Network Ltd	9,222	1,078	278	2,374	418	285
Svatantra Microfin Pvt Ltd	7,272	804	306	2,770	475	351
Belstar Microfinance Ltd	8,022	767	262	2,742	464	297

Source: MFIN, company reports, CRISIL MI&A Research

Reach and efficiency parameters (FY22)	No of employees	No of branches	Clients per employee	Clients per branch	Clients per loan officer	No of loans disbursed per loan officer
Top 10 NBFC-MFIs						
CreditAccess Grameen Ltd	11,951	1,164	244	2,510	354	414
Fusion Micro Finance Ltd	8,716	900	312	3,020	324	202
Asirvad Microfinance Ltd	12,581	1,525	205	1,688	343	292
Muthoot Microfin Ltd	**8,003**	**905**	**256**	**2,266**	**364**	**242**
Annapurna Finance Pvt Ltd	8,606	984	269	2,253	399	228
IIFL Samasta Finance Ltd	10,730	807	163	2,171	299	248
Satin Creditcare Network Ltd	10,736	1,029	229	2,385	348	136
Svatantra Microfin Pvt Ltd	5,957	692	282	2,431	485	364
Spandana Sphoorty Financial Ltd	8,379	1,049	271	2,168	366	112
Belstar Microfinance Ltd	5,939	729	308	2,511	555	307

Source: MFIN, company reports, CRISIL Research

Reach and efficiency parameters (FY21)	No of employees	No of branches	Clients per employee	Clients per branch	Clients per loan officer	No of loans disbursed per loan officer
Top 10 NBFC-MFIs						
CreditAccess Grameen Ltd	10,625	964	270	2,979	385	360
Fusion Micro Finance Ltd	6,406	710	331	2,987	506	273
Asirvad Microfinance Ltd	7,233	1,062	334	2,273	538	276
Muthoot Microfin Ltd	**6,961**	**755**	**267**	**2,461**	**402**	**165**
Annapurna Finance Pvt Ltd	7,304	870	253	2,126	412	191
IIFL Samasta Finance Ltd	6,835	618	237	2,618	398	268
Satin Creditcare Network Ltd	10,612	1,011	250	2,627	408	204
Svatantra Microfin Pvt Ltd	4,613	512	279	2,518	522	268
Spandana Sphoorty	8,644	1,052	283	2,324	364	211

Reach and efficiency parameters (FY21)	No of employees	No of branches	Clients per employee	Clients per branch	Clients per loan officer	No of loans disbursed per loan officer
Top 10 NBFC-MFIs						
Financial Ltd						
Belstar Microfinance Ltd	4,562	649	303	2,127	656	336

Source: MFIN, company reports, CRISIL MI&A Research

Reach and efficiency parameters (FY20)	No of employees	No of branches	Clients per employee	Clients per branch	Clients per loan officer	No of loans disbursed per loan officer
Top 10 NBFC-MFIs						
CreditAccess Grameen Ltd	10,824	929	268	3,127	376	673
Fusion Micro Finance Ltd	5,490	591	301	2,800	468	339
Asirvad Microfinance Ltd	6,206	1,042	381	2,272	709	632
Muthoot Microfin Ltd	**7,265**	**692**	**259**	**2,721**	**396**	**258**
Annapurna Finance Pvt Ltd	5,953	718	295	2,443	494	321
IIFL Samasta Finance Ltd	5,865	561	263	2,750	438	321
Satin Creditcare Network Ltd	11,148	1,140	276	2,704	468	388
Svatantra Microfin Pvt Ltd	3,927	446	257	2,265	479	327
Spandana Sphoorty Financial Ltd	8,224	1,010	313	2,541	421	382
Belstar Microfinance Ltd	4,425	603	271	1,996	579	409

Source: MFIN, company reports, CRISIL MI&A Research

Banks and SFBs

Reach and efficiency parameters (FY23)	No of employees	No of branches	Clients per employee	Clients per branch	Clients per loan officer	No of loans disbursed per loan officer
Bandhan Bank	69,702	5,999	430	5,001	NM	NM
Equitas SFB	20,563	922	NA	NA	NM	NM
Ujjivan SFB	17,870	629	430	12,226	NM	NM
Jana SFB	NA	NA	NA	NA	NM	NM
Utkarsh SFB	15,424	830	NA	NA	NM	NM
ESAF SFB	NA	NA	NA	NA	NM	NM
Fincare SFB	14,804	1231	186	2242	NM	NM
Suryoday SFB	6,025	577	383	4,003	NM	NM

Notes: 1) For ESAF SFB, microloan borrowers are considered as clients, and for others, overall customer base is considered as clients
2) NM – Not meaningful
Source: MFIN, company reports, CRISIL MI&A Research

Muthoot Microfin ranked seventh among the selected NBFC-MFIs based on its presence in states and eight based on its presence in districts as of March 2023.

Geographical presence of select players (As of March'23)	No of states	No of districts	No of branches per state
Top 10 NBFC-MFIs			
CreditAcess Grameen Ltd	15	351	119
IIFL Samasta Finance Ltd	19	332	67
Asirvad Microfinance Ltd	23	450	73
Fusion Micro Finance Ltd	20	385	51

Geographical presence of select players (As of March'23)	No of states	No of districts	No of branches per state
Muthoot Microfin Ltd	**18**	**321**	**65**
Annapurna Finance Pvt Ltd	20	388	59
Spandana Sphoorty Financial Ltd	18	314	64
Satin Creditcare Network Ltd	24	384	45
Svatantra Microfin Pvt Ltd	19	336	42
Belstar Microfinance Ltd	18	216	43
Banks and SFBs (FY23)			
Bandhan Bank	34	600	176
Equitas SFB	18	NA	51
Ujjivan SFB	25	271	25
Jana SFB	NA	NA	NA
Utkarsh SFB	26	253	32
ESAF SFB	NA	NA	NA
Fincare SFB	19	490	65
Suryoday SFB	15	NA	38

Notes:
NA – Not available
Source: MFIN, company reports, CRISIL MI&A Research

Muthoot Microfin ranked 6th among top NBFC-MFIs as of March 2023 in terms of GLP per customer

As on March 2023 GLP per customer improved in absolute terms, but in terms of ranking, it declined from fourth to the sixth position, although quite close to third and fourth placed NBFCs. In terms of GLP per loan officer, Muthoot Microfin ranked fourth among the top NBFC-MFIs, as of March 2023.

Productivity metrics	GLP per employee (₹ million)				GLP per customer (₹)				GLP per loan officer (₹ million)			
Top 10 NBFC-MFIs	As of March 31,20	As of March 31, 21	As of March 31, 22	As of March 31, 23	As of March 31,20	As of March 31, 21	As of March 31, 22	As of March 31, 23	As of March 31,20	As of March 31, 21	As of March 31, 22	As of March 31, 23
CreditAccess Grameen Ltd	9.14	10.67	11.49	12.55	34,124	39,107	47,352	48,909	12.83	15.22	16.63	13.39
IIFL Samasta Finance Ltd	5.80	7.00	6.00	8.64	22,078	29,975	36,022	43,967	9.66	11.81	11.06	16.98
Asirvad Microfinance Ltd	8.87	8.27	5.58	6.33	23,219	24,938	27,000	30,427	16.49	13.33	9.35	11.49
Fusion Micro Finance Ltd	6.70	7.20	7.60	9.66	21,512	22,086	24,644	26,560	10.34	11.07	7.92	14.83
Muthoot Microfin Ltd	**6.79**	**7.15**	**8.21**	**9.00**	**25,958**	**26,195**	**31,271**	**32,886**	**10.37**	**10.77**	**11.65**	**14.68**
Annapurna Finance Pvt Ltd	6.73	6.58	7.61	8.51	22,909	25,989	28,351	35,256	11.28	10.70	11.27	13.56
Spandana Sphoorty Financial Ltd	8.30	9.42	7.30	8.25	26,572	33,913	26,743	38,000	11.19	12.11	9.89	10.64
Satin Creditcare Network Ltd	6.52	6.86	5.97	8.60	23,439	26,944	25,636	30,496	11.03	11.17	9.08	12.95
Svatantra Microfin Pvt Ltd	6.63	7.73	9.14	10.31	25,762	27,415	32,041	34,086	12.35	14.44	15.69	16.01
Belstar Microfinance Ltd	5.33	7.23	7.35	7.72	19,658	23,564	24,250	29,486	11.35	15.67	13.23	13.66
Banks and SFBs^												
Bandhan Bank	18.07	17.60	16.50	15.66	35,744	37,845	37,771	36,373	NM	NM	NM	NM
Equitas SFB	9.54	10.83	11.70	13.55	64,029	45,962	36,262	NA	NM	NM	NM	NM
Ujjivan SFB	7.93	9.14	10.75	13.48	26,017	30,710	28,028	31,320	NM	NM	NM	NM
Jana SFB	6.97	7.83	-	NA	36,803	-	-	NA	NM	NM	NM	NM
Utkarsh SFB	7.54	8.12	8.43	9.05	26,640	-	35,436	NA	NM	NM	NM	NM

Productivity metrics	GLP per employee (₹ million)				GLP per customer (₹)				GLP per loan officer (₹ million)			
Top 10 NBFC-MFIs	As of March 31,20	As of March 31, 21	As of March 31, 22	As of March 31, 23	As of March 31,20	As of March 31, 21	As of March 31, 22	As of March 31, 23	As of March 31,20	As of March 31, 21	As of March 31, 22	As of March 31, 23
ESAF SFB	19.62	21.48	28.10	NA	22,870	21,018	25,860	NA	NM	NM	NM	NM
Fincare SFB	7.26	5.99	6.00	6.70	20,961	-	21,988	35911	NM	NM	NM	NM
Suryoday SFB	7.90	8.20	9.64	9.98	25,411	28,228	26,372	26,039	NM	NM	NM	NM

Notes: ^For SFBs, total loan advances have been considered as GLP
NM – Not meaningful
Source: MFIN, company reports, CRISIL MI&A Research

Productivity metrics	GLP per branch (₹ million)				GLP per district (₹ million)			
Top 10 NBFC-MFIs	As of March 31,20	As of March 31, 21	As of March 31, 22	As of March 31, 23	As of March 31,20	As of March 31, 21	As of March 31, 22	As of March 31, 23
CreditAccess Grameen Ltd	106.52	117.65	117.97	117.75	430.26	459.15	456.21	599.17
IIFL Samasta Finance Ltd	60.60	77.60	80.30	83.28	149.12	190.32	225.14	317.83
Asirvad Microfinance Ltd	52.81	56.36	46.03	59.63	175.25	183.59	172.06	223.13
Fusion Micro Finance Ltd	61.88	65.32	73.93	91.23	129.22	143.59	184.32	241.45
Muthoot Microfin Ltd	**71.27**	**65.92**	**72.56**	**78.57**	**201.31**	**199.88**	**233.70**	**286.85**
Annapurna Finance Pvt Ltd	55.84	55.26	66.55	74.51	137.29	150.25	189.28	227.16
Spandana Sphoorty Financial Ltd	67.61	77.37	58.64	69.21	243.89	288.62	209.22	254.14
Satin Creditcare Network Ltd	63.74	71.96	62.28	73.55	189.71	195.56	171.36	206.48
Svatantra Microfin Pvt Ltd	58.34	69.61	78.71	93.27	117.74	144.29	179.77	223.18
Belstar Microfinance Ltd	39.12	50.83	59.88	80.73	152.19	194.06	234.68	286.67
Banks and SFBs^								
Bandhan Bank	157.59	163.92	176.16	181.90	NA	NA	1,755	1,818
Equitas SFB	179.94	208.19	237.02	302.18	NA	NA	NA	NA
Ujjivan SFB	246.14	263.30	315.86	382.91	580.04	610.48	732.34	888.75
Jana SFB	170.19	198.50	0.00	NA	NA	NA	NA	NA
Utkarsh SFB	130.30	150.81	154.97	168.16	381.85	447.61	474.59	551.66
ESAF SFB	144.22	147.70	202.38	NA	NA	NA	NA	NA
Fincare SFB	75.18	65.53	76.56	80.52	301.98	195.61	286.02	202.27
Suryoday SFB	77.78	71.64	84.09	104.25	NA	NA	NA	NA

Notes:
^For SFBs, total loan advances have been considered as GLP
NA – Not available
Source: MFIN, company reports, CRISIL MI&A Research

Ticket size of Muthoot Microfin based on disbursements increased at a growth rate of 11% in FY23. Average portfolio outstanding per account increased by 20% during the same period. Muthoot Microfin ranked lower in terms of average ticket size based on disbursements, however, ranks sixth in terms of average portfolio outstanding per account as of March 23.

Productivity metrics	Average ticket size based on disbursements (₹)				Average portfolio outstanding per account (₹)			
Top 10 NBFC-MFIs	**FY20**	**FY21**	**FY22**	**FY23**	**As of FY20**	**As of FY21**	**As of FY22**	**As of FY23**
CreditAccess Grameen Ltd	20,000	35,938	37,576	37,965	17,920	26,884	30,223	28,680
IIFL Samasta Finance Ltd	27,279	33,900	39,294	43,038	18,653	23,734	29,770	44,000
Asirvad Microfinance Ltd	22,628	29,268	39,070	49,324	14,570	15,866	19,749	25,262
Fusion Micro Finance Ltd	29,801	32,113	35,668	37,922	19,539	21,550	23,873	25,550
Muthoot Microfin Ltd	**33,164**	**33,855**	**34,252**	**37,985**	**21,833**	**21,840**	**22,889**	**27,418**
Annapurna Finance Pvt Ltd	35,207	35,989	40,198	51,436	22,672	23,537	24,469	34,605
Spandana Sphoorty Financial Ltd	34,308	45,318	45,025	46,256	22,300	31,012	24,753	35,182
Satin Creditcare Network Ltd	31,486	33,113	42,113	42,276	19,974	24,419	24,246	29,489
Svatantra Microfin Pvt Ltd	36,252	36,517	37,399	38,252	10,661	13,114	26,581	25,373
Belstar Microfinance Ltd	30,747	34,430	35,025	43,051	13,723	18,635	23,686	27,021

Source: MFIN, company reports, CRISIL MI&A Research

Muthoot Microfin stood fifth in terms of branches per district among top 10 NBFC-MFIs in FY22 and FY23

Muthoot Microfin had the fifth highest number of branches per district of 3.65 as of March 2023 and of 3.22 as of March 2022, which indicates that there still exists scope for the financier to increase its penetration in existing states.

Productivity metrics	No of branches per district			
Top 10 NBFC-MFIs	**As of March 31,20**	**As of March 31,21**	**As of March 31,22**	**As of March 31,23**
CreditAccess Grameen Ltd	4.04	3.90	3.87	5.09
IIFL Samasta Finance Ltd	2.46	2.45	2.80	3.82
Asirvad Microfinance Ltd	3.32	3.26	3.74	3.74
Fusion Micro Finance Ltd	2.09	2.20	2.49	2.65
Muthoot Microfin Ltd	**2.82**	**3.03**	**3.22**	**3.65**
Annapurna Finance Pvt Ltd	2.46	2.72	2.84	3.05
Spandana Sphoorty Financial Ltd	3.61	3.73	3.57	3.67
Satin Creditcare Network Ltd	2.98	2.72	2.75	2.81
Svatantra Microfin Pvt Ltd	2.02	2.07	2.28	2.39
Belstar Microfinance Ltd	3.89	3.82	3.92	3.55

Source: MFIN, CRISIL MI&A Research

Muthoot Microfin Ltd reported fifth highest NIMs among top 10 NBFCs – MFI during FY23

The customer retention ratio, which indicates how many customers an MFI is able to retain over a specified time period, is an important indicator of business stability. As per Equifax, the median customer retention ratio for the top 15 players (four banks, eight NBFC-MFIs and NBFCs, three SFBs and 1 NBFC) declined from 75.6% as of March 2021 (March 21 vs March 20) to 71.8% as of March 2022 (March 22 vs March 21). Muthoot Microfin Ltd has a better corresponding ratio than the industry median at 86% and 84% respectively.

Muthoot Microfin had the fifth lowest credit cost in FY23 among top 10 NBFC-MFIs indicating its ability to effectively manage its credit risk and in turn maintain a robust portfolio quality.

FY23	Yields on advances	Cost of borrowing*	NIM	Opex ratio	PPOP to Average assets	Credit costs
Top 10 NBFC-MFIs						

FY23	Yields on advances	Cost of borrowing*	NIM	Opex ratio	PPOP to Average assets	Credit costs
CreditAccess Grameen Ltd	NA	9.05%	11.54%	4.54%	8.22%	2.19%
IIFL Samasta Finance Ltd	22.96%	9.37%	12.45%	13.12%	2.13%	0.06%
Asirvad Microfinance Ltd	21.35%	9.01%	10.77%	6.41%	6.88%	3.22%
Fusion Micro Finance Ltd	NA	10.24%	11.50%	5.34%	8.55%	2.41%
Muthoot Microfin Ltd	**22.28%**	**10.47%**	**10.50%**	**6.53%**	**6.18%**	**3.16%**
Annapurna Finance Pvt Ltd	20.39%	10.03%	6.90%	6.32%	5.15%	4.59%
Spandana Sphoorty Financial Ltd	18.33%	9.31%	9.48%	5.38%	6.46%	6.23%
Satin Creditcare Network Ltd	NA	10.56%	7.78%	5.89%	9.90%	5.36%
Svatantra Microfin Pvt Ltd	NA	9.93%	10.26%	4.75%	7.95%	5.36%
Belstar Microfinance Ltd	20.85%	8.72%	9.57%	5.73%	3.97%	2.68%
Banks and SFBs						
Bandhan Bank	13.86%	8.72%	6.29%	3.15%	4.81%	3.32%
Equitas SFB	16.67%	6.48%	8.22%	6.58%	3.80%	1.32%
Ujjivan SFB	19.73%	6.08%	9.48%	6.33%	5.22%	1.35%
Jana SFB	17.69%	6.96%	7.24%	5.61%	4.37%	3.25%
Utkarsh SFB	19.56%	6.80%	8.95%	5.79%	4.91%	2.54%
ESAF SFB	19.81%	6.02%	9.68%	6.49%	4.71%	2.57%
Fincare SFB	20.19%	6.47%	9.33%	7.48%	3.79%	2.90%
Suryoday SFB	19.04%	6.10%	8.28%	5.61%	3.74%	2.62%

Note: *Year end average cost of borrowings
Source: Company reports, CRISIL MI&A Research

FY22	Yields on advances	Cost of borrowing	NIM	Opex ratio	Cost to income ratio	Credit costs
Top 10 NBFC-MFIs						
CreditAccess Grameen Ltd	19.16%	8.18%	9.72%	3.94%	35.99%	3.27%
Fusion Micro Finance Ltd	20.56%	9.72%	8.66%	4.76%	44.26%	5.62%
Asirvad Microfinance Ltd	22.14%	11.22%	9.64%	6.51%	49.65%	6.28%
Muthoot Microfin Ltd	**18.04%**	**9.70%**	**7.50%**	**6.69%**	**65.02%**	**2.27%**
IIFL Samasta Finance Ltd	20.54%	8.96%	10.91%	8.65%	74.77%	1.83%
Annapurna Finance Pvt Ltd	21.33%	10.16%	6.62%	5.75%	63.07%	3.00%
Svatantra Microfin Pvt Ltd	17.48%	9.56%	6.37%	5.18%	54.33%	3.03%
Satin Creditcare Network Ltd	21.31%	10.47%	7.46%	5.58%	64.44%	2.30%
Spandana Sphoorty Financial Ltd	20.81%	11.64%	9.69%	4.56%	39.55%	6.13%
Belstar Microfinance Ltd	20.84%	9.17%	9.61%	5.76%	52.91%	3.73%
Banks and SFBs						
Bandhan Bank	13.88%	4.88%	6.86%	2.78%	30.54%	6.21%
Equitas SFB	17.33%	6.75%	7.89%	6.60%	66.12%	1.91%
Ujjivan SFB	16.73%	5.70%	8.07%	6.80%	71.68%	5.19%
Jana SFB	19.60%	7.58%	7.08%	5.80%	66.46%	2.90%
ESAF SFB	17.44%	5.99%	7.64%	5.74%	63.69%	2.78%
Utkarsh SFB	17.85%	6.92%	7.80%	5.41%	59.11%	3.15%
Fincare SFB	21.45%	7.07%	9.28%	6.85%	60.01%	4.51%
Suryoday SFB	18.72%	6.31%	7.85%	5.55%	60.93%	5.26%

Source: Company reports, CRISIL MI&A Research

FY21	Yields on advances	Cost of borrowing	NIM	Opex ratio	Cost to income ratio	Credit costs
Top 10 NBFC-MFIs						
CreditAccess Grameen Ltd	19.67%	8.92%	9.74%	4.60%	41.65%	5.54%
Fusion Micro Finance Ltd	20.92%	10.13%	8.98%	4.37%	44.26%	4.38%
Asirvad Microfinance Ltd	20.22%	10.15%	8.52%	4.93%	46.66%	5.11%
Muthoot Microfin Ltd	**20.67%**	**10.08%**	**7.77%**	**6.20%**	**64.61%**	**3.18%**
IIFL Samasta Finance Ltd	21.77%	9.25%	12.28%	7.93%	62.59%	2.41%
Annapurna Finance Pvt Ltd	22.67%	11.63%	7.52%	5.17%	58.50%	3.64%
Svatantra Microfin Pvt Ltd	17.92%	10.53%	5.68%	5.25%	59.08%	2.48%
Satin Creditcare Network Ltd	20.17%	11.34%	6.64%	5.19%	59.47%	3.66%
Spandana Sphoorty Financial Ltd	22.71%	10.16%	12.72%	3.22%	21.96%	8.96%
Belstar Microfinance Ltd	20.79%	9.99%	9.65%	6.05%	56.77%	2.70%
Banks and SFBs						
Bandhan Bank	14.69%	5.89%	7.32%	2.73%	29.39%	3.70%
Equitas SFB	18.96%	7.66%	8.17%	6.04%	59.99%	1.70%
Ujjivan SFB	18.22%	6.93%	8.91%	6.34%	60.58%	4.08%
Jana SFB	21.34%	8.30%	7.60%	6.30%	69.90%	2.21%
ESAF SFB	20.03%	7.60%	8.45%	5.79%	60.24%	2.53%
Utkarsh SFB	19.12%	8.23%	7.79%	5.06%	56.54%	2.33%
Fincare SFB	22.70%	8.63%	9.29%	6.14%	55.93%	2.90%
Suryoday SFB	17.73%	8.09%	6.80%	5.44%	67.50%	2.42%

Source: Company reports, CRISIL MI&A Research

FY20	Yields on advances	Cost of borrowing	NIM	Opex ratio	Cost to income ratio	Credit costs
Top 10 NBFC-MFIs						
CreditAccess Grameen Ltd	20.69%	8.99%	11.70%	4.30%	35.87%	2.62%
Fusion Micro Finance Ltd	22.54%	11.42%	9.76%	5.09%	50.84%	2.36%
Asirvad Microfinance Ltd	22.75%	10.65%	9.91%	4.61%	33.88%	1.82%
Muthoot Microfin Ltd	**22.30%**	**10.85%**	**8.34%**	**7.46%**	**49.36%**	**7.14%**
IIFL Samasta Finance Ltd	24.73%	10.15%	14.48%	8.77%	49.81%	2.03%
Annapurna Finance Pvt Ltd	22.81%	11.33%	8.10%	6.06%	62.00%	1.28%
Svatantra Microfin Pvt Ltd	18.22%	11.25%	11.72%	7.10%	60.34%	2.65%
Satin Creditcare Network Ltd	21.07%	12.07%	7.24%	6.09%	51.27%	2.73%
Spandana Sphoorty Financial Ltd	24.87%	11.88%	14.60%	4.19%	20.89%	5.03%
Belstar Microfinance Ltd	24.40%	10.48%	12.39%	7.12%	50.97%	1.01%
Banks and SFBs						
Bandhan Bank	17.85%	7.82%	8.54%	3.28%	30.83%	1.88%
Equitas SFB	19.10%	7.96%	8.52%	6.73%	66.37%	1.40%
Ujjivan SFB	20.34%	8.14%	10.16%	8.20%	67.45%	1.50%
Jana SFB	22.66%	9.41%	8.57%	9.87%	80.58%	2.12%
ESAF SFB	22.32%	8.72%	9.58%	7.27%	64.93%	0.83%
Utkarsh SFB	21.78%	8.82%	9.32%	6.09%	57.58%	0.58%
Fincare SFB	24.92%	9.66%	10.96%	7.55%	55.76%	2.59%
Suryoday SFB	22.49%	8.09%	10.75%	5.96%	47.08%	3.33%

Source: Company reports, CRISIL Research

Muthoot Microfin reported second highest growth rate in total income during FY23

Muthoot Microfin reported the second highest total income growth of 71.58% during FY23 trailing behind IIFL Samasta's growth of 71.92% among its peers.

Growth (y-o-y)	Total income				
Top 10 NBFC-MFIs	**FY20**	**FY21**	**FY22**	**FY23**	**CAGR (FY20-FY23)**
CreditAccess Grameen Ltd	36.1%	20.6%	12.8%	29.11%	20.65%
IIFL Samasta Finance Ltd	71.33%	20.63%	45.25%	71.92%	44.42%
Asirvad Microfinance Ltd	48.70%	-2.16%	29.94%	24.60%	16.57%
Fusion Micro Finance Ltd	46.94%	19.55%	37.60%	49.83%	35.08%
Muthoot Microfin Ltd	**15.50%**	**-19.67%**	**21.06%**	**71.58%**	**18.61%**
Annapurna Finance Pvt Ltd	50.52%	25.33%	17.98%	36.14%	26.27%
Spandana Sphoorty Financial Ltd	38.37%	1.62%	-4.99%	0.20%	-1.09%
Satin Creditcare Network Ltd	1.97%	-9.07%	-0.88%	39.56%	7.95%
Svatantra Microfin Pvt Ltd	119.36%	42.97%	48.33%	68.05%	52.74%
Belstar Microfinance Ltd	36.07%	10.42%	31.74%	42.49%	27.5%
Banks and SFBs					
Bandhan Bank	61.34%	16.98%	14.76%	10.06%	13.89%
Equitas SFB	21.82%	23.38%	10.67%	20.87%	18.17%
Ujjivan SFB	48.49%	2.73%	0.58%	49.85%	15.69%
Jana SFB	77.21%	12.70%	11.62%	21.3%	15.12%
Utkarsh SFB	49.78%	21.28%	19.22%	37.89%	25.86%
ESAF SFB	35.54%	14.37%	21.44%	46.29%	26.66%
Fincare SFB	80.11%	13.38%	19.53%	19.82%	17.54%
Suryoday SFB	43.06%	-0.19%	21.45%	23.73%	14.47%

Source: Company reports, CRISIL MI&A Research

Muthoot Microfin reported fastest growth in PPOP among top 10 NBFC-MFIs during FY23

Growth (y-o-y)	NII					PPOP				
Top 10 NBFC-MFIs	**FY20**	**FY21**	**FY22**	**FY23**	**CAGR (FY20-FY23)**	**FY20**	**FY21**	**FY22**	**FY23**	**CAGR (FY20-FY23)**
CreditAccess Grameen Ltd	28.54%	7.88%	17.55%	58.12%	26.15%	34.74%	2.59%	27.71%	97.08%	24.41%
Fusion Micro Finance Ltd	78.26%	18.05%	25.63%	68.49%	35.7%	116.29%	43.55%	41.65%	100%	40.91%
Asirvad Microfinance Ltd	29.90%	-0.77%	21.87%	50.25%	22%	98.20%	-27.72%	26.20%	86.87%	11.07%
Muthoot Microfin Ltd	**11.48%**	**1.24%**	**13.92%**	**91.24%**	**32.64%**	**7.48%**	**-51.85%**	**25.20%**	**351.61%**	**103.96%**
IIFL Samasta Finance Ltd	85.82%	30.52%	35.74%	61.8%	41.97%	109.96%	-17.52%	-5.84%	NA	-173.02%
Annapurna Finance Pvt Ltd	48.96%	18.62%	8.04%	27.1%	17.66%	38.83%	26.43%	12.49%	-19.64%	-18.78%
Svatantra Microfin Pvt Ltd	134.22%	-21.21%	68.03%	85.87%	72.61%	218.59%	26.67%	79.55%	203.3%	-499.1%
Satin Creditcare Network Ltd	-7.20%	-0.38%	13.87%	3.55%	5.24%	12.14%	-33.77%	-11.61%	2.90%	21.59%
Spandana Sphoorty Financial Ltd	24.61%	14.84%	-18.91%	3.25%	-1.28%	67.03%	-4.96%	-35.11%	-15.64%	-16.44%
Belstar Microfinance Ltd	43.53%	2.10%	33.57%	22.16%	16.78%	27.92%	-11.80%	49.45%	34.42%	19.88%
Banks and SFBs										
Bandhan Bank	40.66%	19.60%	15.21%	6.27%	13.56%	45.30%	24.28%	18.39%	-10.94%	5.86%
Equitas SFB	29.80%	20.26%	13.41%	24.82%	19.4%	15.45%	48.28%	-1.53%	51.04%	17.11%
Ujjivan SFB	47.65%	5.81%	2.63%	52.09%	18.19%	106.01%	25.74%	-26.17%	222.3%	41.69%
Jana SFB	131.43%	24.92%	10.03%	19.42%	17.97%	-148.66%	60.73%	27.46%	49.8%	34.94%
ESAF SFB	38.12%	16.37%	24.47%	60.07%	32.35%	41.61%	28.52%	17.96%	113.38%	46.94%
Utkarsh SFB	46.57%	15.12%	26.40%	44.11%	28%	52.29%	19.36%	21.55%	65.85%	28.67%

Growth (y-o-y)	NII					PPOP				
Top 10 NBFC-MFIs	FY20	FY21	FY22	FY23	CAGR (FY20-FY23)	FY20	FY21	FY22	FY23	CAGR (FY20-FY23)
Fincare SFB	64.48%	13.28%	24.99%	24.43%	20.76%	125.39%	7.98%	18.08%	-5.68%	3.82%
Suryoday SFB	44.77%	-16.31%	42.38%	27.91%	15.01%	-48.26%	0.00%	67.41%	40.35%	3.25%

Source: Company reports, CRISIL MI&A Research

Muthoot Microfin registered positive PAT growth in FY22 and FY23, after negative growth over previous two years, while top players such as Fusion Micro Finance Ltd and Asirvad Microfinance Ltd continued to report negative PAT growth in FY22. During FY23 all NBFC-MFIs expect one reported positive growth in PAT.

Growth (y-o-y)	PAT			
Top 10 NBFC-MFIs	FY20	FY21	FY22	FY23
CreditAccess Grameen Ltd	1.78%	-56.52%	168.38%	116.16%
IIFL Samasta Finance Ltd	101.69%	-37.91%	-24.04%	153.30%
Asirvad Microfinance Ltd	55.01%	-92.82%	-20.44%	1,329.73%
Fusion Micro Finance Ltd	37.55%	-36.86%	-50.62%	1,684.08%
Muthoot Microfin Ltd	**-90.94%**	**-61.25%**	**571.93%**	**245.77%**
Annapurna Finance Pvt Ltd	32.62%	-97.80%	841.21%	90.34%
Spandana Sphoorty Financial Ltd	9.04%	-61.71%	-63.85%	-73.53%
Satin Creditcare Network Ltd	-19.45%	NM	NM	557.21%
Svatantra Microfin Pvt Ltd	75.23%	-7.55%	73.57%	176.99%
Belstar Microfinance Ltd	35.85%	-52.83%	-3.26%	188.06%
Banks and SFBs				
Bandhan Bank	54.96%	-27.07%	-94.30%	1,644.62%
Equitas SFB	15.69%	57.73%	-26.87%	104.32%
Ujjivan SFB	75.65%	-97.63%	NM	NM
Jana SFB	NM	NM	-93.59%	4,635.12%
Utkarsh SFB	98.93%	-40.12%	-45.04%	558.14%
ESAF SFB	110.88%	-44.65%	-48.07%	452.4%
Fincare SFB	40.66%	-21.13%	-92.16%	1,068.43%
Suryoday SFB	28.11%	-89.31%	NM	NM

Note: NM: Not Meaningful
Source:/ Company reports, CRISIL MI&A Research

Muthoot Microfin reported seventh highest ROE and sixth highest ROA among top 10 NBFC-MFIs in FY23

Players	ROE (%)				ROA (%)			
	FY20	FY21	FY22	FY23	FY20	FY21	FY22	FY23
Top 10 NBFC-MFIs								
CreditAccess Grameen Ltd	12.99%	4.51%	10.09%	18.26%	3.63%	1.22%	2.78%	4.51%
IIFL Samasta Finance Ltd	27.67%	11.50%	6.14%	11.04%	4.67%	1.88%	0.94%	1.68%
Asirvad Microfinance Ltd	25.49%	1.61%	1.26%	16.68%	4.62%	0.29%	0.21%	2.57%
Fusion Micro Finance Ltd	7.63%	3.60%	1.68%	21.16%	1.77%	0.87%	0.33%	4.65%
Muthoot Microfin Ltd	**2.03%**	**0.79%**	**4.26%**	**11.06%**	**0.48%**	**0.17%**	**0.97%**	**2.32%**
Annapurna Finance Pvt Ltd	11.98%	0.24%	2.20%	3.27%	2.01%	0.03%	0.26%	0.42%
Spandana Sphoorty Financial Ltd	14.98%	4.84%	1.62%	0.41%	6.21%	1.80%	0.61%	0.15%
Satin Creditcare Network Ltd	12.00%	-0.92%	2.60%	15.02%	2.26%	-0.18%	0.53%	3.52%
Svatantra Microfin Pvt Ltd	11.43%	5.94%	6.50%	12.86%	1.49%	0.85%	0.98%	1.95%
Belstar Microfinance Ltd	22.03%	8.98%	6.46%	13.35%	4.33%	1.56%	1.12%	2.41%

Players	ROE (%)				ROA (%)			
	FY20	FY21	FY22	FY23	FY20	FY21	FY22	FY23
Banks and SFBs								
Bandhan Bank	22.91%	13.53%	0.72%	11.87%	4.08%	2.13%	0.10%	1.49%
Equitas SFB	9.75%	12.51%	7.35%	12.20%	1.39%	1.75%	1.09%	1.85%
Ujjivan SFB	14.04%	0.26%	-13.97%	31.80%	2.18%	0.04%	-1.89%	3.86%
Jana SFB	3.51%	7.77%	0.46%	17.08%	0.26%	0.51%	0.03%	1.12%
Utkarsh SFB	20.84%	9.37%	4.18%	22.64%	2.39%	1.04%	0.45%	2.37%
ESAF SFB	19.25%	8.65%	3.97%	19.41%	2.30%	0.97%	0.36%	1.59%
Fincare SFB	18.28%	11.78%	0.80%	8.31%	2.54%	1.50%	0.09%	0.89%
Suryoday SFB	11.40%	0.89%	-6.00%	5.03%	2.43%	0.20%	-1.25%	0.86%

Source: Company reports, CRISIL MI&A Research

Growth (y-o-y)	Earnings Per Share			
Top 10 NBFC-MFIs	**FY20**	**FY21**	**FY22**	**FY23**
CreditAccess Grameen Ltd	22.78	9.52	22.29	52.04
IIFL Samasta Finance Ltd	5.47	2.38	1.22	2.5
Asirvad Microfinance Ltd	44.14	3.17	2.86	34.82
Fusion Micro Finance Ltd	10.47	5.56	2.67	43.29
Muthoot Microfin Ltd	**1.59**	**0.62**	**100.1**	**89.99**
Annapurna Finance Pvt Ltd	12.08	0.26	2.39	3.93
Spandana Sphoorty Financial Ltd	53.85	20.05	10.75	1.74
Satin Creditcare Network Ltd	29.07	(2.19)	2.96	0.62
Svatantra Microfin Pvt Ltd	1.23	0.79	0.88	1.77
Belstar Microfinance Ltd	26.39	12.43	12.01	27.12
Banks and SFBs				
Bandhan Bank	18.78	13.7	0.78	13.62
Equitas SFB	2.39	3.53	2.43	4.71
Ujjivan SFB	2.19	0.05	-2.40	5.82
Jana SFB	6.21	16.62	1.06	47.47
Utkarsh SFB	2.49	1.46	0.70	4.52
ESAF SFB	4.45	2.46	1.22	6.73
Fincare SFB	24.43	5.55	0.38	4.69
Suryoday SFB	13.38	1.32	-8.76	7.32

Source: Company reports, CRISIL MI&A Research

Muthoot Microfin has fifth lowest leverage among top 10 NBFC – MFIs as of September 2023

Muthoot Microfinance had gearing of 4.21 times as of September 2023 which is fifth lowest among the top 10 NBFC-MFIs. Spandana Sphoorty had the lowest gearing at 2.28 times with highest capital adequacy of 36.60%.

Growth (y-o-y)	Debt to equity ratio (x)					Capital adequacy ratio (%)				
Top 10 NBFC-MFIs	**As of FY20**	**As of FY21**	**As of FY22**	**As of FY23**	**As of Sept 23^**	**As of FY20**	**As of FY21**	**As of FY22**	**As of FY23**	**As of Sept 23^**
CreditAccess Grameen Ltd	2.93	2.42	2.66	3.19	3.05	23.60	31.75	26.54	23.60	25.00
IIFL Samasta Finance Ltd	3.81	5.49	5.26	5.50	5.47	25.80	18.60	17.83	17.14	21.00
Asirvad Microfinance Ltd	4.22	4.38	5.19	5.46	4.65	25.37	23.33	20.81	19.66	24.47
Fusion Micro Finance Ltd	2.48	3.56	4.32	2.92	2.92	35.82	27.26	21.94	27.94	28.78

Growth (y-o-y)	Debt to equity ratio (x)					Capital adequacy ratio (%)				
Top 10 NBFC-MFIs	As of FY20	As of FY21	As of FY22	As of FY23	As of Sept 23^	As of FY20	As of FY21	As of FY22	As of FY23	As of Sept 23^
Muthoot Microfin Ltd	**3.22**	**3.39**	**2.99**	**3.99**	4.21	**29.09**	**22.55**	**28.75**	**21.87**	20.46
Annapurna Finance Pvt Ltd	5.10	6.40	7.83	5.83	5.47	26.74	27.71	29.78	24.66	24.30
Spandana Sphoorty Financial Ltd	1.16	1.91	1.20	1.95	2.28	47.44	39.20	50.74	36.87	36.60
Satin Creditcare Network Ltd	3.35	4.04	3.40	2.85	3.10	23.60	25.30	27.84	26.60	25.70
Svatantra Microfin Pvt Ltd	6.57	5.36	5.53	5.45	4.88	20.55	21.88	25.65	22.32	23.07
Belstar Microfinance Ltd	3.81	5.16	4.16	4.42	4.46	25.67	22.24	24.06	21.97	20.66

^September 2023 numbers are updated basis disclosures by players in public domain
NA: Data not available
Source: Company reports, CRISIL MI&A Research

Growth (y-o-y)	Tier 1 Capital Ratio (%)			
Top 10 NBFC-MFIs	As of FY20	As of FY21	As of FY22	As of FY23
CreditAccess Grameen Ltd	22.30	30.50	25.87	22.7
IIFL Samasta Finance Ltd	20.97	15.14	15.85	12.8
Asirvad Microfinance Ltd	24.32	19.64	16.40	16.23
Fusion Micro Finance Ltd	33.08	25.52	19.93	26.59
Muthoot Microfin Ltd	**27.44**	**21.8**	**28.38**	**31.01**
Annapurna Finance Pvt Ltd	20.36	21.94	25.07	NA
Spandana Sphoorty Financial Ltd	47.27	39.74	50.55	36.87
Satin Creditcare Network Ltd	22.08	19.73	23.25	25.34
Svatantra Microfin Pvt Ltd	16.63	17.43	16.96	22.3
Belstar Microfinance Ltd	21.50	16.64	20.96	20.3
Banks and SFBs				
Bandhan Bank	25.19	22.48	18.89	18.7
Equitas SFB	22.44	23.23	24.53	23.08
Ujjivan SFB	28.01	25.06	17.70	22.69
Jana SFB	13.12	11.75	11.83	13.02
Utkarsh SFB	19.41	19.98	18.08	18.25
ESAF SFB	20.99	21.54	16.16	NA
Fincare SFB	23.46	24.91	19.48	18.64
Suryoday SFB	34.30	47.23	34.44	30.84

Source: Company reports, CRISIL MI&A Research

NBFC-MFIs raised funds during the COVID-19 pandemic to maintain liquidity and support their operations, through various sources, mainly banks and financial institutions

Muthoot Microfin has fifth lowest gearing amongst its peers as on March 2023

Total borrowings (₹ million)	FY20	FY21	FY22	FY23	Gearing as on March 31, 23 (x)	Growth y-o-y FY20	Growth y-o-y FY21	Growth y-o-y FY22	Growth y-o-y FY23
Top 10 NBFC-MFIs									
CreditAccess Grameen Ltd	78,220	87,807	129,207	163,122	3.19	66.14%	12.26%	47.15%	26.25%
IIFL Samasta Finance Ltd	19,40	35,64	52,589	72,703	5.50	24.50%	83.73%	47.52%	38.25%

Total borrowings (₹ million)	FY20	FY21	FY22	FY23	Gearing as on March 31, 23 (x)	Growth y-o-y FY20	Growth y-o-y FY21	Growth y-o-y FY22	Growth y-o-y FY23
	3	9							
Asirvad Microfinance Ltd	43,843	46,272	55,588	84,261	5.46	32.70%	5.54%	20.13%	51.58%
Fusion Micro Finance Ltd	29,720	44,323	57,758	67,784	2.90	1.50%	49.13%	30.31%	17.36%
Muthoot Microfin Ltd	**29,214**	**30,157**	**54,329**	**55,457**	**3.99**	**19.92%**	**3.23%**	**80.15%**	**2.08%**
Annapurna Finance Pvt Ltd	39,074	48,844	62,124	70,485	5.80	42.25%	25.00%	27.19%	13.46%
Spandana Sphoorty Financial Ltd	30,161	51,975	37,721	60,743	1.95	2.42%	72.33%	-27.42%	61.03%
Satin Creditcare Network Ltd	48,650	60,256	57,435	59,112	2.80	3.62%	23.86%	-4.68%	2.92%
Svatantra Microfin Pvt Ltd	22,065	30,650	48,043	62,606	5.40	231.36%	38.90%	-65.2%	36.11%
Belstar Microfinance Ltd	18,954	27,956	35,570	48,265	4.40	19.76%	47.50%	27.24%	35.69%

Source: Company reports, CRISIL MI&A Research

Muthoot Microfinance had fifth lowest GNPA ratio among the selected NBFC-MFIs as on March 2023

GNPA	As of FY20	As of FY21	As of FY22	As of FY23	As of Sept' 23^
CreditAccess Grameen Ltd	1.57%	4.38%	3.12%	1.21%	0.77%
IIFL Samasta Finance Ltd	2.80%	1.80%	3.07%	2.12%	2.11%
Asirvad Microfinance Ltd	1.60%	2.50%	1.67%	2.81%	2.96%
Fusion Micro Finance Ltd	1.12%	5.50%	5.70%	3.46%	2.68%
Muthoot Microfin Ltd	**8.10%**	**7.39%**	**6.26%**	**2.97%**	**2.37%**
Annapurna Finance Pvt Ltd	1.36%	7.36%	9.80%	3.84%	3.18%
Spandana Sphoorty Financial Ltd	0.35%	5.76%	17.70%	2.07%	1.40%
Satin Creditcare Network Ltd	1.57%	8.40%	8.01%	3.28%	2.38%
Svatantra Microfin Pvt Ltd	1.29%	2.13%	3.38%	5.36%	NA
Belstar Microfinance Ltd	1.03%	2.72%	6.75%	2.42%	1.47%
Banks and SFBs					
Bandhan Bank	1.48%	6.81%	6.46%	6.46%	7.30%
Equitas SFB	2.72%	3.59%	4.24%	2.60%	2.27%
Ujjivan SFB	0.90%	7.10%	7.10%	2.88%	2.20%
Jana SFB	2.80%	6.71%	4.98%	3.71%	NA
Utkarsh SFB	0.71%	3.75%	6.10%	3.23%	2.81%
ESAF SFB	1.53%	6.70%	7.83%	2.49%	NA
Fincare SFB	0.90%	6.42%	7.80%	3.25%	1.59%
Suryoday SFB	2.80%	9.40%	11.80%	3.10%	2.90%

^September 2023 numbers are updated basis disclosures by players in public domain

NA: Data not available

Source: Company reports, CRISIL MI&A Research

Muthoot Microfin had third lowest net NPA ratio among the selected NBFC-MFIs as of September 2023

NNPA	As of FY17	As of FY18	As of FY19	As of FY20	As of FY21	As of FY22	As of FY23	As of Sept'23^
Top 10 NBFC-MFIs								
CreditAccess Grameen Ltd	0.00%	0.03%	0.17%	0.37%	1.37%	0.94%	0.35%	0.24%

NNPA	As of FY17	As of FY18	As of FY19	As of FY20	As of FY21	As of FY22	As of FY23	As of Sept'23^
IIFL Samasta Finance Ltd	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA
Asirvad Microfinance Ltd	1.30%	0.00%	0.00%	0.00%	0.00%	0.32%	1.15%	1.44%
Fusion Micro Finance Ltd	0.14%	0.16%	0.56%	0.39%	2.20%	1.60%	0.87%	0.65%
Muthoot Microfin Ltd	**0.26%**	**1.97%**	**1.21%**	**4.05%**	**1.42%**	**1.55%**	**0.60%**	**0.33%**
Annapurna Finance Pvt Ltd	0.03%	0.30%	0.65%	0.84%	2.79%	2.63%	1.35%	1.14%
Spandana Sphoorty Financial Ltd	1.59%	0.08%	0.02%	0.07%	3.26%	12.10%	0.63%	0.42%
Satin Creditcare Network Ltd	0.25%	4.90%	2.30%	0.37%	4.75%	2.47%	NA	0.92%
Svatantra Microfin Pvt Ltd	0.00%	0.66%	0.55%	0.68%	1.13%	1.51%	1.94%	NA
Belstar Microfinance Ltd	0.01%	0.31%	0.14%	0.42%	0.59%	1.48%	0.66%	0.13%
Banks and SFBs								
Bandhan Bank	0.30%	0.58%	0.58%	0.58%	3.51%	1.66%	1.66%	2.30%
Equitas SFB	1.51%	1.46%	1.44%	1.66%	1.52%	2.37%	1.14%	0.97%
Ujjivan SFB	0.03%	0.69%	0.30%	0.20%	2.90%	0.60%	0.04%	0.09%
Jana SFB	0.60%	27.72%	4.39%	1.30%	4.84%	3.43%	2.48%	NA
Utkarsh SFB	0.00%	1.09%	0.12%	0.18%	1.33%	2.31%	0.39%	0.16%
ESAF SFB	0.25%	2.69%	0.77%	0.64%	3.88%	3.92%	1.13%	NA
Fincare SFB	0.38%	0.81%	0.34%	0.40%	2.80%	3.60%	1.30%	0.77%
Suryoday SFB	3.80%	1.86%	0.44%	0.60%	4.70%	5.90%	1.50%	1.46%

^September 2023 numbers are updated basis disclosures by players in public domain
NA: Data not available
Note: NNPA ratio is net NPAs to net advances as reported by the company
Source: Company reports, CRISIL MI&A Research

Most NBFC-MFIs had high average interest rate of 19-22% yearly on a declining balance basis. However, these interest rates are much lower than those charged by village moneylenders (typically 30-45%). Muthoot Microfin is one of the youngest NBFC-MFI players with a relatively strong credit rating of CRISIL 'A+'. Muthoot Microfin has also been graded as M1C1 in capacity assessment and code of conduct assessment by CRISIL.

Top 10 NBFC-MFIs	Date of incorporation	NBFC-MFI / SFB status date	Credit rating as of March 2023
CreditAccess Grameen Ltd	1991	2013	ICRA AA-, CRISIL A+, IND AA-
Fusion Micro Finance Ltd	1994	2014	CRISIL A, ICRA A, CARE A
Asirvad Microfinance Ltd	2007	2007	CRISIL AA-
Muthoot Microfin Ltd	**1992***	**2015**	**CRISIL A+, IND A**
IIFL Samasta Finance Ltd	1995	2008	CRISIL AA-, ICRA A+
Annapurna Finance Pvt Ltd	1986	2013	CRISIL A-, ICRA A-, CARE A-
Svatantra Microfin Pvt Ltd	2012	2013	CRISIL A+, ICRA A+, CARE AA-,
Satin Creditcare Network Ltd	1990	2013	ICRA A-, CARE BBB+
Spandana Sphoorty Financial Ltd	2003	2015	CRISIL A, ICRA A-, IND A,
Belstar Microfinance Ltd	1988	2013	CRISIL AA-, ACUITE AA, CARE AA-, ICRA A+

Source: MFIN, CRISIL MI&A Research

Weighted average rate of interest for qualifying portfolio

Top 10 NBFC-MFIs	FY19	FY20	FY21	FY22
CreditAccess Grameen Ltd	19.00%	21.00%	16.83%	19.14%
Fusion Micro Finance Ltd	22.81%	21.89%	21.51%	21.01%
Asirvad Microfinance Ltd	NA	21.60%	21.10%	20.50%

Top 10 NBFC-MFIs	FY19	FY20	FY21	FY22
Muthoot Microfin Ltd	**NA**	**NA**	**21.05%**	**20.25%**
IIFL Samasta Finance Ltd	23.91%	23.54%	21.89%	21.62%
Annapurna Finance Pvt Ltd	21.90%	21.90%	22.00%	20.88%
Svatantra Microfin Pvt Ltd	19.25%	NA	20.99%	20.70%
Satin Creditcare Network Ltd	22.00%	25.07%	22.16%	21.70%
Spandana Sphoorty Financial Ltd	NA	23.00%	21.15%	21.34%
Belstar Microfinance Ltd	23.64%	21.05%	20.52%	18.77%

Source: MFIN, CRISIL MI&A Research

Competitive technological advantage with presence of customer app for Muthoot's customer acquisition

	Name of the customer app	No of downloads
NBFC-MFIs		
CreditAccess Grameen Ltd	NA	-
Fusion Micro Finance Ltd	NA	-
Satin Creditcare Network Ltd	Satin Creditcare Network LLP	0.5 million+
Asirvad Microfinance Ltd	Asirvad OGL	0.01 million+
Muthoot Microfin Ltd	**Muthoot Mahila Mitra**	**0.5 million+**
IIFL Samasta Finance Ltd.	IIFL Samasta Sakhi	0.1 million+
Annapurna Finance Pvt Ltd	NA	-
Svatantra Microfin Pvt Ltd	NA	-
Spandana Sphoorty Financial Ltd	NA	-
Belstar Microfinance Ltd	Belstar-Samrithi	0.1 million+
Banks and SFBs		
Bandhan Bank	Mbandhan	1 million+
Equitas Small Finance Bank Ltd	Equitas mobile banking	1 million+
Ujjivan Small Finance Bank Ltd	Ujjivan mobile banking	1 million+
Fincare Small Finance Bank Ltd	Fincare Mobile banking	1 million+
Utkarsh SFB	Utkarsh Mobile	0.1 million+
Suryoday SFB	Suryoday mobile banking	0.1 million+
ESAF SFB	ESAF bank	0.5 million+

Note: Downloads data as at on 11th May 2023
Source: CRISIL MI&A Research

Muthoot Microfin has automated and digitalised the loan process

Muthoot Microfin has undertaken digitalization across multiple stages of its lending process, including sourcing, underwriting, and disbursement. In terms of sourcing, it has implemented digital channels and platforms to facilitate the collection of customer information and loan applications. Through online portals, mobile applications, and other digital touchpoints, customers can initiate the loan application process.

Digitalization has also played a crucial role in underwriting at Muthoot Microfin. The company has leveraged technologies and developed automated scorecards, to automate and optimize its underwriting processes. By analyzing applicant data, including financial records, credit history, and other relevant parameters, the digital underwriting system can assess creditworthiness more accurately and efficiently.

Additionally, digitalization has transformed the disbursement process at Muthoot Microfin. Through digital payment systems and electronic fund transfers, loan disbursements are executed swiftly and securely. This eliminates the need for physical cash transactions, reducing the associated risks and providing greater convenience to borrowers. Muthoot Microfin provides a range of digital payment methods to facilitate convenient and secure transactions for its customers. This includes UPI, Mahila Mitra App, Web Link, QR code, Whatsapp, Assist (SMS), UPI (Unified Payments Interface)

Muthoot Microfin has a diversified portfolio with funding through financial institutions, debentures, commercial papers and securitisation. Its dependence on financial institutions have reduced from 81.88% in FY17 to 60.78% in FY23 on account of newer sources of borrowings such as securitisation

Borrowing mix (FY23)	Bonds & debentures	Loans from banks & financial institutions	Bank overdraft	ECB	Commercial paper	Others
Top 10 NBFC-MFIs						
CreditAccess Grameen Ltd	10.73%	79.46%	-	9.81%	-	-
IIFL Samasta Finance Ltd	8.88%	91.12%	-	-	-	-
Asirvad Microfinance Ltd	18.2%	76.77%	-	-	-	5.03%
Fusion Micro Finance Ltd	10.94%	87.74%	-	1.31%	-	-
Muthoot Microfin Ltd	**27.82%**	**60.78%**	**-**	**9.08%**	**2.32%**	**-**
Annapurna Finance Ltd	19.92%	69.01%	-	4.25%	-	6.83%
Spandana Sphoorty Financial Ltd	39.13%	41.60%	-	2.72%	-	**16.55%**
Satin Creditcare Network Ltd	19.08%	56.36%	-	6.41%	-	18.15%
Svatantra Microfin Pvt Ltd	2.42%	97.58%	-	-	-	-
Belstar Microfinance Ltd	16.30%	83.70%	-	-	-	-

Source: Company reports, CRISIL MI&A Research

Borrowing mix (FY22)	Bonds & debentures	Loans from banks & financial institutions	Bank overdraft	ECB	Commercial paper	Others
Top 10 NBFC-MFIs						
CreditAccess Grameen Ltd	13.09%	84.91%	-	2.00%	-	-
Fusion Micro Finance Ltd	16.38%	82.15%	-	1.46%	-	-
Asirvad Microfinance Ltd	30.67%	69.33%	-	-	-	-
Muthoot Microfin Ltd	**15.64%**	**72.81%**	**-**	**-**	**1.24%**	**10.31%**
Annapurna Finance Ltd	34.82%	56.40%	-	8.73%	-	0.05%
IIFL Samasta Finance Ltd	11.99%	87.48%	0.05%	-	0.48%	-
Satin Creditcare Network Ltd	25.25%	55.80%	3.55%	5.64%	0.45%	9.30%
Svatantra Microfin Pvt Ltd	4.46%	86.63%	-	-	-	8.91%
Spandana Sphoorty Financial Ltd	48.42%	51.58%	-	-	-	-
Belstar Microfinance Ltd	14.63%	85.37%	-	-	-	-

Source: Company reports, CRISIL MI&A Research

Borrowing mix (FY17)	Bonds & debentures	Loans from banks & financial institutions	Bank overdraft	ECB	Commercial paper	Others
Top 10 NBFC-MFIs						
CreditAccess Grameen Ltd	28.10%	71.90%	0.00%	0.00%	0.00%	0.00%
Fusion Micro Finance Ltd	38.83%	61.16%	0.00%	0.00%	0.00%	0.01%
Asirvad Microfinance Ltd	33.97%	64.41%	1.57%	0.00%	0.00%	0.06%
Muthoot Microfin Ltd	**18.12%**	**81.88%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
IIFL Samasta Finance Ltd	27.47%	72.34%	0.00%	0.00%	0.00%	0.19%
Satin Creditcare Network Ltd	20.14%	75.59%	0.17%	1.61%	2.49%	0.00%
Svatantra Microfin Pvt Ltd	0.00%	81.48%	18.52%	0.00%	0.00%	0.00%
Spandana Sphoorty Financial Ltd	0.00%	99.90%	0.00%	0.00%	0.00%	0.10%
Belstar Microfinance Ltd	9.19%	89.78%	1.02%	0.00%	0.00%	0.00%

Source: Company reports, CRISIL MI&A Research

Asset-Liability Mismatch (FY23)	Positive/Negative at overall level
Top 10 NBFC-MFIs	
CreditAccess Grameen Ltd	Positive
Fusion Micro Finance Ltd	NA
Asirvad Microfinance Ltd	Positive
Muthoot Microfin Ltd	**Positive**
Annapurna Finance Pvt Ltd	NA
IIFL Samasta Finance Ltd	Positive
Satin Creditcare Network Ltd	Positive
Svatantra Microfin Pvt Ltd	Positive
Spandana Sphoorty Financial Ltd	Positive
Belstar Microfinance Ltd	Positive

Note: Negative ALM is calculated as a percentage of liabilities
Source: Company reports, CRISIL MI&A Research

Muthoot Microfin has a strong leadership team

	Date of incorporation	No of directors*	Proportion of independent directors
Top 10 NBFC-MFIs			
CreditAccess Grameen Ltd	1991	8	50%
IIFL Samasta Finance Ltd	1995	6	67%
Asirvad Microfinance Ltd	2007	13	69%
Fusion Micro Finance Ltd	1994	NA	NA
Muthoot Microfin Ltd	**1992**	**10**	**50%**
Annapurna Finance Pvt Ltd	1986	NA	NA
Spandana Sphoorty Financial Ltd	2003	13	46%
Satin Creditcare Network Ltd	1990	7	71%
Svatantra Microfin Pvt Ltd	2012	6	33%
Belstar Microfinance Ltd	1988	11	36%
Banks and SFBs			
Bandhan Bank	2014	13	62%
Equitas Small Finance Bank Ltd	1993	10	90%
Ujjivan Small Finance Bank Ltd	2016	9	67%
Utkarsh SFB	2016	8	63%
ESAF SFB	2016	NA	NA
Fincare Small Finance Bank Ltd	1995	11	60%
Suryoday SFB	2008	NA	NA

Note: *As of March 2023
Source: Company reports, CRISIL MI&A Research

Of the top 10 NBFC-MFIs, Muthoot Microfin, Annapurna Finance Pvt Ltd and Satin Creditcare Network Ltd are the NBFC-MFIs where original promoters have retained ownership and control over the business. However, among these, Annapurna Finance Pvt Ltd has the least shareholding amongst its peers.

Muthoot Microfin Ltd operates on a promoter driven model wherein not only is the majority of the shareholding with promoters but also within the promoter holding, the entire portion is held by flagship company, Muthoot Fincorp and its individual promoters

NBFC-MFIs	FY23			
	Promoter shareholding	Promoter shareholding through promoter group/financial sponsors	Listed /Unlisted	Change in promoter
CreditAccess Grameen Ltd	72.44%	Entire shareholding is held by CreditAccess India NV	Yes	Founder is not active in the business*

NBFC-MFIs	FY23			
	Promoter shareholding	Promoter shareholding through promoter group/financial sponsors	Listed /Unlisted	Change in promoter
Fusion Micro Finance Ltd	67.96%	Of the total 67.96%, 4.87% is held by Devesh Sachdev, rest is with Honey Rose Investments Ltd (39.37%) Creation Investments Fusion (23.72%), and others	Yes	**Yes.** Incorporated as Ambience Fincap Pvt Ltd, and after takeover by Devesh Sachdev, company name was changed to Fusion Micro Finance Ltd in 2009
Asirvad Microfinance Ltd	97.60%	Entire shareholding is held by Manappuram Finance Ltd	In process	Yes. Manappuram Finance Ltd took over the company in 2015
Muthoot Microfin Ltd	**74.79%**	**Of the total 74.79%, 54.46% is held by Muthoot Fincorp Ltd and remaining by individual promoters**	**No**	**No change in promoters**
Annapurna Finance Pvt Ltd	9.93%	Information not available	No	No change in promoters
IIFL Samasta Finance Ltd	99.80%	Of the total 99.80%, 99.51% is held by IIFL Finance Ltd and remaining by Narayanaswamy Venkatesh and Shivaprakash Deviah	No	**Yes.** IIFL acquired stake in Samasta Microfinance in 2017
Satin Creditcare Network Ltd	39.45%	Of the total 39.45%, 37.05% is held by Trishashna Holdings & Investments Pvt Ltd and remaining by other promoters and promoter groups	Yes	No change in promoters
Svatantra Microfin Pvt Ltd	82.46%	Entire shareholding is with Ananyashree Birla	No	**Yes**. In 2019, 98.02% shareholding was transferred to Ananyashree Birla from investment companies of Aditya Birla Group
Spandana Sphoorty Financial Ltd	63.00%	Of the total 63%, 41.28% is held by Kangchenjunga Ltd, 14.50% by Padmaji Ganjireddy (promoter) and remaining by other promoters and promoter groups	Yes	**Yes.** The founder promoter resigned in 2021
Belstar Microfinance Ltd	13.05%	Of the total 13.05%, 12.26% is held by Sarvam Finance Inclusion Trust, and remaining by promoters and other promoter groups	No	**Yes.** The company was acquired by the Hand in Hand Group, a non-governmental organisation, in September 2008, and then, Muthoot Finance acquired ~60% share (as of March 2022) in 2016

Note:* Mrs. Vinatha Reddy (founder) is no longer part of the board. The company is professionally managed.
Source: Company reports, CRISIL MI&A Research

Muthoot Microfin and other NBFC-MFIs are professionally managed

NBFC-MFI	CEO	COO	CTO	CRO	CFO
NBFC-MFIs					
CreditAccess Grameen Ltd	Uday Hebbar Master's degree in Commerce with over 35 years of experience	NA	Sudesh Puthran BE, MFM with over 25 years of experience	Firoz Anam BTech and MBA with over 20 years of experience	Balaksrishna Kamath BCom, ACA, ACS
Fusion Micro	Devesh Sachdev	Kamal Kaushik	Naveen Mangle	Sanjay	Gaurav

NBFC-MFI	CEO	COO	CTO	CRO	CFO
Finance Ltd	MBA with over 23 years of experience	CA with 21 years of experience	MBA with over 19 years of experience	Vishwanath Choudhary CA having 23 years of experience	Maheshwari CA, MBA with over 18 years of experience
Asirvad Microfinance Ltd	NA	Satheesh Kumar Chalasani with over 18 years of experience	Joshy K G MBA, CA	NA	Rajesh Namboodiripad CA with over 20 years of experience
Annapurna Finance Pvt Ltd	Gobinda Chandra Pattanaik 20+ years of work experience	Sanjaya Pattanaik	Dilip Khuntia 10+years of experience in technology management	Anoop T MBA with over 9 years of experience	Satyajit Das
Muthoot Microfn Ltd	Sadaf Sayeed MBA with over 19 years of experience	Udeesh Ullas MBA with over 19 years of experience	Linson C Paul MS in Computer Science, MBA with over 22 years of experience	Jinshu Joseph CA with over 12 years of experience	Praveen T CA with over 12 years of experience
IIFL Samasta Finance Ltd	NA	Gaurav Kumar MDP with over 20 years of experience	D Shivaprakash Over 20 years of experience	Manish Agrawal with over 20 years of experience	Anantha Kumar T CA with over 11 years of experience
Satin Creditcare Network Ltd	NA	Thangaraju M.Com with over 22 years of experience	NA	Dhiraj Jha BCA, Post Graduate in Economics, PG Diploma in Financial Advising with over 17 years of experience	Rakesh Sachdeva CA with over 30 years of experience
Svatantra Microfin Pvt Ltd	Anujeet Varadkar Graduate in Agriculture Science and post-graduate in Management studies with more than 20 years of experience	NA	NA Pranay Singh (Senior VO-IT)	NA Vikas Kalibaug (Senior VP-Risk)	Vrushali Mahajan CA with over 19 years of experience
Spandana Sphoorty Financial Ltd	Shalabh Saxena	Vishal Sharma MBA with over 27 years of experience	Dharamvir Kumar Singh MBA with over 16 years of experience	Amit Anand MBA with over 19 years of experience	Ashish Kumar Damani Post Graduate Diploma in BA, AGMP from IIMA with over 22 years of experience
Belstar Microfinance Ltd	NA	NA	Dhanasekaran BE, MBA from Finland with	Parthasarathy Mathematics major, MBA,	Lakshmanan Muralidharan CA with over 13

NBFC-MFI	CEO	COO	CTO	CRO	CFO
			more than 23 years of experience	Bachelor of Law with over 18 years of experience	years of experience
Banks and SFBs					
Bandhan Bank	Chandra Shekhar Ghosh M.Sc. in Statistics with over 30 years of experience	Ratan Kumar Kesh MBA with over 27 years of experience	Manoj Kumar Mauni	Biswajit Das MBA with more than 30 years of experience	Abhijit Ghosh (Interim)
Equitas SFB	Vasudevan Pathangi Narasimhan Bachelors in Science (Physics),Company Secretary	NA	Vivek Dhavale	Sibi PM	Sridharan N
Ujjivan SFB	Ittira Davis MBA with over 40 years of experience	Martin Pampilly Computer Science Graduate with over 25 years of experience	NA	Arunava Banerjee MA (Economics)	Ramesh Murthy CA, General Management Program from Harvard Business School with over 30 years of experience
Jana SFB	Ajay Kanwal Master of Management Studies with over 32 years of experience	Rajesh Rao MBA and a certified Associate of Indian Institute of Bankers (CAIIB) with 28 years of experience	NA	Satish Ramachandran Engineer, PGDM with over 20 years of experience	Abhilash Sandur CA with over 15 years of experience
Utkarsh SFB	Govind Singh Graduate, certified associate of the Indian Institute of Bankers	Arun Raman BE	NA	Alok Pathak BSc, Banking Compliance Professional Examination (IIBF)	Sarjukumar Pravi CA with over 2 years of experience
ESAF SFB	Kadambelil Paul Thomas	NA	Ali Mohammad Saquib	Mohanachandran KR	Gireesh CP
Fincare SFB	Rajeev Yadav IIT Kanpur and Post graduate diploma in management from IIM Ahmedabad	Shreejith Menon CA with over 21 years of experience	Srinath S MCA with over 21 years of experience	Manmohan Singh CA with over 21 years of experience	Keyur Doshi MBA, BSC Mathematics with over 26 years of experience
Suryoday SFB	Baskar Babu Ramachandran	NA	Vishal Singh	Yogesh Dixit	Kanishka Chaudhary

NA – Information not available
Source: Company report, CRISIL MI&A Research

Annexure:

List of formulae

RoA:	Profit after tax / average of total assets on book
RoE:	Profit after tax / average net worth
NIM:	(Interest income – interest paid) / average of total assets on book
Yield on advances:	Interest earned on loans and advances / average of advances on book
Cost of borrowing	Interest paid / (average of borrowings)
Cost to income:	Operating expenses / (net interest income + other income)
Opex ratio:	Operating expenses (Employee benefit expenses+ Depreciation expenses+ Other expenses)/ average total assets on book
Credit cost:	Provisions / average total assets on book
PPOP:	Total Income-Interest paid-Opex

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 19 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors" on page 31 for a discussion of certain risks that may affect our business, financial condition, or results of operations, "Restated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 278 and 388, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

We have included certain non-GAAP financial measures and other performance indicators relating to our financial performance and business in this Prospectus, each of which is a supplemental measure of our performance and liquidity and not required by, or presented in accordance with, Ind AS, IFRS or U.S. GAAP. Furthermore, such measures and indicators are not defined under Ind AS, IFRS, U.S. GAAP or other accounting standards, and therefore should not be viewed as substitutes for performance, liquidity or profitability measures under such accounting standards. In addition, such measures and indicators, are not standardized terms, hence a direct comparison of these measures and indicators between companies may not be possible. Other companies may calculate these measures and indicators differently from us, limiting their usefulness as a comparative measure. Although such measures and indicators are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that they are useful to an investor in evaluating our operating performance. For further details, see "Risk Factors - We have presented, in this Prospectus, certain financial measures and other selected statistical information relating to our financial condition and operations which are not prepared under or required by Indian GAAP. These financial measures and statistical information may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies." on page 58.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report dated November 27, 2023 (the "**CRISIL Report**"), prepared and released by CRISIL, which has been exclusively commissioned and paid for by our Company pursuant to an engagement letter dated May 29, 2023, for the purpose of understanding the industry in connection with this Offer. A copy of the CRISIL Report was made available on the website of our Company at https://muthootmicrofin.com/wp-content/uploads/2023/11/Updated-Industry-Report_27Nov2023.pdf from the date of the Red Herring Prospectus till the Bid Offer/Closing Date. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant financial year. See "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" and "Risk Factors - Internal Risk Factors - This Prospectus contains information from third parties and an industry report which we have commissioned from CRISIL, which we have commissioned and paid for purposes for our understanding of the industry exclusively in connection with the Offer" on pages 17 and 51, respectively.*

Our Company's Financial Year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, financial information for the financial years ended March 31, 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023 included herein is derived from the Restated Financial Statements included in this Prospectus. For further information, see "Restated Financial Statements" on page 278. Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us" and "our" are to Muthoot Microfin Limited.

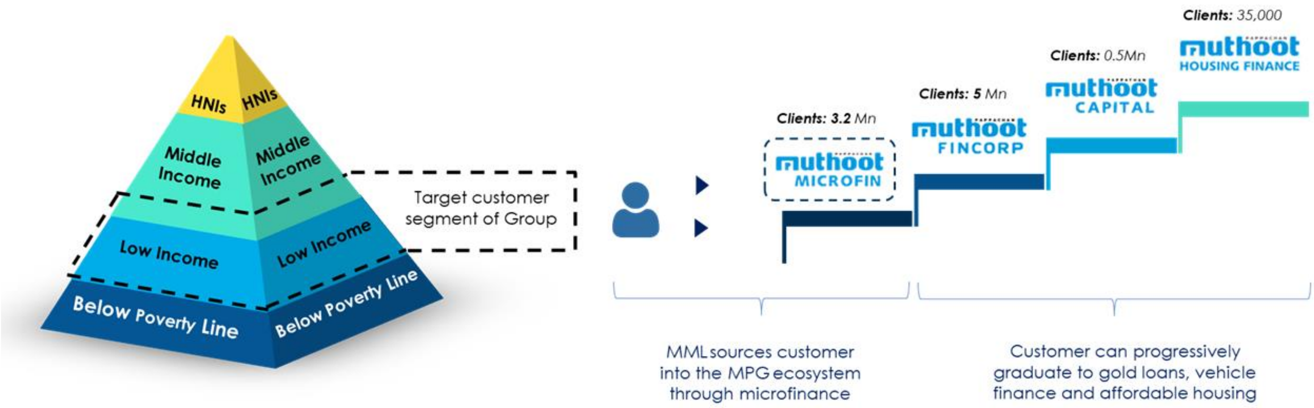
The terms "total outstanding loan portfolio", "average outstanding loan portfolio," and "outstanding non-performing loan portfolio" appearing in this section refer to the loans provided by us, as referred to in our restated financial statements, and "gross outstanding loan portfolio" or "gross loan portfolio" includes "total outstanding loan portfolio" together with our assigned and managed loans.

Overview

We are a microfinance institution providing micro-loans to women customers (primarily for income generation purposes) with a focus on rural regions of India. We are the fifth largest NBFC-MFI in India in terms of gross loan portfolio as of March 31, 2023 *(Source: CRISIL Report)*. We are also the third largest amongst NBFC-MFIs in South India in terms of gross loan portfolio, the largest in Kerala in terms of MFI market share, and a key player in Tamil Nadu with an almost 16% market share, as of March 31, 2023 (*Source: CRISIL Report*).

As of September 30, 2023, our gross loan portfolio amounted to ₹108,670.66 million. We believe that our business model helps in driving financial inclusion, as we serve customers who belong to low-income groups. As of September 30, 2023, we have 3.19 million active customers, who are serviced by 12,297 employees across 1,340 branches in 339 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, in order to ensure ease of access to customers. Our branches are connected to our IT networks and are primarily located in commercial spaces which we believe are easily accessible by our customers.

We are a part of the Muthoot Pappachan Group, a business conglomerate with presence across financial services, automotive, hospitality, real estate, information technology infrastructure, precious metals and alternate energy sectors. The Muthoot Pappachan Group has a history of over 50 years in the financial services business. We are the second largest company under the Muthoot Pappachan Group, in terms of AUM for the Financial Year 2023. MFL, the flagship company of the Muthoot Pappachan Group, holds 59.29% of the pre-Offer Equity Share capital in our Company, on a fully diluted basis, as of the date of this Prospectus. Our relationship with the Muthoot Pappachan Group provides us with brand recall and significant marketing and operational benefits. Further, there are significant synergies between the financial services business of the group and our micro-finance business. The target customer segment of the Muthoot Pappachan Group is low income customers, as depicted in the image below:



Our wide range of lending products are aimed at catering to the life-cycle needs of rural households. We primarily provide loans for income generating purposes to women customers living in rural areas. Our loan products comprise (i) group loans for livelihood solutions such as income generating loans, Pragathi loans (which are interim loans made to existing customers for working capital and income generating activities), individual loans and Suvidha loans (which are digital loans accessible through the *Mahila Mitra* application and made to existing customers to enable quick access to funds); (ii) life betterment solutions including mobile phones loans, solar lighting product loans and household appliances product loans; (iii) health and hygiene loans such as sanitation improvement loans; and (iv) secured loans in the form of gold loans and our Muthoot Small & Growing Business ("**MSGB**") loans. As of September 30, 2023, the gross loan portfolio of our income generating loans amounted to ₹102,118.73 million, representing 93.97% of our total gross loan portfolio. We primarily adopt a joint liability group model which caters exclusively to women in lower income households and is premised on the fact that if such individuals are given access to credit, they may be able to identify new opportunities and supplement and grow their existing income. The history of the Muthoot Pappachan Group in working with customers at the bottom of the economic pyramid helps us better address the needs of women in rural households and design lending products to cater to their requirements.

Over the past few years, we have significantly implemented the use of technology across our microfinance operations. We have an in-house information technology team that has built our technology platform into a business tool, which we believe helps us in achieving and maintaining high levels of customer service, enhancing operational efficiency and creating competitive advantages for our organization. To improve our underwriting capabilities using technology, we have developed a unique credit score card along with Equifax to evaluate the creditworthiness of customers by assigning individual credit scores to our customers. As a result, we are able to risk profile each of our customers individually based on parameters such as payment track record (including any credit defaults in the past two years), demographics, age and location. This allows us to strategically allocate more capital to "very low risk" and "low risk" customers, as compared to "medium risk" and "high risk" customers (as per the categorization based on the score cards), in order to maximize our collection efficiency. Apart from utilizing our unique credit score, we also analyze customers' credit bureau reports to establish their creditworthiness and repayment behavior. Further, to expand our digital collections infrastructure, we launched a proprietary application, called "*Mahila Mitra*", in 2021, which facilitates digital payment methods such as QR codes, websites, SMS-based links and voice-based payment methods. Through *Mahila Mitra*, our customers are able to pay directly from their bank account through a secure platform that requires authentication via OTP and/or PIN payments, track and maintain digital records and statements of transactions, and earn cashback or reward points on payment transactions. For the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2023, 1.06%, 4.86%, 20.30% and 25.47% of our repayments were collected on a digital basis (i.e. in a cash less manner by direct bank credit into our bank accounts), respectively. As of September 30, 2023, 1.50 million customers have downloaded the *Mahila Mitra* application, and 2.46 million customers have transacted digitally with us (through the *Mahila Mitra* application and other digital payment methods). We are also in the process of developing a *Super App* along with the Muthoot Pappachan Group, which we plan to use to integrate our *Mahila Mitra* application with all of the Muthoot Pappachan Group's products and databases on to a single platform, allowing customers to access all the Group's loan offerings on a single platform, thereby maximizing our cross-selling opportunities. In 2022, we were awarded the Mobility Award for IT Innovations at the Technology Senate Awards South 2022 instituted by Express Computer, and the Best Digital Transformation Initiative – Financial Services Award at the India DevOps Show, 2022. In 2023, we were awarded the Trailblazer in Digital Lending Award at the 2nd Elets NBFC100 Leader of Excellence Awards, 2023, and the winner in the category of 'Modern and Agile Data Architecture and Infrastructure' at the Economic Times Datacon Awards, 2023.

In addition, with the aim to cater to the healthcare needs and priorities of our customers, we have, since December 2021, offered digital healthcare facilities to our customers through "e-clinics". We collaborate with M-Swasth Solutions Private Limited, a technology driven digital healthcare service provider, to set up these e-clinics across our branches. As of September 30, 2023, we have set up 460 e-clinics across 460 of our branches, representing 34.33% of our total branches. As of September 30, 2023, 14.40% of our customers have enrolled in our e-clinics, and we have facilitated 98,844 medical consultations and 65,878 teleconsultations. Further, to protect our customers from the risks of natural calamities, we have, since May 2020, also provided natural calamity insurance to our customers to whom we disburse loans across our branches in India. As of September 30, 2023, we have provided 23.23% of our clients with natural calamity insurance. As a result of global climate change, India has experienced natural calamities such as floods, cyclones, earthquakes, tsunamis and droughts in the past, including floods in the south Indian state of Kerala in 2018 and 2019 and a cyclone in Tamil Nadu in 2018. In this background, purchasing natural calamity insurance for our customers is a significant value-add to them as it protects their businesses and assets at home.

Our Board, Promoters and Senior Management comprise experienced professionals, industry experts and management professionals, supported by a qualified and motivated pool of employees. Our Senior Management team has members who have significant experience in microfinance and various lending businesses as well as across major functions related to our business, which include retail banking operations, debt management and microfinance, financial services and information technology services. Collectively, they have demonstrated an ability to manage and grow our operations. For details of our board of directors and management team, see "*Our Management*" on page 228. Further, we are supported by our marquee investors, namely Creation Investments India LLC and Greater Pacific Capital WIV Ltd, which have been invested in our Company since 2016 and 2021, respectively, and collectively hold 28.07% of the issued, subscribed and paid-up pre-Offer Equity Share capital of our Company on a fully diluted basis, as of the date of this Prospectus.

We have received several awards and certifications in recognition of our approach of integrating social values in the conduct of our business, including the Certificate of Excellence for contributions for water and sanitation lending instituted by Water.org and Sa-Dhan in 2021, the 'Flame Awards' instituted by Rural Marketing Association of India in 2020, and the 'Golden Peacock Award for Business Excellence' by the Institute of Directors in 2018.

The following table sets forth our key financial and operational metrics as of or for the years indicated:

	As of/ for the six months ended September 30,		**As of/ for the year ended March 31,**		
	2023	**2022**	**2023**	**2022**	**2021**
Gross Loan Portfolio (₹ million)(1)	108,670.66	74,494.86	92,082.96	62,549.42	49,867.11
Period on period growth in Gross Loan Portfolio (%)	45.88	55.54	47.22	25.43	3.06
Disbursements (₹ million)(2)	51,815.75	34,865.20	81,044.74	46,469.63	26,367.66
Period on period growth in Disbursements (%)	48.62	171.87	74.40	76.24	(35.42)
Number of Loans Disbursed (million)(3)	1.22	1.07	2.11	1.35	0.76
Customers to whom loans were disbursed during the Period (million)(4)	0.95	0.72	1.52	1.02	0.70
New Customers (million)(5)	0.47	0.43	1.01	0.45	0.21
Active Customers (million)(6)	3.19	2.40	2.77	2.05	1.86
Customers with Mahila Mitra app downloads (million)(7)	1.50	1.06	1.18	0.87	0.02
Customers who Transacted Digitally with Us (million)(8)	2.46	0.83	1.70	0.52	0.13
Overall Digital Collection (₹ million)(9)	9,515.25	2,488.00	10,955.40	1,683.01	308.59
Revenue from Operations (₹ million)(10)	10,423.27	6,047.42	14,287.64	8,325.06	6,841.67
Net Interest Income (₹ million)(11)	6,270.02	3,786.66	8,797.54	4,923.52	3,848.39
Net Interest Margin(12)	12.39%	11.12%	11.60%	9.60%	8.24%
Ratio of Operating Expenses to Annual Average Gross Loan Portfolio	5.87%	6.09%	5.96%	5.82%	5.20%
Ratio of Provisions and Write Offs to Annual Average Gross Loan Portfolio	1.25%	4.77%	2.89%	1.98%	2.69%
Pre-provision operating profit before Tax (₹ million)(13)	3,373.57	1,800.87	4,361.88	1,758.74	1,412.79
Profit After Tax (₹ million)(14)	2,052.57	124.66	1,638.89	473.98	70.54
Total comprehensive income for the year (₹ million)(15)	2,111.82	273.33	2,033.06	797.23	(173.10)
Debt to equity (times)(16)	4.21	3.62	3.99	2.99	3.39
RoA(17)	2.21%	0.20%	2.16%	0.92%	0.15%
RoE(18)	11.84%	0.90%	11.06%	4.26%	0.79%

	As of/ for the six months ended September 30,		As of/ for the year ended March 31,		
	2023	2022	2023	2022	2021
Net Worth(19)	18,420.95	14,465.84	16,258.49	13,365.79	8,898.90
Cost to income ratio (%)(20)	46.61%	53.69%	51.39%	65.02%	64.41%
Average annual cost of borrowings (%)(21)	11.20%	10.54%	10.94%	10.44%	11.08%
Impairment allowance coverage ratio (%)(22)	86.42%	73.73%	80.32%	76.68%	81.32%
Capital to risk assets ratio (CRAR) (%)(23)	20.46%	24.16%	21.87%	28.75%	22.55%
Insurance Premium collected (₹ million)(24)	2,299.73	1,459.52	3,380.93	1,856.03	981.15
Life Insurance (₹ million)(25)	1,643.08	1,069.72	2,440.26	1,383.05	772.36
Medical Insurance (₹ million)(26)	304.88	304.31	598.28	387.54	175.44
Natural Calamity Insurance (₹ million)(27)	351.78	85.49	342.38	85.43	33.36

Notes:

(1) Gross loan portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets which includes loan assets held by our Company as of the last day of the relevant period/year, loan assets which have been transferred by our Company by way of assignment as well as loan assets managed by our Company through partner institution and co-lending partner, and are outstanding as of the last day of the relevant period/year. While we act as partner institution for these loans, these loans are provided on the balance sheet of our partner institution, and not recognized as our loan assets on our balance sheet.

(2) Disbursements is the total amount disbursed to customers in the relevant period, pursuant to loans sanctioned.

(3) Number of loans disbursed represents the total number of loans disbursed to customers during the relevant period.

(4) Customers to whom loans were disbursed during the period represents the unique number of customers to which at least one loan is disbursed during the relevant period.

(5) New Customers represent customers who are first time borrowers of our Company while disbursing a fresh loan during the corresponding period.

(6) Active Customers refers to our customers which had an active loan account as of the last day of the relevant period.

(7) Customers with Mahila Mitra app downloads represent customers who have downloaded and registered our "Mahila Mitra" app.

(8) Customers who transacted digitally with us represent customers who have paid through digital payment methods such as QR codes, webpages, SMS-based links and voice-based payment methods.

(9) Overall digital collection represents the amount recovered from our customers through digital payment methods such as QR codes, webpages, SMS-based links and voice-based payment method.

(10) Revenue from Operations represents our total revenue from operations as per our Restated Financial Statements for the relevant year.

(11) Net Interest Income represents our Revenue from Operations reduced by Finance Costs as per our Restated Financial Statements for the relevant year.

(12) Net Interest Margin is the ratio of our Net Interest Income to our average monthly gross loan portfolio. Our average monthly gross loan portfolio is the simple monthly average of our gross loan portfolio for the relevant period/year.

(13) Pre-provision operating profit before tax represents the sum of profit before tax for the relevant year and impairment on financial instruments for such period/year derived from our Restated Financial Statements for the relevant year.

(14) Profit After Tax represents our profit for the year (after tax) as per our Restated Financial Statements for the relevant year.

(15) Total comprehensive income for the year represents our total comprehensive income for the year as per our Restated Financial Statements for the relevant year.

(16) Debt to equity represents the ratio of our Total Borrowings to our Net Worth.

(17) RoA represents profit for the relevant year as derived from our Restated Financial Statements as a percentage of annual monthly average gross loan portfolio for the relevant period/year.

(18) RoE represents the ratio of Net Profit attributable to equity holders to our annual average of net worth. Our annual average of net worth is the simple average of our net worth as of the last day of the relevant period/year and our net worth as of the last day of the preceding period/year.

(19) Net Worth represents our net worth as of the last day of the relevant year as per our Restated Financial Statements.

(20) Cost to Income ratio is the ratio of the aggregate of our fees and commission expenses, employee benefit expenses, operating expenses and depreciation and amortisation expense to total income net of finance cost as per our Restated Financial Statements for the relevant year.

(21) Annual Average Cost of Borrowings is the annually weighted average interest cost on borrowings, weights being annual average borrowings. Borrowings include debt securities, subordinated liabilities, and borrowings (other than debt securities).

(22) Impairment allowance coverage ratio represents the ratio of total impairment allowance on term loans (gross) derived from our Restated Financial Statements to Stage III Assets (Gross NPAs) for the relevant period/year.

(23) Capital to risk assets ratio (CRAR) is calculated as capital funds (Tier I capital plus Tier II capital) divided by risk-weighted assets (the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI).

(24) Insurance Premium collected represents the total insurance premium collected and transferred by our Company to the relevant insurance companies for providing life, medical and natural calamity insurance to our customers.

(25) Life Insurance represents the insurance premium collected and transferred by our Company to the relevant insurance companies for providing credit linked life insurance products to our customers.

(26) Medical Insurance represents the insurance premium collected and transferred by our Company to the relevant insurance companies for providing medical insurance products to our customers.

(27) Natural Calamity Insurance represents the insurance premium collected and transferred by our Company to the relevant insurance companies for providing natural calamity or asset insurance products to our customers.

Our Strengths

Market leadership with a pan-India presence

We are a microfinance institution providing micro-loans to women customers (primarily for income generation purposes) with a focus on rural regions of India. We are the fifth largest NBFC-MFI in India in terms of gross loan portfolio as of March 31, 2023 *(Source: CRISIL Report)*. We are also the third largest amongst NBFC-MFIs in South India in terms of gross loan portfolio, the largest in Kerala in terms of MFI market share, and a key player in Tamil Nadu with an almost 16% market share, as of March 31, 2023 (*Source: CRISIL Report*). Our business model helps in driving financial inclusion, as we serve customers who belong to low-income groups. We have 3.19 million active customers, as of September 30, 2023.

We have a well-diversified portfolio across 339 districts in 18 states and union territories in India, as of September 30, 2023. As of September 30, 2023, our gross loan portfolio in our top three states, namely Kerala, Karnataka and Tamil Nadu, together accounted for 51.36% of our total gross loan portfolio. Over the past five years, we have expanded our operations in North, East and West India, which has allowed us to diversify our customer base and gross loan portfolio and increase our revenue from operations. The tables below sets forth the break-up of our gross loan portfolio and branches according to geography as of the dates indicated:

	As of September 30,		As of September 30,		As of March 31,		As of March 31,		As of March 31,	
	2023		2022		2023		2022		2021	
	Gross loan portfolio	% of Total	Gross loan portfolio	% of Total	Gross loan portfolio	% of Total	Gross loan portfolio	% of Total	Gross loan portfolio	% of Total
South	56,908.70	52.37%	44,981.38	60.38%	51,530.27	55.96%	40,537.93	64.81%	33,271.57	66.72%
North	24,573.73	22.61%	13,773.13	18.49%	19,179.68	20.83%	9,652.29	15.43%	7,489.48	15.02%
East	14,505.09	13.35%	7,954.40	10.68%	12,273.78	13.33%	6,918.48	11.06%	4,586.05	9.20%
West	12,683.14	11.67%	7,785.95	10.45%	9,099.22	9.88%	5,440.73	8.70%	4,520.00	9.06%
Total	**108,670.66**	**100.00%**	**74,494.86**	**100.00%**	**92,082.96**	**100.00%**	**62,549.42**	**100.00%**	**49,867.11**	**100.00%**

	As of September 30,		As of September 30,		As of March 31,		As of March 31,		As of March 31,	
	2023		2022		2023		2022		2021	
	Number of branches	% of Total	Number of branches	% of Total	Number of branches	% of Total	Number of branches	% of Total	Number of branches	% of Total
South	633	47.24%	503	49.90%	576	49.15%	468	51.71%	413	54.70%
North	318	23.73%	223	22.12%	269	22.95%	193	21.33%	138	18.28%
East	192	14.33%	128	12.70%	179	15.27%	127	14.03%	98	12.98%
West	197	14.70%	154	15.28%	148	12.63%	117	12.93%	106	14.04%
Total	**1,340**	**100.00%**	**1,008**	**100.00%**	**1,172**	**100.00%**	**905**	**100.00%**	**755**	**100.00%**

For further details of the state-wise break-up of our gross loan portfolio and branches, see *"Selected Statistical Information"* on page 255.

We believe that we derive numerous benefits from our leadership position, including our ability to secure capital at competitive costs, recruit and retain skilled employees, retain existing customers, add new customers, expand into new regions and grow our portfolio of products from time to time. Further, we have built a resilient business model that has allowed us to continue to grow our business through events such as the Indian banknote demonetization in 2016, the Kerala floods in 2018 and 2019, the cyclone in Tamil Nadu in 2018 and the COVID-19 pandemic. For a temporary period, the Indian banknote demonetization in 2016 adversely impacted our business (in particular, our collection efficiency and NPA levels). However, we were able to recover from the adverse impact of the demonetization due to the strength of our business model, in particular since a large proportion of our disbursements were being made to bank accounts of our customers, instead of through cash disbursements. We were also supported by our Promoters and our shareholder, Creation Investments India LLC, which provided us with investments amounting to approximately ₹150 million and ₹500 million, respectively, in December 2016. For details, see " – *Experienced and Professional Management, with Strong Corporate Governance and support from Promoters and Investors*" on page 190.

We have built our distribution platform with an emphasis on under-served rural markets with growth potential, in order to ensure ease of access to village level customers and rural households. We endeavor that our branches are located in close proximity to our customers' homes. As of September 30, 2023, we employed 10,159 branch managers, credit managers and relationship officers. We believe that our branch network assists us in managing disbursement and collection in an efficient manner and provides local knowledge and know-how, which is critical to the success of our operations. Our widespread branch network in rural markets, together with our technology led initiatives, results in significant competitive advantages, particularly by giving us the capability to offer a variety of financial products in areas where financial services penetration is limited. Further, we believe that the low income customer segment which we serve requires an assisted and curated technology-enabled financial services offering, which we are able to offer. For details relating to our use of technology to meet customers' needs, see "– *Our Strengths – Streamlined Operating Model with Effective Use of Technology*" on page 188.

Rural focused operations, with a commitment towards health and social welfare of our customers

We have a history of serving rural markets with high growth potential in the microfinance segment, and have maintained a track record of financial performance and operational efficiency through consistently high rates of customer acquisition and retention and expansion into underpenetrated areas. The table below sets forth certain details relating to our customers and gross loan portfolio in rural areas:

	Customers in rural areas		**Gross loan portfolio in rural areas**	
	Number of Customers (million)	**% of Total Customers**	**Amount of Gross Loan Portfolio (₹ million)**	**% of Total Gross Loan Portfolio**
As of September 30, 2023	3.08	96.58	103,919.61	95.63
As of September 30, 2022	2.32	96.44	71,186.21	95.56
As of March 31, 2023	2.66	96.05	87,172.19	94.67
As of March 31, 2022	1.97	96.00	59,629.75	95.33
As of March 31, 2021	1.79	96.33	47,400.43	95.05

Our connection with our rural customers has been largely driven by our focus on continuously improving our understanding of the financial needs of the rural customer segment and commitment to consistent engagement with the communities we serve. Further, our digital capabilities, which facilitate online onboarding, paperless loan processing, seamless cashless disbursements, cashless collections, timely query resolution and access to online financial literacy resources, among other things, have allowed us to deliver superior customer services to our rural customers. For details, see "- *Our Strengths - Streamlined operating model with effective use of technology"* on page 188. We believe that our customer-centric model and our ability to leverage our extensive distribution network in rural markets across India, makes us well placed to offer an increasing variety of financial products in areas where financial services penetration remains limited.

In addition, with the aim to cater to the healthcare needs and priorities of our customers, we have, since December 2021, offered digital healthcare facilities to our customers through "e-clinics". We collaborate with M-Swasth Solutions Private Limited, a technology driven digital healthcare service provider, to set up these e-clinics across our branches. As of September 30, 2023, we have set up 460 e-clinics across 460 of our branches, representing 34.33% of our total branches. As of September 30, 2023, 14.40% of our customers have enrolled in our e-clinics, and we have facilitated 98,844 medical consultations and 65,878 teleconsultations. Our e-clinics provide our customers and up to five of their family members with video consultation with doctors at a nominal enrolment cost. For details relating to our e-clinics, see "*– Description of our Business – E-Clinics*" on page 199. By offering healthcare services to our customers and up to five of their family members at a nominal cost through e-clinics at our branches, we aim to attract new customers and retain our existing customers.

In addition, we act as a master policy holder for credit linked life insurance policies for our customers, to protect them from financial risks arising from death of income earners within the household. Further, to protect our customers from the risks of natural calamities, we have, since May 2020, also provided natural calamity insurance to our customers to whom we disburse loans across our branches in India. As of September 30, 2023, we have provided 23.23% of our clients with natural calamity insurance. As a result of global climate change, India has experienced natural calamities such as floods, cyclones, earthquakes, tsunamis and droughts in the past, including floods in the south Indian state of Kerala in 2018 and 2019 and a cyclone in Tamil Nadu in 2018. In this background, purchasing natural calamity insurance for our customers is a significant value-add to them as it protects their businesses and assets at home.

Brand recall and synergies with the Muthoot Pappachan Group

We are part of the Muthoot Pappachan Group, a business conglomerate with presence across financial services, automotive, real estate, healthcare, information technology, precious metals and alternate energy sectors. The Muthoot Pappachan Group has a history of over 50 years in the financial services business. We are the second largest company under the Muthoot Pappachan Group, in terms of AUM for the Financial Year 2023. Our relationship with the Muthoot Pappachan Group provides us with brand recall and significant marketing and operational benefits. Several companies forming part of the Muthoot Pappachan Group are in the financial services sector including microfinance, gold finance, two wheeler finance and housing finance. The financial services companies within the Muthoot Pappachan Group together service 8.7 million unique customers, as of September 30, 2023.

The history of the Muthoot Pappachan Group in working with customers in economically weaker sections, helps us better understand the needs of women in rural households and design lending products to cater to their requirements. In addition, there are opportunities presented by the financial services businesses of the Muthoot Pappachan Group for the growth of our operations and expansion of our customer base and geographical footprint across India. We leverage cross-selling opportunities to offer diverse products to meet multiple needs of our target customers. For example, our Company earns fee-income from distribution of a variety of loans to our customers on behalf of MFL. We are also in the process of developing a *Super App* along with the Muthoot Pappachan Group, which we plan to use to integrate our *Mahila Mitra* application with all of the Muthoot Pappachan Group's products and databases on to a single platform, allowing customers to access all the

Group's loan offerings on a single platform, thereby maximizing our cross-selling opportunities. For details relating to the *Super App*, see " – *Description of our Business – Information Technology*" on page 200.

Other than financial services, we have synergies with the operations of MFL. For example, we use MFL's branches and expertise in specific areas of our operations including cash management, gold assessment and storage. In addition, in collaboration with Muthoot Exim Private Limited, we offer Swarnavarsham gold coins, an investment scheme aimed at promoting savings, to our customers. Through our Swarnavarsham gold coins investment scheme, we offer our customers one gram of gold at market value with a payment tenure of 37 weeks or nine months or 18 fortnights. As of September 30, 2023, 255,253 of our customers have participated in our Swarnavarsham gold coins investment scheme, with 54,315 of our customers participating during the six months ended September 30, 2023 alone.

Robust risk management framework leading to healthy portfolio quality

Risk management forms an integral part of our business and we recognize the importance of risk management towards our long term success. We have implemented well-defined key risk management policies which primarily focus on addressing credit risk, operational risk and financial risk. The key elements of our risk management framework are summarized below:

Credit Risk: We seek to ensure effective appraisal, disbursement, collection and delinquency management resulting from streamlined approval and administrative procedures. We have established underwriting norms which ensure that customer selection is done after evaluating repayment capacity and detailed cash flows analysis. We use technology across our business processes, including sourcing, underwriting, disbursement and collection, in order to ensure accuracy and authenticity of information. We also use technology and automation to establish creditworthiness and repayment behavior of customers by analyzing their credit bureau reports, cash flows, continued process verification reports and our unique credit score card which we developed along with Equifax, before sanctioning loans. This technology-enabled credit score card improves our underwriting process by assigning individual credit scores to our customers, which provides us with a significant advantage. As a result, we are able to risk profile each of our customers individually based on parameters such as payment track record (including any credit defaults in the past two years), demographics, age and location. This allows us to strategically allocate more capital to "very low risk" and "low risk" customers, as compared to "medium risk" and "high risk" customers (as per the categorization based on the score cards), in order to maximize our collection efficiency. For details relating to our unique credit score card, see "– *Description of Our Business – Information Technology*" on page 200.

Further, we carry out regular end use and payment monitoring, which tie into our key risk parameters. For example, we carry out regular loan utilization checks, and endeavor to conduct such checks within one month of disbursement of the loans. These periodic checks and regular monitoring helps us in timely identification of customers or groups with early signs of default risk and/or increasing risk, enabling timely remedial measures. We have also implemented real time collections monitoring which ensures that any delay in collections is regularly highlighted and followed up to seek payment recovery. To minimize risk of identity related fraud, we perform know-your-customer authentications in collaboration with Karza Technologies, a digital onboarding and risk mitigating application programming interface. To verify the authenticity of our customer's bank account, we perform penny drop verification by depositing ₹1 into their bank account to ensure that it is valid and operative. To maximize collection efficiency, we have a collections team that is equipped with the necessary technique and skills to recover amounts that are overdue from our delinquent customers. For details, see "– *Description of Our Business – Collections Team*" on page 204.

Operational Risk: Before establishing a branch in a new location, we conduct due diligence and market surveys to understand key details relating to the new location, including, among others, economic activity, target market growth potential and extent of microfinance services already provided. We also have a systematic hiring criteria, and perform employment verifications, review credit bureau reports and police verification reports of each potential employee before hiring them. We also have established training processes for our newly hired staff, including training on policies, processes, systems and culture of our Company. We typically appoint one branch manager and between five to seven relationship officers at our branches. We also appoint credit managers at our branches who report to our credit team, and who are responsible for sanctioning loans and establishing joint liability groups among our customers. Our credit managers are also responsible for conducting cash flow analysis of customers to determine whether the customer has sufficient surplus over her household expenditure and other obligations to service the proposed loan. Our customer due diligence procedures encompass know-your-customer checks; group training; visits to the homes of new customers to verify details, obtain consents and establish the purpose of the loan; and revalidation to assess the quality of the proposed group and to confirm that they meet all our specified criteria. To ensure that our credit managers receive adequate supervision and comply with our policies and procedures, we also have on-site area credit managers and regional credit managers. We have an internal audit and compliance team of 363 employees, as of September 30, 2023, which audits each branch at least once every two months. Our internal audit team monitors adherence to audit processes and policies, field performance, documentation, quality of data entry, underwriting and customer selection process, and subsequently assigns each branch with a score based on certain quantitative and qualitative parameters. We also engage an external audit firm to conduct quarterly internal audits of our operations.

To reduce risks associated with cash transactions, we endeavor to limit the amount of cash handled outside the branch. For the Financial Year 2023 and the six months ended September 30, 2023, 20.30% and 25.47% of our repayments were collected on a digital basis (i.e. in a cash less manner by direct bank credit into our bank accounts), respectively. Further, to expand our digital collections infrastructure, we launched a proprietary application, called "*Mahila Mitra*", in 2021, which facilitates digital payment methods such as QR codes, webpages, SMS-based links and voice-based payment methods. Through *Mahila Mitra*, our customers are able to pay directly from their bank account through a secure platform that requires authentication via OTP and/or PIN payments, track digital records and statements of transactions, and earn cashback or reward points on payment transactions. For details relating to *Mahila Mitra*, see "– *Description of Our Business – Information Technology*". As of September 30, 2023, all our branches disburse loans on a digital basis and 96 of our branches collect more than 80% of their repayments on a digital basis. We utilize cash management agencies, as well as the MFL branches to ensure that our field staff does not have to carry the money for long distances and the pool of money they handle on a daily basis remains low.

Financial Risk: We adopt conservative policies aimed at ensuring there is no asset liability mismatch, liquidity risk or interest risk. We ensure that we engage in external borrowings in a manner that is compliant with our board-approved borrowing policies. Our borrowing committee works under the supervision of our Board to ensure that our cost of borrowings, interest rates for our borrowings and draw-downs on our loan facilities are well managed. Our investment committee seeks to ensure that our treasury operations are optimal, including by selecting appropriate short term savings instruments for the deployment of cash collected. Our risk management team, led by our chief risk officer, closely monitors the trends and movements of cash in hand at the branch level, in order to timely flag any abnormality in cash holdings to minimize risk of theft, robbery and fraud.

Our robust risk management framework, customer selection methodologies and regular end use and payment monitoring have resulted in healthy portfolio quality indicators such as high collection efficiency, stable PAR and low rates of gross NPAs and net NPAs. Our collection efficiency was 95.84% and 98.89% for the Financial Year 2023 and the six months ended September 30, 2023, and our gross NPA ratio was 2.37% and net NPA ratio was 0.33%, as of September 30, 2023. As of March 31, 2023, we had the fifth lowest gross NPA ratio, and as of September 30, 2023, we had the third lowest net NPA ratio among the selected NBFC-MFIs (*Source: CRISIL Report*). The table below sets forth the amount of gross loan portfolio under Stage 1 (1-30 days), Stage 2 (31-90 days) and Stage 3 (more than 90 days):

	Stage 1 (1-30 days)		**Stage 2 (31-90 days)**		**Stage 3 (more than 90 days)**	
	Gross Loan portfolio (₹ million)	**% of Total Gross Loan portfolio**	**Gross Loan portfolio (₹ million)**	**% of Total Gross Loan portfolio**	**Gross Loan portfolio (₹ million)**	**% of Total Gross Loan portfolio**
As of September 30, 2023	84,674.65	97.01	543.41	0.62	2,070.69	2.37
As of March 31, 2023	69,408.82	96.42	436.67	0.61	2,141.53	2.97
As of March 31, 2022	40,665.01	88.02	2,642.24	5.72	2,890.01	6.26
As of March 31, 2021	30,890.18	88.14	1,566.51	4.47	2,589.09	7.39

As compared to Indian microfinance industry as a whole, we have a comparatively lower proportion of loans at each month-on-book stage due for the period between the quarter ended March 31, 2021 and the quarter ended December 31, 2022, which indicates that our loan portfolio is performing better than that of the Indian microfinance industry as a whole (*Source: CRISIL Report*).

Streamlined operating model with effective use of technology

We recognize that establishing and growing a successful microfinance business in India involves the significant challenge of addressing a customer base that is quite large and typically lives in remote locations in India. To address this challenge, we have designed a streamlined and scalable operating model and developed technology-led systems and solutions for our operations. As at September 30, 2023, we had 102 members in our information technology team, who are responsible for, among other things, developing and maintaining our in-house information technology systems, data security systems, and technological infrastructure and applications. All of our applications have been developed in-house by our information technology team, and our team is also able to implement amendments to our applications required pursuant to regulatory or other operational changes in an efficient and quick manner. Our chief technology officer has over 20 years of experience in the information technology space. Our key technology related aims include increasing digital penetration, reducing risks associated with cash transactions, improving risk management and underwriting processes, increasing operational efficiency, improving customer analytics and simplifying sourcing, as detailed below:

- To increase digital penetration, we have developed digital infrastructure to: onboard our customers digitally, conduct know-your-customer checks digitally, perform most underwriting tasks digitally (including through the use of our unique score card which we have developed with Equifax and credit bureau reports), undertake loan amount assessments digitally, facilitate communication with our customers through our customer application, provide real-time repayment updates to our customers, facilitate paperless operations through features such as "e-sign", and disburse loans to customers digitally.

- To reduce risks associated with cash transactions, we have expanded our digital collections infrastructure through our proprietary application "*Mahila Mitra*", which facilitates digital payment methods such as QR codes, webpages, SMS-based links and a voice-based payment method, and provides customers with a secure platform to transact digitally with us. For the Financial Year 2023 and the six months ended September 30, 2023, 20.30% and 25.47% of our repayments were collected on a digital basis (i.e. in a cash less manner by direct bank credit into our bank accounts), respectively. As of September 30, 2023, 2.46 million customers have transacted digitally with us, and 1.50 million of our customers have downloaded the *Mahila Mitra* application. We are constantly working towards fully digitalizing our collection model across our branches, in order to mitigate the risks associated with cash transactions, including theft, robbery and fraud, and to minimize the amount of idle cash across our branches. As of September 30, 2023, all our branches disburse loans on a digital basis and 96 of our branches collect more than 80% of their repayments on a digital basis.

- Our unique credit score card, developed along with Equifax, improves our underwriting capabilities by evaluating the creditworthiness of customers using technology.

- To manage our operating expenses and increase efficiency, we equip our field staff with mobile solutions and deploy customized software which simplifies data entry and improves the accuracy and efficiency of collections and fraud detection. We have instituted "*Serene Pro*", our integrated loan origination and management system which allows for real-time tracking of collections and loan processing.

- To improve customer analytics, we are in the process of developing a *Super App* along with the Muthoot Pappachan Group, which we plan to use to integrate our *Mahila Mitra* application with all of the Muthoot Pappachan Group's products and databases on to a single platform, thereby providing us with access to a wide customer base and in-depth data about our customers. For details, see "*– Description of Our Business – Information Technology*".

- To simplify sourcing, our platform allows us to undertake integrated credit bureau data collection, automated appraisal, stage wise review of the disbursement process, and real-time process integrating all branch information.

Our systems operate in a secure, cloud based technological environment with a robust internal software platform. Leveraging on our technology initiatives, we are able to achieve quicker turn-around times for our loan approval and disbursement processes. We have also increased the average number of customers served per loan officer from 407.63 as of March 31, 2021 to 410.64 as of March 31, 2022, 442.00 as of March 31, 2023 and 426.19 as of September 30, 2023.

Access to diversified sources of capital and effective cost of funds

We believe that we have a well-diversified funding profile that underpins our liquidity management system, credit rating and brand equity. We received an upgraded credit rating of A+/Stable by CRISIL on October 19, 2022, which was reaffirmed on January 19, 2023. We have historically secured, and seek to continue to secure, cost effective funding through a variety of sources, including public sector banks, private sector banks, small finance banks, foreign banks other non-banking financial institutions, developmental financial institutions and public investors, together with NCDs, pass through certificates, and direct assignment of loans. We also raise long term debt through ECBs. As of September 30, 2023, we had outstanding debt in principal amount of ₹63,104.87 million from 65 banks, financial and other lending institutions, including securitization and external commercial borrowings and ₹14,356.23 million from 14 NCDs (including market-linked debentures) issuances and one commercial paper. During the six months ended September 30, 2023, we received net proceeds of ₹10,658.48 million from direct assignment of 331,078 loan accounts. Our Promoters and our holding company, MFL, have not provided any corporate guarantees in relation to the borrowings availed by us, which demonstrates the trust of our lenders in our business model. Further, our Promoters hold 69.08% of the issued, subscribed and paid-up pre-Offer Equity Share capital (on a fully diluted basis) of our Company as of the date of this Prospectus, and have supported our business growth by regularly providing capital infusion in prior periods.

Historically, the microfinance industry has relied on priority sector loans from public and private sector banks (*Source: CRISIL Report*). We are eligible to borrow priority sector loans from banks for on-lending as an NBFC-MFI, subject to compliance with the conditions prescribed by the RBI. We also leverage on our loan portfolio in order to enter into direct assignment transactions with banks. Such transactions also allow us to efficiently utilize our capital as assigned portfolios do not require any risk weightage on our balance sheet. In addition, as an NBFC-MFI, subject to certain conditions being met, we are eligible to access external commercial borrowings. In addition to such funding, we have the ability to fund the growth of our operations and loan portfolio through issuances of debt securities such as redeemable NCDs (including market-linked debentures), commercial paper, loans with various maturities raised from domestic and international banks, financial and other institutions. As of September 30, 2023, we issued NCDs aggregating to ₹3,000 million, and raised ECBs from banks aggregating to ₹821 million. Our issuance of NCDs to public investors are important to our efforts to diversify sources of capital because it provides us with access to a wider set of investors. The following table sets forth the breakdown of our total borrowings, as of the dates indicated:

	As of March 31, 2023		As of March 31, 2022		As of March 31, 2021	
	Amount (₹ million)	% of Total Borrowings	Amount (₹ million)	% of Total Borrowings	Amount (₹ million)	% of Total Borrowings
Borrowings (other than debt securities)						
From banks	29,200.07	44.97%	16,481.93	41.24%	11,848.61	39.29%

From financial institutions	11,751.79	18.10%	12,366.82	30.94%	9,047.73	30.09%
Borrowings under securitization arrangement	8,230.63	12.68%	4,121.09	10.31%	4,458.92	14.79%
From financial institutions in foreign currency	2,047.76	3.15%	-	0.00%	-	0.00%
Debt securities						
Redeemable non-convertible debentures (including market-linked debentures)	13,216.67	20.35%	6,249.44	15.64%	4,234.19	14.04%
Commercial paper	484.84	0.75%	496.83	1.24%	290.50	0.96%
Subordinated liabilities	**-**	**0.00%**	**249.97**	**0.63%**	**249.63**	**0.83%**
Total	**64,931.76**	**100.00%**	**39,966.09**	**100.00%**	**30,156.58**	**100.00%**

	As of September 30, 2022		**As of September 30, 2023**	
	Amount (₹ million)	**% of Total Borrowings**	**Amount (₹ million)**	**% of Total Borrowings**
Borrowings (other than debt securities)				
From banks	31,734.75	40.97%	23,408.32	44.75%
From financial institutions	16,094.95	20.78%	10,561.32	20.19%
Borrowings under securitization arrangement	12,405.75	16.02%	7,378.87	14.11%
From financial institutions in foreign currency	2,869.42	3.70%	-	0.00%
Debt securities				
Redeemable non-convertible debentures (including market-linked debentures)	14,356.23	18.53%	10,958.64	20.95%
Commercial paper	-	0.00%	-	0.00%
Subordinated liabilities	-	0.00%	-	0.00%
Total	**77,461.10**	**100.00%**	**52,307.15**	100.00%

We maintain a conservative ALM policy recognizing our operating metrics. We have aggregate loan provision of 2.05% of our total loan portfolio as of September 30, 2023, which is higher than the regulatory requirements applicable to us. Our capital adequacy ratio of 20.46% of risk-weighted assets as of September 30, 2023 which is well above the requirement of 15.00% of the aggregate risk-weighted assets prescribed by the RBI. These factors provide us with a competitive advantage when borrowing funds for our operations**.** We have reduced our average effective cost of borrowings from 11.08% for the Financial Year 2021 to 10.94% for the Financial Year 2023. Further, between Financial Years 2022 and 2023, our aggregate cost of borrowing increased by 0.50% to 10.94%, notwithstanding a 2.50% increase in policy rate by the RBI, which reflects our ability to secure cost effective funding. In addition, our ability to continue to secure cost effective funding from banks during, among others, the NBFC crisis in 2018 and the COVID-19 pandemic, is a reflection of our resilient business model. Our ability to secure cost effective funding will allow us to improve our margins without increasing the cost of securing a loan for our customers. We are one of the youngest NFBC-MFI players with a relatively strong credit rating of CRISIL "A+", and we have also been graded as "M1C1" in capacity assessment and code of conduct assessment by CRISIL (*Source: CRISIL Report*), which is the highest available grading on an eight point scale for microfinance capacity assessment and the highest available grading on a five point scale for code of conduct assessment.

Experienced and Professional Management, with Strong Corporate Governance and support from Promoters and Investors

Our Board, Promoters and Senior Management is composed of experienced professional, industry experts and management professionals. Our Board consists of 10 directors (including 3 directors from the Muthoot Pappachan Group), of which five are independent directors. We believe that our independent Board has provided us with diverse perspectives for us to continue to grow our Company. Our Senior Management team consists of qualified, seasoned professionals with an average experience of over 16 years across a variety of sectors. Our Senior Management team comprise a majority of members who have been associated with the Muthoot Pappachan Group for over ten years. For further details relating to our Board and Senior Management, see "*Our Management*" on page 228. Our Senior Management team includes experts at various functions and professionals with ground level knowledge of the microfinance industry, who are supported by a capable and motivated pool of employees. Together, they have demonstrated an ability to manage and grow our operations. Our team has developed the skills to identify, develop and offer products and services that meet the needs of our customers, while maintaining effective risk management and competitive margins. Our mid-level management personnel also have in-depth industry knowledge and expertise. Further, we have instituted several training and mentorship programs for our management employees. We have successfully recruited and retained employees from a variety of backgrounds, including credit evaluation, risk management, technology and marketing. As of September 30, 2023, 63.15% of our employees have college graduation as their minimum academic qualification.

Our Promoters hold 69.08% of the issued, subscribed and paid-up pre-Offer Equity Share capital of our Company (on a fully diluted basis) as of the date of this Prospectus, and have supported our business growth by regularly providing capital infusion in prior periods. After the Offer, our Promoters will hold 55.47% of the issued, subscribed and paid-up equity share capital of our Company. Our Promoters currently hold and will continue to hold a substantial shareholding in our Company after the Offer. Among the top 10 NBFC-MFIs in India, we are one of the few NBFC-MFIs where the original promoters have continued to retain ownership and control over the business (*Source: CRISIL Report*). Further, we are also supported by our marquee investors, Creation Investments India LLC and Greater Pacific Capital WIV Ltd, which have been invested in our Company since 2016 and 2021, respectively, and collectively hold 28.07% of the issued, subscribed and paid-up pre-Offer Equity Share capital of our Company on a fully diluted basis, as of the date of this Prospectus. In December 2016, we received investments from our Promoters and Creation Investments India LLC amounting to approximately ₹150 million and ₹500 million, respectively. For further details, see "*Capital Structure – Details of equity shareholding of the major Shareholders of our Company*" and "*History and Certain Corporate Matters – Major Events and Milestones of our Company*" on pages 95 and 222.

Our Strategies

Expand our geographical footprint and sourcing platform across India

As of December 31, 2022, India's Northern and Western regions had relatively low financial penetration as compared to the pan-India average penetration, indicating probable growth potential from India's Northern and Western regions that have a relatively lower penetration (*Source: CRISIL Report*). While our operations have historically been concentrated in South India, we have in recent years expanded into North, East and West India and have a total of 707 branches across North, West and East India as of September 30, 2023, representing 52.76% of our total branches as of September 30, 2023. Moving forward, we expect that a significant portion of our future geographic expansion will include rural areas in these regions of India and intend to grow our branches in four key states: Uttar Pradesh, Bihar, Rajasthan, and Punjab, which are underpenetrated or moderately penetrated states that may have potential for growth and customer expansion, as of March 31, 2023 (*Source: CRISIL Report*).

We operate 1,340 branches across 339 districts in 18 states and union territories in India, as of September 30, 2023. We bifurcate our geographical spread into two categories: mature states and other states across the rest of India. We have classified three states and one union territory where we first commenced our operations as mature states, which includes Kerala, Tamil Nadu, Puducherry and Karnataka, and we have classified 14 states and union territories (excluding mature states) as our other states across the rest of India (including North, West and East India). In our mature states, which are also our core markets, we intend to continue focusing on customer retention, increasing our wallet share using technology and offering innovative products which cater to the needs of our customers. In other states across the rest of India, which are also our potential growth markets, we intend to open new branches, acquire new customers and selectively expand our operations to locations where we expect that customers are underserved, have lower penetration by micro-finance companies, and where there could be an opportunity for us to service an increased customer base. For details relating to financial and operational metrics of our mature states and other states across the rest of India, see "*Selected Statistical Information – Financial and Operational Metrics for Mature States*" and "*Selected Statistical Information – Financial and Operational Metrics for Other States Across the Rest of India*" on pages 273 and 275, respectively.

Further, our customer origination and servicing efforts strategically focus on building long-term relationships with our customers and address specific requirements in a particular region. We select new geographies for expansion based on detailed studies and analysis which include field surveys, industry reports comparison including potential for growth, delinquency pattern and concentration of competitors. We generally launch operations in new territories in a phased manner starting with limited branches to understand the market and then seek to expand, based on market response.

Additionally, we will also evaluate strategic acquisitions on an opportunistic basis as a means of inorganic growth to expand into new geographies or to increase our branch networks in existing geographies. Further, we may also enter into a co-lending partnership arrangement to grow our portfolio in potential growth markets.

Continue to Enhance Information Technology with a Focus on Customer Service, Operational Efficiency and Cost Optimization

We will continue to invest in our technology platform to increase operational efficiencies as well as ensure customer credit quality. Our information technology infrastructure will not only enable us to reap the benefits of digitalizing business processes, but will also become a key source of incremental business for us as we continue to utilise the underwriting capabilities of our unique credit score card to increase the amount of loans that we disburse to customers that we classify as low risk and very low risk. As we continue to expand our geographic reach and scale of operations, we intend to further develop and invest in our technology to support our growth, improve the quality of our services and achieve superior turnaround time in our operations. We endeavour to use technology and automation across our business processes, including, among others, sourcing, underwriting, disbursement and collection.

Superior customer service is an integral part of our value proposition to our customers. We intend to leverage information technology to improve our customer's experience from sourcing, know-your-customer procedures and appraisal to post sales service stage. Our current platform allows us to undertake integrated credit bureau data check, automated appraisal, stage wise review of the disbursement process and real-time process integrating all branch information. We have implemented mobility-based loan origination systems with digital document signatures, GPS tagging and real time credit scoring, and we are working on implementing mobility-based loan origination systems with electronic know-your-customer checks through our *Telerios* application. Further, to speed up our customer acquisition process, we are working on developing the relevant technological infrastructure to implement electronic Aadhaar based authentication services, which will allow us to perform electronic know-your-customer checks more accurately. In 2023, we were granted permission by the Government of India to use Aadhar based authentication services.

To improve risk management by reducing risks associated with cash transactions, we intend to continue to expand and grow our digital collections infrastructure. Going forward, we intend to continue expanding and grow our digital collections infrastructure to increase the number of our customers that transact digitally with us, in order to reduce our customer acquisition costs, as well as minimize the operational risks associated with cash collections.

We will continue using our analytics capabilities for finding out customer patterns, developing insights for marketing and sales strategy, and customize our products based on customer segments. Further, we are also in the process of developing a *Super App* along with the Muthoot Pappachan Group, which we plan to use to integrate our *Mahila Mitra* application with all of the Muthoot Pappachan Group's products and databases on to a single platform, thereby providing us with access to a wide customer base and in-depth data about our customers. Superior analytics capability and a large customer base also provides us with the opportunity to identify avenues for cross-sell and sell additional products to customers eligible for larger loans. We intend to continue investing and augmenting our analytics capabilities with real time analytics in order to better service the needs of our customers.

Leverage our existing branch network to expand our customer base and gross loan portfolio

We endeavour to leverage our existing branch network to further increase our gross loan portfolio. As of September 30, 2023, our gross loan portfolio per branch for our mature states and other states across the rest of India (excluding mature states) was ₹89.90 million and ₹73.21 million, respectively. Going forward, we aim to increase our gross loan portfolio per branch in these other states across the rest of India, with the endeavour to bring this in line with the gross loan portfolio per branch in the mature states. We aim to achieve this through cross-selling additional loan products to our existing customers, acquisition of new customers through existing branches and the increasing loan ticket sizes to low-risk, existing customers.

As part of our growth strategy, we have commenced the offering of additional financing products such as gold loans, individual loans, bicycles and home appliances to customers who have a positive repayment record with us.

Additional products and cross-selling opportunities also help strengthen our relationship with our customers and enable higher customer retention. We believe that this strategy serves as an effective mitigation mechanism from potential interest rate volatility and would contribute to our profitability. Further, we expect to derive benefits from economies of scale as there is limited incremental sourcing cost for existing customers, and they are eligible to borrow higher loan amounts from us since they have progressed to higher loan cycles and they have been our customers for a number of months or years.

Additionally, in March 2022, the RBI has increased the household income limit for microfinance loan eligibility from ₹0.20 million per annum for semi-urban/urban areas and ₹0.13 million per annum for rural areas, to ₹0.30 million per annum for both semi-urban/urban areas and rural areas, which we believe has expanded the total addressable market for NBFC-MFIs. Going forward, we intend to tap this additional customer base and increase our wallet share by targeting eligible customers that we determine to be in very low risk or low risk categories. Further, in line with the removal of interest rate cap for NBFC-MFIs by RBI in March 2022 (provided that the interest charged is not be usurious and subject to the supervisory scrutiny by the RBI), we intend to focus on risk-based pricing in order to improve our yields and net interest margin, as the removal of interest rate cap will allow us to price our loans according to our assessment of the default risk in a particular region or state. For example, we price our loans at a higher interest rate for regions or states that we assess to contain a higher default risk.

We also intend to reduce our reliance on net interest margins alone, and shift to a combination of net interest margin and fee based income. We earn fee income by cross-selling insurance products and Swarnavarsham gold coins offered by our Group Companies to our customers. We believe that such cross-selling provides us with a significant opportunity to scale up our operations. We have entered into a co-lending partnership with a technology platform to tap a wider customer base. Further, we are acting as a partner institution for the Prayaas loan scheme, a scheme for direct credit to micro enterprises, including our existing customers in Kerala and Tamil Nadu, and we earn from a commission for providing such services, which includes the servicing of loans. For details, see "*– Description of Our Business – Partner Institution Model" and "– Description of Our Business – Co-Lending Model"* on page 200.

Diversifying our Sources of Funds

We have been able to access cost-effective debt financing and reduce our average cost of borrowings over the years due to our stable credit history and improving credit ratings, diversification of borrowings and enhancement of the scale of our business. We have historically secured, and seek to continue to secure, cost effective funding through a variety of sources, including public sector banks, private sector banks, small finance banks, foreign banks other non-banking financial institutions, developmental financial institutions and public investors, together with NCDs, pass through certificates, and direct assignment of loans. We also seek to raise long term debt through ECBs. Further, we also seek to utilize off-balance sheet funding such as pass through certificates and direct assignment of loans. For details relating to our ability to raise capital at competitive costs, see "*– Our Strengths – Access to diversified sources of capital and effective cost of funds*" on page 189.

As we continue to grow the scale of our operations, we seek to reduce our dependence on more costly term loans from banks and financial institutions, by issuing NCDs and raising ECBs, in order to optimize our cost of funds and continue to improve our credit ratings. A lower average cost of borrowings enables us to competitively price our loan products. Further, we will continue to evaluate opportunities to securitize or assign loans to financial institutions, which would enable us to optimize our cost of borrowings and liquidity requirements, capital management and asset liability management.

DESCRIPTION OF OUR BUSINESS

We are a microfinance institution providing micro-loans to women customers (primarily for income generation purposes) with a focus on rural regions of India. Our business is primarily focused on providing financial services to low income customers who are not typically eligible for financial services in the formal financial services sector. We are the fifth largest NBFC-MFI in India in terms of gross loan portfolio as of March 31, 2023 *(Source: CRISIL Report)*. We are also the third largest amongst NBFC-MFIs in South India in terms of gross loan portfolio, the largest in Kerala in terms of MFI market share, and a key player in Tamil Nadu with an almost 16% market share, as of March 31, 2023 (*Source: CRISIL Report*). As of September 30, 2023, our gross loan portfolio amounted to ₹108,670.66 million.

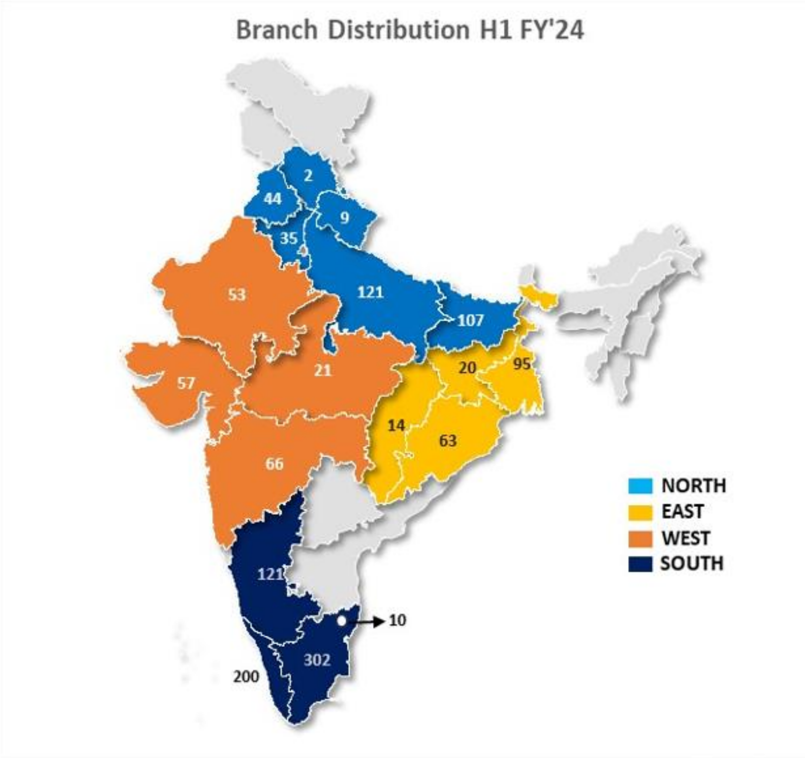
Our Branch Network

We have 3.19 million active customers, who are served by our 1,340 branches across 339 districts in 18 states and union territories in India, as of September 30, 2023. While our operations have historically been concentrated in South India, we have in recent years expanded into North, West and East India and have a total of 707 branches across North, West and East India as of September 30, 2023, representing 52.76% of our total branches as of September 30, 2023. For details relating to the breakdown of gross loan portfolio, disbursements, active customers and number of branches across various states, see "*Selected Statistical Information*" on page 255. We have built our distribution platform with an emphasis on under-served rural markets with growth potential, in order to ensure ease of access to village level customers and rural households. We endeavor that our branches are located in close proximity to our customers' homes.

As of September 30, 2023, we had 10,159 branch managers, credit managers and relationship officers, including trainees, who comprised 82.61% of our total workforce. Our branch managers and relationship officers use weekly or monthly meetings as means to communicate with the members in our joint liability groups. As of September 30, 2023, each of our relationship officers on average managed 426 customers. Administrative support staff and management personnel at our area, division and regional offices provide support to our branches.

The relationship officers play a pivotal role in client acquisition, building relationships, assessing creditworthiness, and providing ongoing support. The relationship officers are given extensive and mandatory training covering all critical aspects of business to effectively discharge his responsibilities. Refresher training is also provided on request/ periodically to reinforce the knowledge and skills of the relationship officers. We believe that this has the additional benefit of creating additional employment in the rural villages in which we operate. We provide four days' training on policy and processes and 12 to 21 days' field training for new employees.

The map below illustrates the spread of our branches across India, as of September 30, 2023:



Our Products

Our wide range of financial products is designed according to various life-cycle needs of our customers. Our financial products are broadly set forth in the table below, as of September 30, 2023:

Loan Type	**Numberof Gross Loan portfolio (in millions)**	**Gross Loan portfolio (in ₹ millions)**	**Percentage of Gross Loan portfolio (in %)**
Livelihood Solutions			
Income Generating Loans	3.34	102,118.73	93.97%
Pragathi Loans	0.10	2,430.08	2.24%
Individual Loans	0.00	167.06	0.15%
Suvidha Loans	0.02	494.73	0.46%
Life Betterment Solutions			
Education Loans	0.05	583.20	0.54%
Household Appliances Product Loans	0.28	522.24	0.48%
Solar Lighting Product Loans	0.06	87.75	0.08%
Mobile Phones Loans	0.01	52.38	0.02%
Health and Hygiene Loans			
Sanitation Improvement Loans	0.06	1,127.59	1.04%
Total	**3.92**	**107,583.76**	**99.00%**
Secured Loans			
Muthoot Small and Growing Business (MSGB) Loans	0.01	106.95	0.24%
Gold Loans	0.00	259.84	0.10%
Partner Institution Portfolio			
Micro Enterprise Loans	0.01	720.11	0.66%
Total	**0.02**	**1,086.90**	**1.00%**
Grand Total	**3.94**	**108,670.66**	**100.00%**

Brief details of these loan products are set forth below.

Livelihood Solutions

We currently provide three types of livelihood solutions to our customers:

Income-Generating Loans

Income-generating loans are our principal loan product for use by women in rural areas, intended to provide capital for their small businesses. The loans are made to customers for businesses in sectors such as agriculture, animal husbandry, manufacturing, services and trading. The table below presents the break-down of our gross income-generating portfolio as of September 30, 2023 by end-use:

End-Use	**Number of Loan Accounts (million)**	**Gross Income-Generating Gross Loan portfolio (in ₹ million)**	**As a percentage of Gross Income Generating Gross Loan portfolio (in %)**
Agriculture	0.77	26,211.14	24.12%
Animal Husbandry	1.18	34,903.47	32.12%
Manufacturing	0.20	5,678.99	5.23%
Services	0.96	27,934.48	25.71%
Trading	0.36	10,349.35	9.52%
Sanitation	0.06	1,127.59	1.04%
Consumption	0.36	1,882.44	1.73%
Education	0.05	583.20	0.54%
Total	**3.94**	**108,670.66**	**100.00%**

Loans granted under the income-generating loan program are for a maximum amount of ₹85,000. As of September 30, 2023, the annual effective interest rate of the loans is between 23.90% and 24.95%. In addition, we charge a non-refundable loan processing fee equal to 1.00% or 1.50% (excluding service tax) of the loan amount. The term of an income-generating loan is one, two or three years with repayment tenor of 52, 104 or 156 weeks for weekly loan, 26, 52 or 78 fortnights for fortnightly loans and 12, 24 or 36 months for monthly loan. Principal and interest payments are due on a weekly or monthly basis during the loan term, subject to compliance with any applicable local law requirements. We generally do not offer income-generating loans to customers that we assess as "high risk". As of September 30, 2023, income-generating loans constituted 93.97% of our gross loan portfolio. We disbursed ₹25,580.69 million, ₹44,910.09 million, ₹75,710.41 million, ₹33,229.48 million and ₹47,967.25 million worth of income generating loans in Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, respectively.

Pragathi Loans

Pragathi loans are interim loans made to existing customers for working capital and income generating activities. As of September 30, 2023, the annual effective interest rate of the loans is between 23.90% and 24.95%. The non- refundable loan processing fee is 1.00% (excluding service tax) of the amount of the loan provided. Loans granted are for a maximum amount of ₹30,000. The term and repayment tenor of this loan is typically 52, 104 or 156 weeks for weekly loan and 12, 24 or 36 months for monthly loan. Principal and interest payments are due on a weekly or monthly basis during the loan term, subject to compliance with any applicable local law requirements. As of September 30, 2023, these Pragathi loans constituted 2.24% of our gross loan portfolio. We disbursed nil, nil, ₹1,366.12 million, ₹105.54 million and ₹1,657.08 million worth of Pragathi loans in Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, respectively.

Individual Loans

Individual loans are made to our existing customers who have been associated with our Company as customers for at least two years for their income generating activities. As of September 30, 2023, the annual effective interest rate of the loans is between 22.00% and 24.00%. The non- refundable loan processing fee is 1.00% (excluding service tax) of the amount of the loan provided. Loans granted are for a maximum amount of ₹300,000. The term of this loan is typically two to three years. Principal and interest payments are due on a monthly basis during the loan term. As of September 30, 2023, these individual loans constituted 0.15% of our gross loan portfolio. We disbursed nil, ₹0.20 million, ₹126.62 million, ₹52.78 million and ₹89.40 million worth of individual loans in Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, respectively.

Suvidha Loans

Suvidha loans are digital loans accessible through the *Mahila Mitra* application and made to existing customers to enable quick access to funds. As of September 30, 2023, the annual effective interest rate of the loans is 23%. The non-refundable loan processing fee is 1.00% (excluding service tax) of the amount of the loan provided. Loans are granted for a maximum amount of ₹85,000. The term and repayment tenor of this loan is typically 24, 48, 96, or 144 weeks for weekly loan and 6, 12, 24 or 36 months for monthly loan. Principal and interest payments are due on a weekly or monthly basis during the loan term, subject to compliance with any applicable local law requirements. As of September 30, 2023, these Suvidha loans constituted 0.46% of our gross loan portfolio. We disbursed nil, nil, nil, nil and ₹520.77 million worth of Suvidha loans in Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, respectively.

Life Betterment Solutions

We currently provide four types of life betterment solutions to our customers:

Education Loans

In light of our customers' need for access to education, we offer education loans to our customers. As of September 30, 2023, the annual effective interest rate is between 21.60% and 22.00%. The non-refundable processing fee is 1.00% (excluding service tax) of the amount of the loan provided. Loans granted are for a maximum amount of ₹30,000. The term of this loan is typically 104 weeks or 24 months. As of September 30, 2023, these education loans constituted 0.54% of our gross loan portfolio.

Household Appliances Loans

Due to the high demand for household appliances in the rural sectors because of its low investment and maintenance cost, we have entered into agreements for the financing of water purifiers, pressure cookers, induction stoves, mixers and grinders purchased by our customers. We receive a referral fee on the amount financed for these services. As of September 30, 2023, the annual effective interest rate is 25.00%. The non-refundable loan processing fee is 1.00% or 1.50% (excluding service tax) of the amount of the loan provided. Loans granted are for an amount between approximately ₹1,500 to ₹15,000. As of September 30, 2023, these home appliances loans constituted 0.48% of our gross loan portfolio. We disbursed ₹22.83 million, ₹115.46 million, ₹384.56 million, ₹89.20 million and ₹603.34 million worth of bicycle loans in Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, respectively.

Solar Lighting Product Loans

In light of our customers' need for solar lighting products, we have entered into agreements for the financing of solar lights, solar torches and solar fans purchased by our customers. We receive a referral fee on the amount financed for these services. As of September 30, 2023, the annual effective interest rate is 25.00%. The non-refundable loan processing fee is 1.00% or 1.50% (excluding service tax) of the amount of the loan provided. Loans granted are for an amount between approximately ₹2,325 and ₹4,645. The term of this loan is typically 10, 20 or 30 weeks or 3, 6 or 8 months. Principal and interest payments are due on weekly or monthly basis during the loan term, subject to compliance with any applicable local law requirements. As of September 30, 2023, these solar lighting product loans constituted 0.08% of our gross loan portfolio. We disbursed ₹11.34 million, ₹31.26 million, ₹62.09 million, ₹6.93 million and ₹77.96 million worth of solar lighting product loans in Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, respectively.

Mobile Phone Loans

In light of our customers' need for mobile phones, we have entered into agreements with retailers and distributors for the financing of mobile phones purchased by our customers. We receive a referral fee from such retailers and distributors on the amount financed for these services. As of September 30, 2023, the annual effective interest rate is 25.00%. The non-refundable loan processing fee is 1.00% or 1.50% (excluding service tax) of the amount of the loan provided. Loans granted are for an amount between approximately ₹11,971 to ₹14,551. The term of this loan is typically 52 weeks/12 months for principal and interest payments. As of September 30, 2023, these mobile phone loans constituted 0.05% of our gross loan portfolio. We disbursed ₹0.02 million, nil and ₹1.34 million, nil and ₹0.01 million worth of mobile phone loans in Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, respectively.

Health and Hygiene Loans

We currently provide the following health and hygiene loan to our customers:

Sanitation Improvement Loans

Sanitation improvement loans are provided to our existing customers to improve their health conditions through improved water and sanitation facilities. The loan is provided to renovate existing toilets or improve toilet facilities such as water connection or water motor. As of September 30, 2023, the annual effective interest rate is 25%. The non-refundable loan processing fee is 1.00% (excluding services tax) of the amount of the loan provided. Loans granted are for an amount between approximately ₹15,000 to ₹60,000. The term of this loan is typically 52, 104 Weeks or 156 Weeks, 26, 52 or 78 fortnights and 12, 24 and 36 months. As of September 30, 2023, these sanitation improvement loans constituted 1.04% of our gross loan portfolio. We disbursed ₹191.01 million, ₹354.41 million, ₹1,011.40 million, ₹403.97 million and ₹574.09 million worth of sanitation improvement loans in the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, respectively.

We have partnered with Water.org, a global non-profit organization, in the United States to provide sanitation improvement loans to our customers. Water.org provides us with the necessary technical assistance as well as a small subsidy in order to promote water, sanitation and hygiene facilities to our customers. For the Financial Year 2023 and the six months ended September 30, 2023, we received ₹6.03 million and ₹2.66 million as subsidy from Water.org.

Secured Loans

We currently provide two types of secured loans to our customers:

Muthoot Small and Growing Business (MSGB) Loans

MSGB loan is provided to our existing customers to grow their business. This loan is secured partially by assets and partially by gold as collateral. As of September 30, 2023, the annual effective interest rate is 24.00%. The non-refundable loan processing fee is 1.50% (excluding service tax) of the loan amount. Loans granted are for an amount between approximately ₹30,000 to ₹150,000 depending on the value of the primary and secondary collateral. The term of a MSGB loan is one, two or three years with repayment tenor of 52, 104 or 156 weeks for weekly loan and 12, 24 or 36 months for monthly loan. To further support our MSGB loan customers, additional corporate loans are also provided to a select few MSGB loan customers that have been successful in growing their business, in order to help them further develop their business. As of September 30, 2023, the annual effective interest rate of these corporate loans are between 14.00% and 17.00%. As of September 30, 2023, these MSGB loans (which include corporate loans to MSGB loan customers) constituted 0.24% of our gross loan portfolio. We disbursed ₹5.00 million, ₹45.00 million, ₹15.50 million, ₹nil million and ₹34.59 million worth of MSGB loans in the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, respectively.

Gold Loans

Due to the high demand for gold as a safe investment option by many households in India, we, in collaboration with MFL, offer gold loan facilities to our customers through several schemes, as provided below:

- Scheme I, II & III – For our existing customers, the effective annual interest rate ranges from 15.00% to 23.00% with a range of loan-to-value ratio of between 70% to 75%.

- Open Market – For new customers, the effective annual interest rate ranges from 21.50% to 23.00% with a range of loan-to-value ratio of between 70% to 75%.

While the gold loans are included on our balance sheets, we pay a fee to MFL for their expertise and services in relation to the assessment, storage and verification of gold. The non-refundable loan processing fee is 1.00% (excluding service tax) of the loan amount, subject to a minimum of ₹50. The loan amounts granted are not fixed, and depend primarily on the quantity of the gold being pledged. The term of this loan is typically 6 months for principal and interest payments. As of September 30, 2023, these gold loans constituted 0.10% of our gross loan portfolio. We disbursed ₹556.79 million, ₹989.10 million, ₹1,209.99 million, ₹664.74 million and ₹242.84 million worth of gold loans in the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, respectively.

Partner Institution Portfolio

We have entered into a partnership arrangement in December 2021 under the Prayaas loan scheme, a scheme for direct credit to micro enterprises, including our existing customers (“**Micro Enterprise Loans**”). As of September 30, 2023, the annual effective interest rate is approximately 17.00%. The non-refundable loan processing fee is 1.00% (excluding service tax). The term of this loan is 24 or 36 months for principal and interest payments. As of September 30, 2023, these loans constituted 0.66% of our gross loan portfolio. We disbursed nil, ₹24.11 million, ₹1,016.02 million, ₹312.58 million and ₹48.41 million worth of Micro Enterprise Loans in the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, respectively.

Our Business Model

Group Lending Model

Our group loans (including income generating loans and Pragathi loans) are based on a group lending model, catering exclusively to women. An informal JLG (typically comprising between eight to 45 members) provides joint and several guarantees for loans obtained by each member of the JLG. This JLG model is based on the idea that people belonging to lower- income segments have skills that are under-utilized. It is further premised on the fact that if such individuals are given access to credit, they may be able to identify new opportunities and grow existing income generating activities such as agriculture, animal husbandry, manufacturing and services, among others. Access to basic financial services can significantly increase economic opportunities for families in the lower-income segment.

Our JLG lending model comprises five key elements that we have summarized below.

Village Selection

It is important for us to determine the feasibility of a village for our lending business before we commence operations in that area. We designate business development managers to be responsible for market research and analysis for new area/branch expansion. Our business development managers conduct a comprehensive survey to evaluate the local conditions and potential for operations based on several key factors that include total population, income levels, road access, political stability and safety. After the street survey has been conducted, our employees conduct public meetings in the village to introduce themselves and our Company. In these meetings, we explain the concepts of group lending, our lending procedures and the requirements for group formation.

Focus on Women

We lend to women in low income households, even if loan proceeds are used in the household business that is run by the family, including the husband. We believe that women can positively influence loan repayment in their household because they are generally more risk-averse, cooperate better in groups, and are generally more accessible than their working husbands and can meet regularly to handle the repayment of their loans. Providing women with access to capital in this manner increases their decision-making stature in the household. As decision-makers, women can help direct disposable income to the more basic needs of the home such as nutrition, education and home repairs.

Member Training

It is crucial to build a culture of product awareness and credit discipline from the early stages of group formation. We address this through training and education. We provide basic product awareness training for our members as many of them have varying levels of literacy and awareness about financial products and services. In particular, our training sessions are participatory and employ pamphlets to explain the elements of our products and procedures. Our standardized training program (known as comprehensive group training) serves as a platform for increased trust and discipline within the JLGs which translates to better loan portfolio performance and contributes to the sustainable growth of our business. Once a group is formed, we conduct training sessions or compulsory group trainings, consisting of a series of hour long sessions over three days. During the training period, our employees also collect quantitative data on each potential member to ensure she qualifies for the program. On the last day, a group recognition test is administered and members are officially inducted. Many of the training sessions have an everyday beneficial effect on our members such as the ability to sign their name, count cash and work in groups.

Joint Liability Group Lending Business Processes

Customer Due Diligence Processes

Our branches enroll customers who satisfy the target customer criteria. The size of the groups is flexible with a minimum of eight women customers in a group. Once the interested women customers have formed their groups, we provide further information to them, such as a brief introduction to our Company, criteria for group formation and group responsibilities. We require each customer to provide identification proof, in particular a voter ID card. We perform verification checks through third party electoral databases on the voter ID card provided to us in order to reduce the risk of identity related fraud. At each customer's house, we include all the family members in the conversation during the information gathering session. The customer's family members are briefly informed of our rules and regulations, including the compulsory training for women customers.

Once relevant know-your-customer documents and customers' information is collected, it is recorded in our system for verification and data entry check by our credit team. Subsequently, a credit inquiry is performed to assess the customers' fixed income to obligations ratio at a household level. Upon receiving a positive credit inquiry response, the relationship officer will conduct comprehensive group training ("**CGT**").

CGT is necessary for developing group solidarity and credit discipline; and for groups to work together and be responsible for financial transactions, both individually and as a group. The duration of the compulsory group trainings is typically three days. CGT covers various topics such as center meeting processes, rules and regulations of our Company, awareness of products and processes, interest rates, bank accounts, savings and insurance. On the last day of the group training or at a later date, an interview is done by the credit manager to determine the customers' level of understanding of the topics covered during the training. The credit manager then visits the homes of the new customers to verify the potential customers, assess their income generating activities and obtain the consent of their family members for the customers becoming customers. If the credit manager is satisfied, he conducts the group recognition test. The group recognition test is designed to assess the quality of the proposed group and to confirm that they meet all our criteria. All the customers who have cleared the interview process are present during the group recognition test and credit assessment. Based on the results of the group recognition test, the credit manager recommends for loan processing and branch manager decides whether or not to approve the group. Through this process, we ensure that there are multiple levels of check before enrolling a new group or customer.

Center Meetings: Center meetings are conducted weekly or monthly at a fixed place and time on a particular day. We typically select a common place large enough to accommodate all members of the center, generally a customer's residence in the absence of any common meeting area. We try to ensure that the location is comfortable and is commonly used by people of the village, such as a location near a school or community centre, to give visibility and transparency to the center meetings.

A center meeting is one of the core activities for our field staff and also a matter of importance to both our customers and us.

Hence, we ensure that center meetings are conducted strictly as set out in our operational guidelines either on a weekly or monthly basis. We believe that center meetings are vital for us for the following reasons:

- all financial transactions and non-financial activities with our customers are conducted at the center meeting;
- the center meeting is our point of contact with our customers, and this helps in relationship building with the customer;
- all our important schemes and policies are shared with our customers at the center meeting; and
- the center meeting plays an important role in building our brand image.

The timing of the center meeting is typically fixed by the respective groups.

We have a judicious mix of repayment with both weekly and monthly cycle loans, currently we have 25.45% of our total loan portfolio as of September 30, 2023 on weekly collection cycle and balance on the monthly collection cycle, to ensure that the repayment tenor matches our customer's cash flow frequency to lower the chances of a loan default.

Credit Appraisal, Sanction, Disbursement and Repayment Processes

Receipt of Loan Applications*:* Loan applications are submitted to the branch manager at the center meetings after ensuring that every group member is willing to take joint responsibility for the loan, i.e., the group recognition test. Our personnel facilitate discussions among group members and the group decides whether or not to approve the loan request from a particular member based on everyone's understanding of the nature of business activity the loan is intended to be used for, and the expected frequency of cash flows, viability and profitability. If the group agrees to the loan, the relationship officer accepts the loan application from the customer.

Loan Evaluation*:* After the receipt of the loan application (countersigned by the leaders of the group at an individual capacity), the credit manager makes a compulsory visit to the customer's residence to interview the customer and other members of her household to ascertain the repayment capacity of the customer. During the visit, the credit manager prepares the cash flow statement in the prescribed format if the member has applied for an income generating loan.

Loan Sanction and Further Processing*:* On the recommendation of the relationship officer and based on the credit manager's assessment, the branch manager will sanction the loan.

Village Level Lending and Collection

Our approach to rural lending involves providing credit to customers in their village. Meetings begin early in the morning in order not to interfere with the daily activities of our members. We have developed a network that reaches each of the JLGs we lend to on a weekly or monthly basis. This allows us to regularly collect repayments on gross loan portfolio and disburse new loans, reinforce group stability, and eliminate the travel and time constraints that members may face with other lenders. Additionally, loan utilization checks are done for all of the loan accounts disbursed in the previous month.

Individual Lending Model

Apart from group loans, we also offer individual loans (including individual loans for livelihood solutions, and loans for life betterment solutions, health and hygiene, secured loans and partner institution portfolio), which are non-JLG loans, to existing customers if they meet certain requirements relating to credit criteria, group dynamics, customer vintage and other requirements. Under the non-JLG model, a credit enquiry on the customer's income is performed at a household level to ascertain the customer's overall household obligation and to verify that the customer's fixed obligations to income ratio falls within the required threshold before extending the loan to the customer. The customer's income assessment is re-assessed periodically, and the customer's fixed obligations to income ratio is monitored throughout the period of the loan.

E-Clinics

With the aim to cater to the healthcare needs and priorities of our customers, we have, since December 2021, offered digital healthcare facilities to our customers through "e-clinics". We collaborate with M-Swasth Solutions Private Limited, a technology driven digital healthcare service provider, to set up these e-clinics across our branches. As of September 30, 2023, we have set up 460 e-clinics across 460 of our branches, representing 34.33% of our total branches. As of September 30, 2023, 14.40% of our customers have enrolled in our e-clinics, and we have facilitated 98,844 medical consultations and 65,878 teleconsultations.

Our e-clinics provide video consultation at a nominal enrolment cost. Our e-clinics are specially designed small kiosks that are equipped with a tablet for a free video consultation with a doctor as well as medical equipment. Basic over-the-counter medicines are also available at our e-clinics at a nominal cost. Our e-clinic facilities, medical consultations, teleconsultations are available to all our customers and up to five of their family members, as part of our Sampoorna Swasth Shield, a wellness product, which we provide to our customers. Our customers and their nominees are also entitled to hospital cash benefit of up to ₹30,000 each and personal accident cover of up to ₹100,000 under our Sampoorna Swasth Shield. Our healthcare offering through e-clinics will help us to build sustainable relationships with our customers.

Partner Institution Model

We act as a partner institution under the Prayaas loan scheme, a scheme for direct credit to micro enterprises, including our existing customers. This facility may be availed by our existing customers who have a good repayment track record to cater to their immediate financial requirements. This is an unsecured loan and financed up to ₹300,000. We have disbursed ₹48.41 million to 267 customers during the six months ended September 30, 2023, with a gross loan portfolio of ₹720.11 million as of September 30, 2023. We receive a percentage of the interest collected as fee for managing the product. We provide a 6% credit guarantee for this portfolio of outstanding loans.

Co-Lending Model

We have entered into a co-lending partnership with a fintech platform to explore co-lending options through its platform to tap a wider customer base.

Information Technology

We have significantly implemented the use of technology across our microfinance operations in India. In 2022, we were awarded the Mobility Award for IT Innovations at the Technology Senate Awards South 2022 instituted by Express Computer, and the Best Digital Transformation Initiative – Financial Services Award at the India DevOps Show, 2022. The effective use of information technology is critical for us to grow our business. We have an in-house information technology team that has built our technology platform into a business tool for achieving and maintaining high levels of customer service, enhancing operational efficiency and creating competitive advantages for our organization. The following key components of our information technology systems have been adopted across our business:

- We have developed a unique credit score card along with Equifax to improve our underwriting capabilities by evaluating the creditworthiness of customers using technology. This technology-enabled credit score card improves our underwriting process by assigning individual credit scores to our customers, which provides us with a significant competitive advantage. As a result, we are able to risk profile each of our customers individually based on parameters such as payment track record (including any credit defaults in the past two years), demographics, age and location. This allows us strategically allocate more capital to "very low risk" and "low risk" customers, as compared to "medium risk" and "high risk" customers (as per the categorization based on the score cards), in order to maximize our collection efficiency. Further, we plan to improve our yields by charging higher interest rates to our "medium risk" and "high risk" customers accordingly. This unique credit score card is a model that was developed after taking into consideration, among other things, the probability of default of customers based on parameters such as demography, age and location. This unique credit score card continuously improves its credit score assignment capabilities, by processing and monitoring repayment behavior of our customers;

- We have developed a proprietary application, called "*Mahila Mitra*", to expand our digital collections infrastructure. *Mahila Mitra* facilitates digital payment methods such as QR codes, webpages, SMS-based links and voice-based payment methods. As of September 30, 2023, 1.50 million customers or 47.11% of our customers have installed *Mahila Mitra*. Through *Mahila Mitr*a, our customers are able to pay directly from their bank account through a secure and safe platform that requires authentication via OTP and/or PIN payments, track and maintain digital records and statements of transactions, and earn cashback or reward points on payment transactions. *Mahila Mitra* also facilitates and supports 9 vernacular language options;

- We are in the process of developing a "*Super App*" along with the Muthoot Pappachan Group, a business conglomerate, which we plan to use to integrate our *Mahila Mitra* application with all of the Muthoot Pappachan Group's products and database on to a single platform. Through the *Super App*, we believe that we will be able to maximize cross-selling opportunities as our customers will not have access to all the Group's loan offerings on a single platform. Further, through the *Super App*, we believe that we will have access to a wide customer base and in-depth data about our customers;

- To manage our operating expenses and increase efficiency, we equip our field staff with our mobile loan origination solutions called "*Telerios*", which simplifies data entry and improves the accuracy and efficiency of collections and fraud detection. The mobility solutions help staff at the centers avoid manual data entry at center meetings and save time. As a result, a number of back-office functions have been automated in the field at the point of delivery, which has allowed us to realize significant efficiencies in terms of reduced paper work and processing time;

- Further, we have instituted "*Serene Pro*", our integrated loan management system which allows for real-time recording and tracking of loan-related information. Our systems operate in a secured technological environment with a robust back-end systems supported by computerized, internet-enabled branches ensuring that transactions are recorded and completed electronically. Our field and branch level software are developed by our in-house technology team;

- We have also instituted "*Orion*", our enterprise resource planning solution aimed at improving financial accounting and reporting. We use this software under a license; at a fixed monthly cost of ₹1.00 million. The agreement with Muthoot Pappachan Technologies Limited, our Group Company, is for 10 years starting from April 1, 2015, to provide IT related services to our Company;

- We have developed and implemented "*MINFO*", our platform which provides information relating to business parameters to our management, which helps with the monitoring of field level activities in an effective and efficient manner. *MINFO* provides our management with, among other things, an overview of our business (including information relating to pipeline, daily and monthly disbursement, business trends and gross loan portfolio), collection (including information relating to daily and monthly demand, collection trends, delinquency comparison and digital payments), portfolio and location tracking of field officers;

- To improve efficiency, reduce costs, and enhance security and productivity of our employees, we have implemented, among other things, cloud migration applications and services, security enhancement measures, collaboration tools, virtual technologies and mobile device management systems;

- To improve accuracy and efficiency in our credit and verification processes, we have utilized technology to generate credit scoring models, streamline disbursement processes, enable paperless loan processes and digital payment methods;

- To secure important information technology assets, maintain business continuity and improve risk management and data security, we have established extensive information security policies and guidelines;

- We have extensive cybersecurity measures, including firewalls, encryption, antivirus software, access control and incident response planning, in place to protect sensitive information and prevent cyber attacks and cyber frauds;

- We have a robust customer on-boarding process with a high level of data entry and underwriting automation; and

- We have developed an IT system with ability to track field activities on a real-time basis, enabling centralized, online reporting of transaction numbers real-time and immediate handling of fraud and repayment issues. This also allows us to easily introduce new or modified products into the system.

We continue to actively upgrade our technology infrastructure and applications to improve operational efficiency, customer service and decision making process, as well as to keep pace with the changing and dynamic environment in the microfinance industry. We will continue to focus on increasing operational efficiency through technology initiatives such as field force automation, robust internal communication and knowledge management systems to ensure greater cooperation between our teams as well as more effective management of operations. As at September 30, 2023, we employed 102 members in our information technology team, who are responsible for, among other things, developing and maintaining our in-house information technology systems, data security systems, and technological infrastructure and applications. We have made investments in maintaining and updating our technology infrastructure, systems applications and business solutions, which have improved customer satisfaction and sales, and lowered our processing costs. As the microfinance industry is constantly changing, we expect to continue our trend of investment in various different technology initiatives. See "*Risk Factors – We face the threat of cyber-fraud and cyber-attacks, such as hacking, phishing and theft of sensitive internal data or customer information. We also face the threat of a system breakdown, network outage and system failure. These may damage our reputation and adversely affect our business and results of operations*." on page 43.

Internal Audit and Internal Controls

We maintain an internal control framework which we view as an essential prerequisite for the growth of business. We have well documented policies, procedures and authorization guidelines that are commensurate with our size. Further, an efficient independent internal audit system is in place to conduct periodic internal audits of all branches, regional offices and as well as the head office.

We have an internal audit and compliance team of 363 employees, as of September 30, 2023. Our internal audit function is an independent activity guided by a philosophy to add value to improve and enhance operations of our organization. It assists us in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of our internal control, risk management and governance processes. Our compliance function serves to monitor and resolve internal audit issues.

The internal audit activity is conducted with systematic accountability for confidentiality and safeguarding records and information. It has fully authorized, free and unrestricted access to any and all of our records, physical properties and personnel pertinent to carrying out any engagement. The internal audit activity also has free and unrestricted access to our Board. The Audit Committee of our Board is updated on significant internal audit observations, compliance with statutes, progress of risk management practices and effectiveness of our control systems every quarter.

Every branch is generally audited four times in a financial year. Based on the extent of compliance and adherence to systems, policies and procedures, the audited branches are assigned compliance scores. The branch audit is conducted based on a detailed audit program and various checklists updated in accordance with our operational policies and procedures. The audit process involves field visits in the morning, and office related work, verification and checks in the afternoon and evening.

Our internal audit team has customized an audit software called "*Tez 360*", which digitalizes most of our internal audit and compliance functions. Through *Tez 360,* our branch audit reports can now be accessed digitally.

Risk Management

As a financial intermediary, we are exposed to risks that are particular to micro-credit lending and the environment in which we operate. To assess, monitor, and manage the risks that we face, we have established and adopted robust policies and processes. To manage the evolving risk environment and to ensure that our policies and processes are sufficiently agile to respond to the evolving risk environment, we continuously strive to enhance our procedures for managing risks. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event driven basis. See "*Risk Factors*" on page 31.

We have developed detailed and elaborate processes for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed with both our Management and our Risk Management Committee. Our Risk Management Committee evaluates the risk management procedures by considering the inherent risks and regulatory compliance. Our Risk Management Committee also reviews the performance of our loan portfolio on a quarterly basis and recommends actions to be taken to our Board. Our risk management policies primarily focus on addressing credit risk, operational risk, financial risk, liquidity risk, political risk, concentration risk and climate change risk. The ICAAP policy emphasizes on methodologies which help in keeping the internal and regulatory liquidity limits under control.

We have identified the following as key risk areas:

Credit Risk

Our core business of providing unsecured loans to women borrowers for income generating activities requires a high level of credit risk management. We seek to ensure efficient and uniform appraisal, disbursement, collection, and delinquency management, by developing streamlined approval and administrative procedures. We have a well-established underwriting policy which ensures that customer selection is done only after evaluating household income, obligation, fixed obligations to income ratio, and completing detailed cash flows analysis. We use technology and automation to establish credit worthiness and repayment behavior of individual customers by analyzing customers' credit bureau reports, cash flows, continued process verification reports and our unique credit score cards enable us to utilize data-backed underwriting strategies for our customers. These application scorecards are decision models that allow us to risk profile our customers based on certain parameters. Further, to improve our underwriting process, we also have credit managers at all of our branches to evaluate credit underwriting, and assess creditworthiness and repayment capacity of new customers.

Operational Risk

Our operations team oversee operational activities at every level of our organization. Our operations team also strategizes process improvements to ensure that all tasks are completed accurately and on schedule. To mitigate operational risk, we have adopted the following strategies:

- *Product and process design.* We have adopted a uniform lending process across our branches and ensured that the process is well-documented for transparency and consistency.

- *System lapses:* We keep a real time check of the lapses that our systems are exposed to and take strict and prompt measures to overcome these lapses in a timely fashion.

- *Role of credit vertical :* Our credit managers monitor group recognition tests and household income-obligation data to evaluate creditworthiness of our customers. The credit vertical operates as an independent functionary pillar to ensure quality lending by adhering to the procedures and policies that have been put in place.

- *Utilization check.* We examine how all loans disbursed have been used in order to ensure that all loans have been used for their intended purposes within a month.

- *Robust internal audit.* We have invested in building robust control and review mechanisms to promote better governance within our Company. Our internal audit department evaluates compliance with internal controls and processes, and the impact and risks associated with any non-compliance of internal controls and processes.

- *Employee Rotation*. We have established a policy that no field employee can be posted in the same location for over two years in an effort to mitigate and reduce the probability of collusion or fraud with customers. All field employees are transferred to another branch periodically in accordance with our transfer and deputation policy.

Further, we seek to emphasize regular end use and payment monitoring, which tie into our key risk parameters. For example, we carry out regular loan utilization checks, and typically endeavor to conduct such checks within one month of disbursement of the loans. We believe that these periodic checks and regular monitoring help us in timely identification of customers or groups with increasing delinquency risk, thereby enabling us to take timely remedial measures, as appropriate. Further, we monitor collections on a real time basis to ensure that any delay in collections is regularly highlighted and followed up to maximize collection efficiency.

Financial Risk

To ensure that there is no asset-liability mismatch, we have implemented certain risk management strategies. Under the direction of our Board, our borrowing committee oversees areas relating to cost of borrowing, interest rates on new borrowings, in principle approvals and drawdowns on our loan facilities. We are able to maintain a low quantity of cash on hand at branches primarily because of our digital collection initiatives and collaborations with collection agencies and banking channels.

Liquidity Risk

We place a significant emphasis on liquidity management in order to address operational requirements and corporate commitments. Along with our diversified funding strategy and favorable asset-liability maturity profile, we seek to ensure that we have sufficient liquidity at all times to meet our business requirements. We also have a mixture of fixed and variable interest rates in our borrowing profile which helps us perform better in a volatile interest rate risk scenario.

Political Risk

We recognize political risk as one of the major risks facing the industry. Political risk can be mitigated through responsible lending and fair practice by:

- conducting risk analysis, in particular by evaluating and analyzing local political climate, recent history, and market reports before expanding our branch network;
- engaging with customers and society at large on matters relating to financial literacy;
- studying market survey reports published by self-regulatory organizations, such as microfinance institutions network, in order to monitor and keep track of current market data.

Concentration Risk

We seek to mitigate concentration risk in both our loan portfolio and borrowings through well-defined geographic diversification strategies. We understand and analyze the risks involved based on our current geographic concentration. We regularly perform in-depth analysis on the breakdown of asset under management based on districts, to monitor and keep track of relevant trends in a timely fashion. While we have expanded our business operations to North India in the past five years, a significant portion of our revenues still come from South India. For details, see "*Risk Factors – We derive a significant portion of our revenues from South India, and any adverse developments in the southern states of India may have an adverse effect on our business, results of operations, financial condition and cash flows.*" on page 44.

Climate Change Risk

Over the past few years, there has been a significant increase in natural calamities associated with weather and climate. Climate change risk is a significant risk that affects our repayment consistency, portfolio quality, and ongoing daily operations. We examine the risk exposure in states that are vulnerable to climate risk by adopting data published by reputable organizations in order to comprehend and evaluate the risk exposure in each state. Further, to protect our customers from the risks of natural calamities, we have, since May 2020, also provided natural calamity insurance to our customers to whom we disburse loans across our branches in India. As a result of global climate change, India has experienced natural calamities such as floods, cyclones, earthquakes, tsunamis and droughts in the past, including floods in the south Indian state of Kerala in 2018 and 2019 and a cyclone in Tamil Nadu in 2018. In this background, purchasing natural calamity insurance for our customers is a significant value-add to them as it protects their businesses and assets at home.

Credit Team

Our credit team, comprising 1,287 members as of September 30, 2023, is an independent vertical established to monitor and ensure portfolio quality, with a specific focus on identification, measurement, and monitoring and mitigation of the associated credit risk. The key focus of our credit team is to ensure efficient and uniform credit assessment and appraisal resulting from streamlined approval and administrative procedures. We have a well-established underwriting policy which ensures that customer selection is done only after evaluating household income, obligation, fixed obligations to income ratio, and completing detailed cash flows analysis. We use technology and automation to establish creditworthiness and repayment behavior of individual customers by analyzing customers' credit bureau reports, cash flows, continued process verification reports and our unique credit score cards of customers which we developed along with Equifax, before sanctioning loans. Credit score cards and have been developed to enable data-backed underwriting strategy for our customers. These application scorecards are decision models that allow us to risk profile our customers based on certain parameters. Further, to improve our underwriting process, we have credit managers at all of our branches to evaluate credit underwriting, assess creditworthiness and repayment capacity of new customers. In a situation where a customer's application for credit is denied, the branch officer may request for a deviation approval from the credit team, which then assesses the individual application holistically before making a determination. The credit team also ensures that field operations are operating within the constraints of credit policy as defined by the management and are adhering to high standards of quality in terms of organization credit policy and high underwriting quality.

Collections Team

Our collections team, comprising 313 members as of September 30, 2023, is equipped with the necessary technique and skills to recover amounts that are overdue from our delinquent customers. We have a collection policy which clearly identifies the various aspects of collection, the underlying factors and reasons of defaults, the different modus operandi for different buckets of customers, and the appropriate strategy to adopt in each individual scenario. Our collection strategies are summarized in the table below:

Days Past Due ("DPD") Bucket	Teams Involved	Responsibility/Activity
0-30	Operations team.	Regular follow-up for collection directly on field.
31-90	Operations team along with risk containment unit telecalling team.	Promise to pay (PTP) generation over call by risk containment unit telecalling team to support the operations team for collection on field.
91-180	In-house debt management services team.	Direct customer visit on field.
180+	In-house debt management services team, agency collections team and legal team	Direct customer visit on field and agency collection with strict monitoring of agency performance and conduct. The legal team also adopts various legal recourse strategy to recover the loan.

Our collections team is at all times supported by our in-house legal team. We have deployed different teams and adopted different strategies for different DPD buckets according to the table above, in order to maximize our collection efficiency.

Compliance with the NBFC-ND-SI Master Directions

Our Company has been classified as a systemically important, non-deposit taking NBFC, which requires us to comply with the NBFC-ND-SI Master Directions. For details in relation to the current status of our compliance with:

Criteria	NBFC-ND-SI Master Directions/ RBI (Regulatory Framework for Microfinance Loans) Directions, 2022/ Master Circular- 'Non-Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs) - Directions	Our Compliance Status
Loan Portfolio – Qualifying Assets	At least 75.00% of total assets to be in the nature of "qualifying assets".	"Qualifying assets" constituted 75.67% of our net assets, as of September 30, 2023.
Household(1) Income	Total annual household income of the borrower to be below ₹300,000.	We comply with this norm in relation to our micro-credit products.
Policy on maximum repayment outflows from account of the borrower	We are required to have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income.	We comply with this norm.
Indebtedness of Borrower	FOIR (Fixed Obligation to Income Ratio)(2) of 50%.	We comply with this norm in relation to our micro-credit products.
Collateral	Loan to be extended without collateral.	We comply with this norm for our micro-credit products.
Mode of Repayment	NBFC-MFI to have a board-approved policy to provide the flexibility of repayment periodicity (i.e. weekly, fortnightly or monthly) on the microfinance loans as per the borrower's requirement.	We comply with this norm, subject to compliance with any local law requirements.
Disclosure of pricing related information	A standardized simplified fact sheet to be shared to all customers which includes, among other things, working of effective annualized interest rate and	We comply with this norm.

Criteria	NBFC-ND-SI Master Directions/ RBI (Regulatory Framework for Microfinance Loans) Directions, 2022/ Master Circular- 'Non-Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs) - Directions	Our Compliance Status
	other pricing related information to all borrowers	
Insurance Premium	The actual cost of insurance for group, livestock, life and health of borrower and spouse can be recovered. However, administrative charges can only be recovered as per the applicable guidelines issued by the IRDA.	We comply with this norm.
Security Deposit	No security deposit or margin should be taken from the borrower.	We have not taken any security deposit or margin money from our borrowers in respect of our micro-credit products.
Asset Classification	Standard asset means the asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business; Asset for which interest or principal payment has remained overdue for more than 90 days to be classified as an NPA. In this regard: (a) "Special mention accounts 0" means the accounts where the principal or interest payment is overdue for less than 31 days; (b) "Special mention accounts 1" means the accounts where the principal or interest payment is overdue between 31 to 60 days; "Special mention accounts 2" means the accounts where the principal or interest payment is overdue between 61 to 90 days.	We comply with this norm. We classify loans that remain overdue for more than 90 days as NPAs.
Loan Provisioning	Loan provision for non-performing assets related to microfinance loans of NBFC-MFIs shall not be less than the higher of: (a) 1% of the outstanding loan portfolio; (b) 50% of the aggregate loan installments overdue for more than 90 days and less than 180 days; or (c) 100% of the aggregate loan installments overdue for 180 days or more.	We comply with this norm. We classify loans that remain overdue for 90 days or more as NPAs. For non-performing assets, expected credit loss allowance is as per our Board-approved ECL model to ensure compliance with RBI Circular No.DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020.

Notes:

(1) "Household" means an individual family unit (i.e. husband, wife and their unmarried children).

(2) FOIR means the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income.

For details, see "*Key Regulations and Policies*" on page 208. For details in relation to provisioning norms adopted by us, see "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 31 and 388, respectively.

Capital Adequacy Ratios

Our CRAR was 22.55%, 28.75%, 21.87%, 24.16% and 20.46%, our CRAR – Tier I was 21.80%, 28.38%, 21.87%, 24.16% and 20.46%, and our CRAR – Tier II was 0.75%, 0.38%, nil, nil and nil as of March 31, 2021, March 31, 2022, March 31, 2023, and September 30, 2022 and September 30, 2023, respectively, which was computed in accordance with the extant master direction and prudential norms issued by RBI as applicable to an NBFC-MFI. Under the Master Directions, we are required to maintain a minimum capital adequacy ratio consisting of Tier I and Tier II capital, which shall not be less than 15.00% of our aggregate risk weighted assets on-balance sheet.

Grading and Credit Ratings

We have obtained the grading and credit ratings below:

Grading/Credit Rating	Organization which gave the rating	Date on which rating provided	Details of the rating
A+/Stable	CRISIL	December 8, 2023	Long Term Rating
M1C1	CRISIL	July 20, 2023	Comprehensive Microfinance Grading; M1C1 being the best possible grading

Grading/Credit Rating	Organization which gave the rating	Date on which rating provided	Details of the rating
A+/Stable	CRISIL	December 8, 2023	NCD rating
PPMLD A+/ Stable	CRISIL	December 8, 2023	Long term principal protected MLD rating
A1+	CRISIL	December 8, 2023	Commercial Paper

Details relating to changes in our credit ratings during the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2023 are set forth below:

Rating agency	Date of change	Nature of change	Initial Rating	New Rating	Details of rating
CRISIL	October 19, 2022	Upgrade	A/Stable	A+/Stable	Long Term Rating
CRISIL	October 19, 2022	Upgrade	A/Stable	A+/Stable	NCD Rating
CRISIL	October 19, 2022	Upgrade	PPMLD A r/ Stable	PPMLD A+/ Stable	Long term principal protected MLD rating
India Ratings & Research	November 18, 2021*	Upgrade	IND A/Stable	IND A/Stable	Bank Loans and NCD Rating

* *This rating, which was reaffirmed on November 17, 2022, was subsequently withdrawn by India Ratings & Research by way of its letter dated November 16, 2023, since it was no longer required to maintain the ratings as there was no outstanding amount against the assigned bank facilities from India Ratings and the NCDs rated by it also had been repaid.*

See "*Risk Factors – Any downgrade of our credit ratings may constrain our access to capital and debt markets and, as a result, may adversely affect our cost of borrowings and our results of operations"* on page 46.

Competition

We face our most significant organized competition from other MFIs, SFBs, commercial banks and state-sponsored social programs in India. In addition, many of our potential customers in the lower income segments typically do not have access to any form of organized institutional lending, and rely on loans from informal sources, including moneylenders, landlords, local shopkeepers and traders, at much higher rates. MFIs can largely be classified into two types: for-profit organizations and not-for-profit organizations. Organizations under a host of different legal forms may be covered under the MFI model, including trusts, societies, co-operatives, non-profit NBFCs registered under Section 25 of the Companies Act, 1956 and Section 8 of the Companies Act, and for-profit MFIs registered with the RBI as NBFCs. Further, some banks do participate in microfinance by financing the loan programs of self-help groups often in partnership with NGOs. In addition, some commercial banks are beginning to directly compete with for-profit MFIs for lower income segment customers in certain geographies. See "*Risk Factors –Competition from other microfinance institutions, banks (including small finance banks) and financial institutions, as well as state-sponsored social programs, may adversely affect our profitability and position in the Indian microcredit lending industry*" on page 48.

Employees

As of September 30, 2023, we had 12,297 full-time employees. The table below provides a break-down of our employees by function as of September 30, 2023:

Function	Number
Business/Operations	9,715
Back-end credit operations	131
Credit Risk	1,287
Risk Management	16
Debt Management Services	313
Internal Audit and Compliance	363
Human Resources	162
Information Technology	102
Accounts & Finance	66
Infra & Administration	61
Product Development	24
Secretarial & Legal	45
Customer Grievance	4
Communication & Digital Promotions	8
Total	**12,297**

We have a systematic selection process for all levels of employees, and we endeavour to verify the background of prospective employees through independent agencies which focus on employment history, reference check, fraud and criminality database search, and address confirmation. We insist on police verification certificate from all our employees. We endeavour to hire highly qualified personnel and 63.15% of our employees have college graduation as their minimum academic qualification, as of September 30, 2023.

We conduct periodic reviews of our employees' job performance and determine salaries and discretionary bonuses based upon those reviews and general market conditions. We endeavour to maintain a good working relationship with our employees and we have not experienced any significant employee disputes or strikes. Our employees are not subject to any collective bargaining agreements or represented by labour unions.

The compensation of our personnel is linked to both qualitative and quantitative aspects of performance. We believe that our goal-oriented culture and incentive programs have contributed to developing a motivated workforce that is focused on building sustainable relationships with our customers and partners by delivering personalized customer service, growing profitability and striving for operational efficiencies. See "*Risk Factors – Our success depends, in large part, upon our management team and skilled personnel and on our ability to attract and retain such persons. Failure to train and motivate our employees may lead to an increase in our employee attrition rates and our results of operations could be adversely affected as a result of any disputes with our employees*" on page 55.

Corporate Social Responsibility

We have adopted a CSR policy in compliance with the Companies Act. During the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, our expenses on corporate social responsibility amounted to ₹26.95 million, ₹19.95 million, ₹6.23 million, ₹3.13 million and ₹9.55 million, respectively. We have established a Board-level CSR committee which is responsible for monitoring and executing our CSR policy.

We seek to be a responsible financial institution that focuses on serving underprivileged women from marginalized communities in rural areas in India. As of September 30, 2023, 96.58% of our total customers were from rural areas. We seek to facilitate opportunities in such areas for such customers as well as by recruiting locally. We aim to service the unbanked population and provide financial services to women customers who are economically and socially challenged. We seek to engage the local workforce and encourage personal volunteering efforts of our employees in order to promote a culture of responsible citizenship. We have established a number of CSR initiatives to encourage good health and well-being, including the cleft lip surgery "smile please", nutrition support program, blue butterfly (pediatric cancer treatment support), COVID-19 response activities, and disaster management initiatives (including rehabilitation and reconstruction initiatives).

Insurance

We largely maintain insurance policies that are customary for companies operating in our industry. We have obtained credit shield insurance for our customers and their nominee. In addition, we act as a master policy holder for credit linked life insurance policies for our customers, to protect them from financial risks arising from death of income earners within the household. We also maintain insurance policies covering our fixed assets and equipment, portable equipment and third-party products, which protects us in the event of certain natural disasters or third-party injury, fidelity guarantee insurance policy, money insurance policy and group life insurance for employees and directors. See "*Risk Factors – Our insurance coverage may not be adequate to protect us against all potential losses, which may have an adverse effect on our business, financial condition and results of operations*" on page 58.

Intellectual Property

As on the date of this Prospectus, we have no registered intellectual property. For our business, we use certain trademarks which are registered by our Promoters, namely, Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot. Further, the domain name "www.muthootmicrofin.com" is registered in the name of Muthoot Fincorp Limited, which is our holding company and one of our Promoters. For further details, see, "*Risk Factors – We depend on the recognition of the "Muthoot" brand, and failure to use, maintain and enhance awareness of the brand would adversely affect our ability to retain and expand our base of customers*" and "*History and Certain Corporate Matters – Other material agreements*" on pages 38 and 226, respectively.

Properties

Our registered office is located in Mumbai, Maharashtra premises at 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, located on space-sharing premises. Our Administrative Office is located at 5th Floor, Muthoot Towers, MG Road, Kochi, Kerala, located on leased premises. Our Administrative Office and all our branches are utilized by us on lease or leave and license basis. As of September 30, 2023, we had 1,340 branches throughout India that we occupy through leave and license or lease arrangements. Certain of our regional offices are utilized by us on leave and license basis, while for others, we have entered into agreements for use of physical space. See "*Risk Factors – We are subject to the risks associated with all of our properties not being owned by us*" on page 57.

KEY REGULATIONS AND POLICIES

Given below is an indicative summary of certain sector-specific and relevant laws, regulations, and policies in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below is only intended to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be treated as a substitute for professional legal advice. The indicative summaries are based on the current provisions of applicable law in India, which are subject to change or modification, or amendment by subsequent legislative, regulatory, administrative, or judicial decisions.

Pursuant to a certificate of registration issued by the RBI on March 18, 1998 (*under our erstwhile name Panchratna Securities Limited*), our Company was registered as a NBFC, and was granted the NBFC-MFI status by the RBI on March 25, 2015.

For details of material regulatory approvals obtained by us, see "*Government and Other Approvals*" on page 440.

1. Key regulations applicable to our Company

The Reserve Bank of India Act, 1934 ("RBI Act")

The RBI is entrusted with the responsibility of regulating and supervising NBFCs by virtue of powers vested in Chapter IIIB of the RBI Act. The RBI Act defines an NBFC as: (a) a financial institution which is a company; (b) a non-banking institution which is a company and which is in the principal business of receiving deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or (c) such other non-banking institution or class of institutions as the RBI may, with the previous approval of the Central Government, and by notification in the Official Gazette, specify.

A company would be categorized as an NBFC if it has net owned fund of ₹ 2,500,000 or such other amount, not exceeding ₹ 1,000 million, as the RBI may, by notification in the official gazette, specify from time to time. Further, NBFCs are required to obtain a certificate of registration from the RBI prior to commencement of the business as a non-banking financial institution.

Pursuant to section 45-IC of the RBI Act, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared by such company. Further, no appropriation can be made from such fund by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such withdrawal.

2. Key regulations applicable to all NBFCs (including an NBFC-MFI)

Based on the type of liabilities incurred, NBFCs are categorized into, deposit accepting NBFCs ("**NBFCs-D**"), and non-deposit taking NBFCs ("**NBFCs–ND**"). Further, NBFCs-ND are categorised into systemically important and other non-deposit taking NBFCs, based on certain quantitative thresholds and the kind of activity they conduct. Additionally, based on the size, activity, and perceived riskiness, NBFCs are also categorized into, NBFC - Base Layer ("**NBFC-BL**"), NBFC - Middle Layer ("**NBFC-ML**"), NBFC - Upper Layer ("**NBFC-UL**"), and NBFC - Top Layer ("**NBFC-TL**").

Within this broad categorization the different types of NBFCs are (a) asset finance companies, (b) investment companies, (c) loan companies, (d) infrastructure finance companies, (e) systemically important core investment companies, (f) infrastructure debt funds, (g) NBFC - micro finance institutions, (h) NBFC - factors, (i) mortgage guarantee companies, (j) NBFC - non-operative financial holding companies, and (k) NBFC – housing finance companies. Our Company is a systemically important non-deposit accepting NBFC and has been classified as a NBFC - Middle Layer, in terms of the guidelines issued by the RBI.

Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("Scale Based Regulations")

The RBI had issued the master directions dated October 19, 2023, as amended, which apply to all NBFCs categorised into NBFC-BL, NBFC-ML, NBFC-UL, and NBFC-TL.

References to NBFC-ND-SI (systemically important non - deposit taking NBFC) shall mean NBFC-ML or NBFC-UL, as applicable. Under the NBFC Scale Based Regulations, all regulations applicable to an NBFC-BL are also applicable to an NBFC-ML, unless specified otherwise. Further, from October 1, 2022, all references to NBFC-ND (i.e., non-systemically important non-deposit taking NBFC) shall mean NBFC-BL and all references to NBFC-D (i.e., deposit taking NBFC) and NBFC-ND-SI (systemically important non-deposit taking NBFC) shall mean NBFC-ML or NBFC-UL, as the case may be.

Corporate Governance

<u>Constitution of Committees</u>

All NBFC-ML are required to constitute the committees disclosed below:

(i) Audit Committee: An NBFC is required to constitute an audit committee consisting of not less than three members of its board of directors. The audit committee constituted by an NBFC as required under Section 177 of the Companies Act, 2013 shall be the audit committee for the purposes of the NBFC Scale Based Regulations as well, and its powers and functions shall be as provided under Section 177 of the Companies Act, 2013.

(ii) Nomination Committee: NBFCs are required to constitute a nomination committee to ensure 'fit and proper' status of proposed or existing directors, which shall have the same powers and functions as the nomination and remuneration committee required to be constituted under Section 178 of the Companies Act, 2013.

(iii) Risk Management Committee: NBFCs are required to constitute a risk management committee for evaluating the overall risks faced by the NBFC including liquidity risk.

(iv) Asset-Liability Management Committee: Non-deposit taking NBFCs with asset size more ₹10 million are required to constitute an asset liability management committee. The asset liability management committee is required to be headed by the chief executive officer/ managing director or the executive director of such NBFC, as prescribed under the Guidelines on Liquidity Risk Management Framework in the NBFC Scale Based Regulations.

Fit and proper criteria: Applicable NBFCs are required to (a) maintain a policy approved by the board of directors for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis, in line with the guidelines prescribed under the NBFC Scale Based Regulations; (b) obtain a declaration and undertaking from directors giving additional information on the directors, in the format prescribed under the NBFC Scale Based Regulations; (c) obtain a deed of covenant signed by directors, in the format prescribed under the NBFC Scale Based Regulations; and (d) furnish to the RBI a quarterly statement on change of directors and a certificate from the managing director of the Applicable NBFCs that fit and proper criteria in selection of the directors has been followed. The statement must be submitted to the Regional Office of the Department of Non-Banking Supervision of the RBI where the Applicable NBFC is registered, within 15 days of the close of the respective quarter. The statement submitted for the quarter ending March 31, is required to be certified by the auditors.

Disclosure and Transparency: Applicable NBFCs are required to place before the board of directors, at regular intervals, as may be prescribed by their respective boards of directors, the following: (i) progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the concerned Applicable NBFC; and (ii) conformity with corporate governance standards including composition of committees, their roles and functions, periodicity of the meetings and compliance with coverage and review functions and so on.

NBFC-ML are required to disclose *inter alia* the following in their annual financial statements:

(i) registration/licence/authorisation obtained from other financial sector regulators;

(ii) ratings assigned by credit rating agencies and migration of ratings during the year;

(iii) penalties, if any, levied by any regulator;

(iv) information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries; and

(v) asset-liability profile, extent of financing of parent company products, non-performing assets and movement of non-performing assets, details of all off-balance sheet exposures, structured products issued by them as also securitization/ assignment transactions and other disclosures, as prescribed under the NBFC Scale Based Regulations.

NBFCs are also required to disclose their Capital to Risk Assets Ratio Exposure to real estate sector (direct and indirect) and maturity pattern of assets and liabilities in their balance sheet. Further, NBFCs shall frame their internal guidelines on corporate governance with the approval of the board of directors which shall be published on their respective websites.

Acquisition or Transfer of Control

Applicable NBFCs are required to obtain prior written permission of RBI for (a) any takeover or acquisition of control, which may or may not result in change in management, (b) any change in the shareholding, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26% or more of the paid-up equity capital (no prior approval is required if the shareholding going beyond 26% is due to buy-back of shares or reduction in capital where it has approval of a competent court but must be reported to the RBI within one month of the occurrence), and (c) any change in the management of the Applicable NBFCs, which results in change in more than 30% of the directors, excluding independent directors, provided that no prior approval shall be required in case of directors who get re-elected on retirement by rotation. NBFCs are required to continue informing the RBI regarding any change in their directors or management regardless of their application for prior written permissions.

Prudential Norms

All NBFCs are required to maintain capital adequacy ratio consisting of Tier – I and Tier – II capital which shall not be less than 15% of the NBFC's aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. The Tier – I capital in respect of Applicable NBFCs, at any point of time, shall not be less than 10%.

NBFCs risk exposure to a single party or a single group of parties is also kept under control through ceiling limits on NBFCs investment and lending capacity to single party or a single group of parties. NBFCs are not to invest more than 25% of their Tier 1 capital to a single party and more than 40% of their Tier 1 capital to a single group of parties. The NBFCs are also mandated to formulate a policy for managing the exposure risk to single party/ single group of parties.

Besides, such NBFCs are required to obtain prior approval of the RBI to open branches exceeding 1000. while NBFCs which already have more than 1000 branches are required to approach the RBI for prior approval for any further branch expansion.

Liquidity Risk Management Framework and Liquidity Coverage Ratio

Liquidity Risk Management Framework

Non-deposit taking NBFCs with an asset size of ₹ 1,000 million and above and all deposit taking NBFCs are required to adhere to the liquidity risk management framework prescribed under the NBFC Scale Based Regulations. The guidelines, inter alia, require the board of directors of the Applicable NBFC to formulate a liquidity risk management framework detailing entity-level liquidity risk tolerance, funding strategies, prudential limits, framework for stress testing, liquidity planning under alternative scenarios, nature and frequency of management reporting, and periodical review of assumptions used in liquidity projections.

Liquidity Coverage Ratio

All non-deposit taking NBFCs with an asset size of more than ₹ 50,000 million and all deposit taking NBFCs irrespective of their asset size are required to adhere to the Guidelines on Liquidity Coverage Ratio under the NBFC Scale Based Regulations. All non-deposit taking NBFCs with asset size of ₹ 100 billion and above, and all deposit taking NBFCs irrespective of their asset size, are required to maintain a liquidity buffer in terms of liquidity coverage ratio which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient high quality liquid asset to survive any acute liquidity stress scenario lasting for 30 days. The stock of high quality liquid asset to be maintained by the NBFCs is required to be a minimum of 100% of total net cash outflows over the next 30 calendar days. The liquidity coverage ratio requirement is binding on NBFCs from December 1, 2020 with the minimum high quality liquid assets to be held being 50% of the liquidity coverage ratio, progressively reaching up to the required level of 100% by December 1, 2024, in accordance with the timeline prescribed below:

From	**December 1, 2020**	**December 1, 2021**	**December 1, 2022**	**December 1, 2023**	**December 1, 2024**
Minimum Liquidity Coverage Ratio	50%	60%	70%	85%	100%

All non-deposit taking NBFCs with asset size of ₹50 billion and above but less than ₹100 billion are required to also maintain the required level of liquidity coverage ratio in accordance with the timeline given below:

From	**December 1, 2020**	**December 1, 2021**	**December 1, 2022**	**December 1, 2023**	**December 1, 2024**
Minimum Liquidity Coverage Ratio	30%	50%	60%	85%	100%

Asset Classification and Provisioning Norms

All NBFCs are required to adopt the asset classification and provisioning norms as set forth below:

Asset Classification

(i) a "standard asset" means the asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.

(ii) a "sub-standard asset" means (a) an asset which has been classified as non-performing asset for a period not exceeding 18 months; (b) an asset where the terms of the agreement regarding interest and/or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms. However, the classification of infrastructure loans as sub-standard assets is subject to the conditions stipulated in the NBFC Scale Based Direction.

(iii) a "doubtful asset" means (a) a term loan, or (b) a lease asset, or (c) a hire purchase asset, or (d) any other asset, which remains a sub-standard asset for a period exceeding 18 months.

(iv) a "loss asset" means (a) an asset which has been identified as loss asset by an Applicable NBFC or its internal or external auditor or by the RBI during the inspection of the Applicable NBFC, to the extent it is not written off by the Applicable NBFC; and (b) an asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.

(v) a "non-performing asset" means: (a) an asset for which interest has remained overdue for a period of more than 90 days; (b) a term loan inclusive of unpaid interest, when the instalment is overdue for a period of more than 90 days or on which interest amount remained overdue for a period of more than 90 days; (c) a demand or call loan, which remained overdue for a period of three months or more from the date of demand or call or on which interest amount remained overdue for a period of more than 90 days; (d) a bill which remains overdue for a period of 90 days or more; (e) the interest in respect of a debt or the income on receivables under the head 'other current assets' in the nature of short term loans/advances, which facility remained overdue for a period of more than 90 days; (f) any dues on account of sale of assets or services rendered or reimbursement of expenses incurred, which remained overdue for a period of more than 90 days; (g) the lease rental and hire purchase instalment, which has become overdue for a period of more than 90 days; (h) in respect of loans, advances and other credit facilities (including bills purchased and discounted), the balance outstanding under the credit facilities (including accrued interest) made available to the same borrower/beneficiary when any of the above credit facilities becomes non-performing asset. Provided that in the case of lease and hire purchase transactions, an Applicable NBFC is required to classify each such account on the basis of its record of recovery

Standard Asset Provisioning

All NBFC-BLs are required to make provisions for standard assets of 0.25%, which shall not be reckoned for arriving at the net NPAs. NBFC-MLs are required to make provisions for standard assets of 0.40%, which shall not be reckoned for arriving at the net NPAs. The provision towards standard assets shall not be netted from gross advances but are required to be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet of the Applicable NBFCs.

Balance Sheet Disclosures

(i) Applicable NBFCs are required to separately disclose in their financial statements the provisions made, as prescribed under the NBFC Scale Based Regulations, without netting them from income or against the value of assets.
(ii) The provisions are to be distinctly indicated under separate heads of account as: a. Provisions for bad and doubtful debts; and b. Provisions for depreciation in investments.
(iii) Such provisions shall not be appropriated from the general provisions and loss reserves held, if any, by the Applicable NBFC.
(iv) Such provisions for each year are required to be debited to the profit and loss account. The excess of provisions, if any, held under the heads general provisions and loss reserves are required to be written back without making adjustment against them.
(v) Additionally, Applicable NBFCs are required to disclose: (a) Capital to risk assets ratio; (b) exposure to real estate sector, both direct and indirect; and (iii) maturity pattern of assets and liabilities.

Regulation of Excessive Interest Charged by NBFCs

(i) The board of directors of each Applicable NBFC is required to adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest, the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers are required to be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.
(ii) The rates of interest and the approach for gradation of risks are also required to be made available on the website of the Applicable NBFCs or published in the relevant newspapers. The information published in the website or otherwise published is required to be updated whenever there is a change in the rates of interest. 235
(iii) The rate of interest must be annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

Although rates of interest charged by NBFCs are not regulated by the RBI, rates of interest beyond a certain level may be seen to be excessive. The board of directors of Applicable NBFCs are required to layout appropriate internal principles and procedures in determining interest rates and processing and other charges.

Accounting Standards

Accounting Standards and guidance notes issued by the Institute of Chartered Accountants of India are required to be followed by NBFCs insofar as they are not inconsistent with any of the provisions of the NBFC Scale Based Regulations.

Fair Practices Code

All Applicable NBFCs having customer interface are required to adopt a fair practices code in line with the guidelines prescribed under the NBFC Scale Based Regulations. The NBFC Scale Based Regulations stipulate that such fair practices code should cover, inter alia, the form and manner of processing of loan applications; loan appraisal and terms and conditions thereof; and disbursement of loans and changes in terms and conditions of loans. The NBFC Scale Based Regulations also prescribe general conditions to be observed by Applicable NBFCs in respect of loans and requires the board of directors of Applicable NBFCs to lay down a grievance redressal mechanism. Such fair practices code should preferably be in vernacular language or language understood by borrowers of the Applicable NBFCs.

Penal Charges in Loan Accounts

Penalties for non-compliance with material terms and conditions of a loan contract by a borrower shall be treated as 'penal charges' and shall not be levied as a 'penal interest' that is added to the rate of interest charged on advances. No further interest shall be computed on such penal charges. 236 The NBFC Scale Based Regulations prohibit regulated entities, which include NBFCs, from introducing any additional component to the rate of interest and stipulate that all NBFCs shall formulate a Board approved policy on penal charges or similar charges on loans. The quantum of penal charges shall be reasonable without being discriminatory within a particular loan or product category. In addition to being displayed on the NBFCs' website, the reasons for penal charges shall be clearly disclosed by the NBFCs to the customers in the loan agreement and the key fact statement.

Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans

At the time of sanction of EMI based floating rate personal loans, regulated entities (including NBFCs) are required to take into account the repayment capacity of borrowers to ensure that adequate headroom is available for elongating the tenor or increasing the EMI. In order to address consumer grievances related to elongation of loan tenor or increases in the EMI amount, the notification requires NBFCs to put in place appropriate policy frameworks to meet the following requirements:

(i) at the time of sanction, clearly communicating to the borrowers about the possible impact of change in interest rate on the loan that can lead to changes in the EMI and/or the tenor;
(ii) at the time of the reset of interest rates, providing the option to the borrowers to switch over to a fixed rate as per their Board approved policy;
(iii) all applicable charges for switching of loan from floating to fixed rate and any other service charges or administrative costs shall be transparently disclosed in the sanction letter;
(iv) ensuring that the elongation of tenor for floating rate loans do not result in negative amortization;
(v) sharing a statement at the end of each quarter that enumerates the principal and interest recovered till date, the EMI amount, the number of EMIs left and the annualized rate of interest/ Annual Percentage Rate for the entire tenor of the loan. The notification requires the instructions enumerated therein to be extended to existing and new loans suitably by December 31, 2023, and for existing borrowers to be sent a communication through appropriate channels, intimating the options available to them.

Declaration of Dividend

The NBFC Scale Based Regulations intend to infuse greater transparency and uniformity in practice of distribution of dividends by setting eligibility criteria and disclosure requirements for NBFCs for distribution of dividends. According to the NBFC Scale Based Regulations, NBFCs must comply with four minimum prudential criteria to be considered eligible to declare dividends: (i) prescribed levels of capital adequacy; (ii) prescribed levels of Net NPA; (iii) compliance with provisions of Section 45IC of the RBI Act; and (iv) continuous general compliance with RBI regulations and guidelines concerning NBFCs. The NBFC Scale Based Regulations also prescribe to the board of directors of the NBFCs to consider the decision to roll out dividends in light of certain definite factors. NBFCs, other than NBFC-BL, that declare dividend have to report dividend declared during the financial year in the format prescribed under the NBFC Scale Based Regulations.

Instructions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs

The NBFC Scale Based Regulations specify the activities that cannot be outsourced and also provide the basis for deciding materiality of outsourcing. It mandates the regulatory and supervisory requirements and risk management practices to be complied with by every NBFC before outsourcing its activities. Further, an NBFC intending to outsource any of the permitted activities under the NBFC Scale Based Regulations is required to formulate an outsourcing policy which is to be approved by its board of directors.

Integrated Ombudsman Scheme, 2021

The NBFC Scale Based Regulations specify that all NBFCs covered under the Integrated Ombudsman Scheme, 2021 ("Scheme"), must comply with the directions provided under the Scheme. Pursuant to its notification dated November 12, 2021, the RBI had integrated the Banking Ombudsman Scheme, 2006, the Ombudsman Scheme for Non-Banking Financial Companies, 2018 and the Ombudsman Scheme for Digital Transactions, 2019 into the Integrated Ombudsman Scheme, 2021.The Scheme is an expeditious and cost free apex level mechanism for resolution of complaints of customers of NBFCs registered with RBI under Section 45-IA of the RBI Act, relating to deficiency in certain services rendered by NBFCs.

Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022, dated March 14, 2022 (the "Microfinance Loans Directions")

The RBI issued the Microfinance Loans Directions in order to provide a uniform lending framework for all entities engaged in microfinance lending. The Microfinance Loans Directions come into effect from April 01, 2022, subject to certain exceptions as provided under the Microfinance Loans Directions.

The Microfinance Loans Directions are applicable to the following entities ("**REs**"):

(i) All commercial banks (including small finance banks, local area banks, and regional rural banks) excluding payment banks;

(ii) All primary (urban) co-operative banks /state co-operative banks/district central co-operative banks; and

(iii) All non-banking financial companies (including microfinance institutions and housing finance companies).

Definition of Microfinance Loans

The directions define microfinance loan as a collateral-free loan given to a household having annual household income up to ₹3,00,000. For this purpose, the household shall mean an individual family unit, i.e., husband, wife and their unmarried children. Further, all collateral-free loans, irrespective of end use and mode of application/ processing/ disbursal (either through physical or digital channels), provided to low-income households, i.e., households having annual income up to ₹ 3,00,000, shall be considered as microfinance loans.

Assessment of Household income

As per the Microfinance Loans Directions, each entity shall put in place a board-approved policy for assessment of household income. Further, it prescribes that the SROs and other associations/ agencies may also develop a common framework based on the indicative methodology and the REs may adopt/ modify this framework suitably as per their requirements with approval of their boards. Each RE shall also mandatorily submit information regarding household income to the Credit Information Companies (CICs).

Limit on Loan Repayment Obligations of a Household

The Directions provide that each entity shall have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income, which shall be subject to a limit of maximum 50% of the monthly household income. With respect to existing loans or which outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income exceed the limit of 50%, shall be allowed to mature.

However, in such cases, no new loans shall be provided to these households till the prescribed limit of 50% is complied with.

Pricing of Loans

Each entity regulated under the directions is required to have a board approved policy regarding pricing of microfinance loans which shall, inter alia, cover the following: (i) a well-documented interest rate model/ approach for arriving at the all-inclusive interest rate; (ii) delineation of the components of the interest rate such as cost of funds, risk premium and margin, etc. in terms of the quantum of each component based on objective parameters; (iii) the range of spread of each component for a given category of borrowers; and (iv) a ceiling on the interest rate and all other charges applicable to the microfinance loans. Further, each regulated entity is required to disclose such pricing related information to the prospective borrower in a standardized factsheet in the manner provided under the Microfinance Loans Directions and the borrower shall not be charged any amount which is not explicitly mentioned in the factsheet. Interest rates and other charges/ fees on microfinance loans should not be usurious and be subjected to supervisory scrutiny by the RBI. In this regard, the regulated entities shall also prominently display the minimum, maximum and average interest rates charged on microfinance loans in all its offices, in the literature (information booklets/ pamphlets) issued by it and details on its website. This information shall also be included in the supervisory returns and be subjected to supervisory scrutiny.

It is also provided that there shall be no pre-payment penalty on microfinance loans and penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount. Further, any change in interest rate or any other charge shall be informed to the borrower well in advance and these changes shall be effective only prospectively.

Guidelines on Conduct towards Microfinance Borrowers

The directions prescribe certain guidelines for the entities which among other things, include, that putting up a fair practices code by the RE, a standard form of loan agreement for microfinance loan in the language understood by the borrower, issuance of non-credit products with full consent of borrowers, guidelines on training of staff, responsibilities for outsourced activities, guidelines related to recovery of loans and engagement of recovery agents.

Qualifying Asset Criteria

Under the Microfinance Loans Directions, the definition of 'qualifying assets' of NBFC-MFIs has now been aligned with the definition of 'microfinance loans' given above. The minimum requirement of microfinance loans for NBFC-MFIs is also revised to 75% of the total assets. Further, the maximum limit on microfinance loans for NBFCs other than the NBFC-MFIs has been revised to 25% of the total assets.

Appointment of Internal Ombudsman by Non-Banking Financial Companies dated November 15, 2021

The RBI notification requires the appointment of internal ombudsman by NBFCs fulfilling the following criteria as on the date of the circular: (a) Deposit-taking NBFCs (NBFCs-D) with 10 or more branches. (b) Non-Deposit taking NBFCs (NBFCs-ND) with asset size of ₹50 billion and above and having public customer interface. NBFCs are required to formulate a standard operating procedure approved by its Board and establish a system of auto-escalation of all complaints that are partly or wholly rejected by the NBFC's internal grievance redress mechanism to the internal ombudsman for a final decision. The NBFC shall internally escalate all such complaint within a period of three weeks from the date of receipt of the complaint. Thereafter, the internal ombudsman and the NBFC are required to ensure that the final decision is communicated to the complainant within 30 days from the date of receipt of the complaint by the NBFC. In case any complaint is fully or partly rejected even after examination by the internal ombudsman, the NBFC is necessitated to advise to the complainant as part of the reply of the customer's option to approach the RBI Ombudsman for redress (if the complaint falls under the RBI Ombudsman mechanism) along with complete details.

The Reserve Bank – Integrated Ombudsman Scheme, 2021 (the "Ombudsman Scheme") dated November 12, 2021

The RBI through its 'Statement on Developmental and Regulatory Policies' dated February 5, 2021, proposed the integration of the Ombudsman Scheme for Non-Banking Financial Companies, 2018, the Banking Ombudsman Scheme, 2006 and the Ombudsman Scheme for Digital Transactions, 2019, and adoption of 'One Nation One Ombudsman' approach for grievance redressal and has done the same through the Ombudsman Scheme effective from November 12, 2021. This is intended to make the process of redressal of grievances easier by enabling the customers of the banks, NBFCs and non-bank issuers of prepaid payment instruments to register their complaints under the integrated scheme, with one centralized reference point.

The Ombudsman Scheme was introduced by the RBI with the object of enabling resolution of complaints in respect of services rendered by certain categories of NBFCs, to facilitate the satisfaction or settlement of such complaints, and matters connected therewith. Further, the RBI through its notification on Appointment of Internal Ombudsman by Non-Banking Financial Companies dated November 15, 2021, has established the office of Internal Ombudsman for NBFCs along with its roles and responsibilities.

The Ombudsman Scheme, *inter alia,* establishes the office of the ombudsman, specifies the procedure for the redressal of grievances and the mechanism for appeals against the awards passed by the ombudsman.

Master Direction - Know Your Customer (KYC) Direction, 2016 (updated as on October 17, 2023) as amended ("RBI KYC Directions")

The RBI had issued the Master Directions Know Your Customer Directions dated February 25, 2016 (amended as on October 17, 2023) requiring regulated entities to follow certain customer identification procedure in accordance with provisions of KYC Directions including video-based customer identification process (V-CIP) while undertaking a transaction. The RBI KYC Directions are applicable to every entity regulated by the RBI specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others.

In terms of the RBI KYC Directions, every entity regulated thereunder shall duly adopt a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, namely, customer acceptance policy; risk management policy; customer identification procedures; and monitoring of transactions. All NBFCs are required to ensure compliance with the KYC policy through specification of who constitutes 'senior management' for the purpose of KYC compliance; allocation of responsibility for effective implementation of policies and procedures; independent evaluation of the compliance of KYC and anti-money laundering policies and procedures; concurrent/internal audit system to verify the compliance with KYC and anti-money policies and procedures; and submission of quarterly audit and compliance to the audit committee. The RBI KYC Directions further require that such programmes shall include adequate safeguards on the confidentiality and use of information exchanged, including safeguards to prevent tipping-off. Regulated entities shall apply a risk based approach for mitigation and management of the risks and shall have board approved policies, controls and procedures in this regard. Further, regulated entities shall implement a customer due diligence programme, having regard to identified risks and size of business, and regulated entities should monitor implementation of controls.

The RBI KYC Directions have also issued instructions on sharing of information while ensuring secrecy and confidentiality of information held by NBFCs, amongst others. The regulated entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and Common Reporting Standards and ensure compliance with requirements/obligations as per applicable provisions of the Unlawful Activities Prevention ("**UAPA**") Act, 1867. The regulated entities must also pay adequate attention to any money-laundering and financing of terrorism threats that may arise from new or developing technologies and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies. The RBI KYC Directions were further amended to (i) enhance the disclosure requirements under the Prevention of Money-Laundering Act, 2002, and the rules made thereunder; (ii) accommodate authentication as per the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016; and (iii) use of an Indian resident's Aadhar number as a document for the purposes of fulfilling KYC requirement. The RBI KYC Directions were further updated with a view to leveraging the digital channels for customer identification process by regulated entities, whereby the RBI has decided to permit video-based customer identification process as a consent based alternate method of establishing the customer's identity, for customer onboarding. In the accounts opening procedure by NBFCs, in case a person who desires to open an account is not able to produce documents, NBFCs may at their discretion open accounts subject to certain conditions, including monitoring of the account. For opening accounts of a trust, regulated entities are required to ensure that the trustees disclose their status at the time of commencement of an account-based relationship or when carrying out transactions as specified in the RBI KYC Directions.

The RBI KYC Directions have been updated pursuant to the notification dated April 28, 2023 to require regulated entities to undertake enhanced due diligence measures for non-face-to-face onboarding of customers, without meeting the customer physically or through V-CIP, through use of digital channels such as CKYCR, DigiLocker, equivalent e-document, etc., and non-digital modes such as obtaining copy of officially valid documents certified by additional certifying authorities as allowed for NRIs and PIOs. Additionally, the amendments incorporate instructions on ensuring meticulous compliance with Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005. The amendments also incorporate the recent amendments to the PMLA and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005. The RBI KYC Directions were further amended pursuant to notification dated May 4, 2023, to update the instructions in relation to wire transfers (including (i) information requirements for wire transfers, and (ii) responsibilities of regulated entities effecting wire transfers), and to align the guidelines contained in the RBI KYC Directions with the relevant recommendations by the Financial Action Task Force.

Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 dated September 29, 2016, as amended ("Monitoring of Frauds - Master Directions")

The Monitoring of Frauds - Master Directions is applicable to all deposit taking NBFCs and NBFC-ND-SIs and requires them to put in place a reporting system for recording of frauds. All frauds are required to be reported to the Frauds Monitoring Cell or Regional Offices of the department of Non-Banking Supervision of the RBI in the manner prescribed under Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016. Fraud reports are required to be submitted in all cases of fraud of ₹ 1 lakh and above perpetrated through misrepresentation, breach of trust, manipulation of books of account, fraudulent encashment of FDRs, unauthorised handling of securities charged to the applicable NBFC, misfeasance, embezzlement, misappropriation of funds, conversion of property, cheating, shortages, irregularities, etc. Fraud reports are also required to be submitted in cases where central investigating agencies have initiated criminal proceedings *suo moto* and/or where the RBI has directed that they be reported as frauds. Fraud reports are required to be submitted to the Central Fraud Monitoring Cell of the RBI within three weeks from the date of detection of the fraud in case amount of fraud ₹ 10 million and above. In cases where the amount of fraud is less than ₹ 10 million, reports shall be sent to the regional office of the Department of Non-Banking Supervision of the RBI, under whose jurisdiction the registered office of the related entity falls within three weeks from the date of detection of the fraud. The amounts involved in frauds reported by the entity shall be disclosed in its balance sheet for the year of such reporting. All NBFCs covered under the Monitoring of Frauds – Master Directions are also required to submit a copy of quarterly reports on frauds outstanding to the regional office of the RBI within 15 days of the end of each quarter to which it relates, in the format prescribed provided under the Monitoring of Frauds - Master Directions.

Master Direction – Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016, dated September 29, 2016, as amended

The direction lists down detailed instructions in relation to submission of returns, including their periodicity, reporting time, due date, purpose, and the requirement of filing such returns by various categories of NBFCs, including an NBFC-ND-SI as updated on May 2, 2022.

Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 dated September 29, 2016 ("Auditor's Report Directions")

The Auditor's Report Directions set out disclosures that are to be included in every auditor's report on the accounts of an NBFC such as: (i) compliance with requirement to obtain certificate of registration from the RBI; (ii) the validity of such NBFC's certificate of registration and whether the NBFC is entitled to continue to hold such certificate of registration in terms of its principal business criteria as of March 31 of the applicable year; and (iii) compliance with net owned fund requirements as laid down in the Master Directions.

Additionally, every auditor of a non-banking financial company not accepting public deposits is required include a statement in accounts of the NBFC on following matters: (i) whether the board has passed a resolution for non-acceptance of any public deposits; (ii) whether the NBFC has accepted any public deposits during the relevant period/year; (iii) whether the NBFC has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the NBFC-ND-SI Directions; (iv) in case of NBFC-ND-SI: (a) whether the capital adequacy ratio as disclosed in the return submitted to the RBI by the NBFC, has been correctly arrived at and whether such ratio is in compliance with the minimum Capital to Risk (Weighted) Assets Ratio prescribed by the RBI; (b) whether the NBFC has furnished to the RBI the annual statement of capital funds, risk assets/exposures and risk asset ratio within the stipulated period; and (v) whether the non-banking financial company has been correctly classified as NBFC-MFI as defined in the NBFC-ND-SI Directions.

Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017 dated November 9, 2017, as amended ("Outsourcing Directions")

The Outsourcing Directions specify the activities that cannot be outsourced and provide the basis for deciding materiality of outsourcing. It mandates the regulatory and supervisory requirements and risk management practices to be complied with by every NBFC before outsourcing its activities. The terms and conditions governing the contract between the NBFC and the service provider should be in compliance with the Outsourcing Directions. Further, an NBFC intending to outsource any of the permitted activities under the Outsourcing Directions is required to formulate an outsourcing policy which is to be approved by its board of directors.

Guidelines on Risk-based Internal Audit ("RBIA") System for Select NBFCs and Urban Co-operative Banks dated February 3, 2021, as amended (the "RBIA Guidelines")

In terms of the RBIA Guidelines, the non-deposit taking NBFCs with an asset size of ₹ 50 billion and above are required to implement the RBIA framework in accordance with RBIA Guidelines. The RBIA Guidelines, inter alia, are intended to enhance the efficacy of internal audit systems and contribute to the overall improvement of governance, risk management and control processes followed by the Applicable NBFCs. Under the RBIA Guidelines, the board of directors of the Applicable NBFC must approve a policy clearly documenting the purpose, authority, and responsibility of the internal audit activity, with a clear demarcation of the role and expectations from risk management function and the RBIA function. It is also mandated that the policy be reviewed periodically, and that the internal audit function is not outsourced. Further, the RBIA Guidelines also require that the risk assessment of business and other functions of Applicable NBFCs should be conducted at least on an annual basis.

Scale Based regulation ("SBR")- Revised Regulatory Framework for NBFCs by the RBI, 2021, dated October 22, 2021, as amended ("SBR Framework") read with RBI notification - Compliance Function and Role of Chief Compliance Officer (CCO) - NBFCs dated April 11, 2022, as amended

The SBR Framework, which comes into effect on October 01, 2022, reflects the RBI's attempt to premise the regulatory framework for NBFCs on the scale, size, leverage, risk, and complexity of its operations. In this respect, the regulations place the NBFCs are into following four brackets and prescribe a customised regulatory framework for each:

(i) **NBFC-BL**: This category is to consist of (a) non-deposit taking NBFCs below the asset size of ₹ 10 billion and (b) NBFCs undertaking the following activities - (i) NBFC-Peer to Peer Lending Platform ("**NBFC-P2P**"), (ii) NBFC-Account Aggregator ("**NBFC-AA**"), (iii) Non-Operative Financial Holding Company ("**NOFHC**"), and (iv) NBFCs not availing public funds and not having any customer interface. NBFC-BLs shall largely continue to be subject to regulations currently applicable to non-deposit taking NBFCs except the net owned fund requirement, NPA classification, experience of the board, ceiling on IPO funding requirement, capital guidelines, prudential guidelines and governance guidelines more particularly set out in the SBR Framework. NBFC-P2P, NBFC-AA, and NOFHC shall be subject to extant regulations governing them. The SBR Framework also introduces a few changes for better governance of NBFC-BLs viz. requirement for Board policy on loans to directors, senior officers, and relatives; constitution of a Risk Management Committee; and disclosure of types of exposure, related party transactions, loans to Directors/ Senior Officers and customer complaints.

(ii) **NBFC-ML**: This category is to consist of (a) all deposit taking NBFCs, irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹ 10 billion and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers ("**SPDs**"), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies ("**IDF-NBFCs**"), (iii) Core Investment Companies ("**CICs**"), (iv) Housing Finance Companies ("**HFCs**") and (v) Infrastructure Finance Companies ("**NBFC-IFCs**").

NBFC-MLs shall largely continue to be subject to regulations currently applicable to NBFC-ND-SIs and deposit-taking NBFCs, as well as regulations applicable to NBFC-BLs. Certain measures under the regulatory framework in relation to NBFC-MLs include:

(a) aligning credit concentration norms for NBFCs with those applicable to banks, by merging the currently applicable lending and investment concentration limits into a single exposure limit of 25% for single borrower and 40% for group of borrowers anchored to the NBFC's Tier - I capital;

(b) introducing a requirement for NBFCs to have a policy approved by their respective boards of directors on internal capital adequacy assessment process;

(c) prescribing limit on initial public offer financing of ₹ 10 million per individual;

(d) regulatory restrictions on lending by NBFCs in respect of - (i) granting loans and advances to directors, their relatives and to entities where directors or their relatives have major shareholding, (ii) granting loans and advances to senior officers of the NBFC, and (iii) disbursements in relation to loan proposal involving real estate shall be made only after the borrower has obtained requisite clearances from the government authorities;

(e) detailed disclosures of certain items in annual financial statements;

(f) limits on exposure to commercial real estate and capital market sector; and

(g) mandatory requirement for appointment of a functionally independent chief compliance officer and independent director.

(iii) **NBFC-UL**: This category to consist of only those NBFCs which are specifically identified as systemically significant among NBFCs, based on specified parameters. The top 10 NBFCs by asset size would be included in this layer, and the applicable threshold for classification would be determined pursuant to parametric analysis. NBFC-ULs would be subject to regulations applicable to NBFC-MLs as well certain additional capital, and governance requirements more particularly set out in the SBR Framework.

(iv) **NBFC-TL**: This category is to consist of NBFCs judged to be extreme in supervisory risk perception by the RBI. NBFCs in this layer will be subject to higher capital charge, including enhanced and more intensive supervisory engagement with such NBFCs.

The NBFC-UL and NBFC-ML shall have an independent Compliance Function and a Chief Compliance Officer (CCO) latest by April 1, 2023, and October 1, 2023, respectively. The Board/Audit Committee (Board committee) shall ensure that an appropriate Compliance Policy is put in place and implemented. The Senior Management shall carry out an exercise, at least once a year, to identify and assess the major compliance risk facing the NBFC and formulate plans to manage it.

Implementation of 'Core Financial Services Solution' (CFSS) by Non-Banking Financial Companies (NBFCs) dated February 23, 2022, as amended

Pursuant to this circular, an NBFC-ML with 10 and more 'fixed point service delivery units' is mandated to adopt 'Core Financial Services Solution' ("**CFSS**"), akin to the Core Banking Solution adopted by banks on or before September 30, 2025. The CFSS shall provide for (i) seamless customer interface in digital offerings and transactions relating to products and services with anywhere / anytime facility, (ii) enable integration of NBFCs' functions, (iii) provide centralised database and accounting records, and be able to generate suitable MIS, both for internal purposes and regulatory reporting. It also requires the relevant NBFCs to furnish a quarterly progress report on implementation of the Core Financial Services Solution, along with various milestones as approved by the board of directors/committee of the board of directors, to the Senior Supervisory Manager Office of the RBI starting from quarter ending March 31, 2023.

RBI Clarifications - Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances dated November 12, 2021, and February 15, 2022

Specification of due date/repayment date

The exact due dates for repayment of loan, frequency of repayment, breakup between principal and interest, examples of SMA/NPA classification dates, etc. shall be clearly specified in the loan agreement and the borrower shall be apprised of the same at the time of loan sanction and at the time of subsequent changes, if any, to the sanction terms/loan agreement till full repayment of the loan. In cases of loan facilities with moratorium on payment of principal and/or interest, the exact date of commencement of repayment shall also be specified in the loan agreements.

Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)

The borrower accounts shall be flagged as overdue by the lending institutions as part of their day-end processes for the due date, irrespective of the time of running processes. Similarly, classification of borrower accounts as SMA as well as NPA shall be done as part of day-end process for the relevant date and the SMA or NPA classification date shall be the calendar date for which the day end process is run. In case of borrowers having more than one credit facility from a lending institution, loan accounts shall be upgraded from NPA to standard asset category only upon repayment of entire arrears of interest and principal pertaining to all the credit facilities.

NPA classification in case of interest payments

In case of interest payments in respect of term loans, an account will be classified as NPA if the interest applied at specified rests remains overdue for more than 90 days.

Upgradation of accounts classified as NPAs

Loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower. With regard to upgradation of accounts classified as NPA due to restructuring, non-achievement of date of commencement of commercial operations, etc., the instructions as specified for such cases shall continue to be applicable.

Notification on Financial Inclusion by Extension of Banking Services – Use of Business Correspondents, dated June 24, 2014, issued by the RBI

By virtue of its notification dated June 24, 2014, the RBI permitted NBFCs-ND to act as business correspondents of banks, with the aim of accelerating financial inclusion. Prior to this notification, NBFCs could not be appointed as business correspondents. The following conditions need to be satisfied in order for the banks to engage NBFCs-ND as business correspondents:

(i) It should be ensured that there is no comingling of bank funds and those of the NBFC-ND appointed as business correspondent;

(ii) There should be specific contractual arrangement between the bank and the NBFC-ND to ensure that possible conflicts of interest are adequately taken care of; and

(iii) Banks should ensure that the NBFC-ND does not adopt any restrictive practice such as offering savings or remittance functions only to its own customers and the forced bundling of services offered by the NBFC-ND and the bank does not take place.

Statement on Development and Regulatory Policies dated August 6, 2020 ("Statement on DRP Policies")

The Statement on DRP Policies facilitated revival of real sector activities and mitigate the impact on the ultimate borrowers, provided a window under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 ("**Prudential Framework**") to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as standard (as set out under the Prudential Framework) subject to specified conditions. Moreover, in order to ameliorate the stress being faced by smaller non-bank finance companies (NBFCs) and micro-finance institutions (MFIs) in obtaining access to liquidity, the RBI decided to provide an additional special liquidity facility (ASLF) of ₹ 50 billion to NABARD for a period of one year at the RBI's policy repo rate for refinancing NBFC-MFIs and other smaller NBFCs of asset size of ₹ 5000 million and less to support agriculture and allied activities and the rural non-farm sector.

Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021

The RBI had issued the guidelines which are applicable to all Commercial Banks (excluding RRBs), Primary (Urban) Co-operative Banks (UCBs), and Non-Banking Finance Companies (NBFCs) (including Housing Finance Companies but excluding non-deposit taking NBFCs with asset size below ₹ 10 billion). Pursuant to these RBI guidelines, there are certain eligibility criteria and procedures to be adhered by the aforementioned entities for appointment/reappointment of Statutory Central Auditors/Statutory Auditors. Further, NBFCs do not have to take prior approval of RBI for appointment of Statutory Central Auditors/Statutory Auditors, but all NBFCs need to inform the RBI about the appointment or removal of Statutory Central Auditors/Statutory Auditors for each year, within one month of such appointment and/or decision taken in relation of removal, as the case may be.

Prevention of Money Laundering Act, 2002 ("PMLA")

The PMLA was enacted to prevent money laundering and to provide for confiscation of property derived from, or involved, in money laundering, and for incidental matters connected therewith. Section 12 of the PMLA inter alia casts certain obligations on reporting entities (*as defined under the PMLA*) in relation to preservation of records and reporting of transactions.

Master Directions – Information Technology Framework for the NBFC Sector, dated June 8, 2017 ("IT Framework Directions")

The IT Framework Directions have been notified with the view of benchmarking the information technology/information security framework, business continuity planning, disaster recovery management, information technology ("IT") audit and other processes to best practices for the NBFC sector. Systemically important NBFCs are required to comply with the IT Framework Directions by June 30, 2018. The IT Framework Directions require all systemically important NBFCs to undertake IT governance *inter alia* through formation of an IT strategy committee and formulation of a board approved IT policy. They also require systemically important NBFCs to conduct an information system audit at least once in a year.

In addition to the above IT Framework Directions, we are also required to comply with the Information Technology Act, 2000, as amended, and the rules framed thereunder.

Master Directions – Information Technology Governance, Risk, Control and Assurance Practices, dated November 7, 2023 ("IT Governance Directions")

The RBI notified the IT Governance Directions to consolidate and update regulations pertaining to the governance of information technology and the risks, assurance practices, control mechanisms and disaster management associated with IT and cyber security. The IT Governance Directions apply to all NBFCs, including all NBFC-BL, NBFC-ML and NBFC-TL, but excludes NBFC-Core Investment Companies. With the coming into effect of these regulations, the IT Framework Directions will stand repealed, but only to the extent as applicable to NBFC-TL, NBFC-ML and NBFC-UL.

The key requirements are as follows:

IT Governance

The IT Governance Directions lays down an framework for information technology ("**IT Governance Framework**") that focuses on strategic alignment, risk management, resource management, performance management and disaster recovery management. NBFCs are obligated to set up an IT Governance Framework that specifies the governance structure adhering to the business objectives of the respective NBFC, that specifies the roles of the board of directors and includes adequate oversight mechanisms to mitigate risks associated with cyber and information security. Under the IT Governance Framework, an IT Strategy Committee ("**ITSC**") must be established that shall, *inter alia*, ensure that the NBFC has an effective IT strategic planning process and the NBFC's IT governance provides for accountability. The risk management policy, which shall include IT related risks and cyber security related risks, shall be reviewed periodically by the risk management committee of the board, in consultation with the ITSC.

IT Infrastructure and Services Management

The IT Governance Directions also mandates NBFCs to have a framework that supports their information systems and infrastructure to ensure operational resilience. In the event there are third-parties handling the NBFC's information technology or cyber security, the NBFC are required to put in place appropriate vendor risk assessment processes to, *inter alia*, mitigate risk and to eliminate and address any conflict of interests.

IT Information and Security Risk Management

Under the IT Governance Directions, NBFCs are mandated to set up a framework that, *inter alia*, contains internal control and processes to mitigate and manage risks, identifies critical information systems and provides for the fortification of the same and contains procedures and controls to ensure a secure transmission/ storage/ processing of data and information.

Business Continuity Plan and Disaster Recovery Policy

The IT Governance Directions, prescribes a business continuity plan and disaster recovery policy in order to reduce the likelihood and impact of disruptive incident and to ensure the continuity of business. Disaster recovery drills in relation to critical information are required to be done at least on a half-yearly basis and for other information systems, as per the risk assessment of the NBFC.

*Information System ("**IS**") Audit*

The IT Governance Directions states that the audit committee of the board shall overlook the functioning of the IS Audit. All entities are required to have an IS audit policy that shall describe the mandate, scope and purpose of the audit. The audit committee, under the IT Governance Directions, has to review the critical issues related to IT, information security and cyber security and thereafter, provide guidance to the management regarding the same.

Loans and Advances – Regulatory Restrictions - NBFCs, dated April 19, 2022, as amended

The RBI introduced certain regulatory restrictions on lending in respect of NBFCs placed in different layers. The circular states that unless sanctioned by the Board of Directors/Committee of Directors, NBFCs shall not grant loans and advances aggregating ₹ 50 million and above to: (a) their directors (including the Chairman/ Managing Director) or relatives of directors, (b) any firm in which any of their directors or their relatives is interested as a partner, manager, employee or guarantor, and (c) any company in which any of their directors, or their relatives is interested as a major shareholder, director, manager, employee or guarantor. The circular also provides guidelines in relation to (i) loans and advances to senior officers of the NBFCs and (ii) loans and advances to the real estate sector. Further, all the NBFC-BLs are required to have a policy approved by board of directors on grant of loans to directors, senior officers, and relatives of directors and to entities where directors or their relatives have major shareholding.

Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs dated April 29, 2022 ("Compensation Guidelines")

Pursuant to the circular dated October 22, 2021 on SBR Framework, the RBI has notified the aforementioned guidelines mandating all NBFCs (except 'Base Layer' and Government owned NBFC's) to formulate and put in place a board-approved compensation policy. The Compensation Guidelines requires the board of the NBFC to constitute a nomination and remuneration committee of all applicable NBFCs which will in turn oversee the framing, review, and implementation of the compensation policy. Moreover, the Compensation Guidelines, outline the principles of compensation for *inter alia* (i) fixed pay; (ii) variable pay; (iii) deferral of variable pay. The guidelines also restrict payment of guaranteed bonus to key managerial personnel and senior management.

Master Direction – Reserve Bank of India (Outsourcing of Information Technology Services) Directions, 2023 dated April 10, 2023 ("IT Outsourcing Directions")

The master direction by the RBI provides guidelines for outsourcing information technology services by financial institutions, including banks, NBFCs, and payment system operators. The directions recognise the extensive usage of information technology and information technology enabled services to support the business models, products and services offered by regulated entities to their customers. The aim of the IT Outsourcing Directions is to ensure that outsourcing arrangements neither diminish REs ability to fulfil its obligations to customers nor impede effective supervision by the RBI. Per the directions, a regulated entity shall take steps to ensure that the service provider employs the same high standard of care in performing the services as would have been employed by the regulated entity itself, had the same activity not been outsourced. The regulated entities need to ask their service providers to develop and establish a robust framework for documenting, maintaining, and testing business continuity plan and disaster recovery plan.

A regulated entity can also outsource any IT activity/IT enabled service within its business group/conglomerate, subject to conditions specified in the directions. Regulated entities intending to outsource any of its IT activities are required put in place a comprehensive Board approved IT outsourcing policy which shall incorporate, *inter alia*, the roles and responsibilities of the Board, committees of the Board (if any) and Senior Management, IT function, business function as well as oversight and assurance functions in respect of outsourcing of IT services. The IT Outsourcing Directions also require regulated entities to immediately notify the RBI in the event of breach of security and leakage of confidential customer related information. The

RBI has the power to impose penalties for violations of the directions. These directions shall come into effect from October 1, 2023.

Aadhaar (Targeted Delivery of Financial and other Subsidies, Benefits and Services) Act (the "Aadhaar Act"), 2016 and the rules and regulations made thereunder, and the rules and regulations made thereunder

The Aadhaar Act aims to provide for, as good governance, efficient, transparent and targeted delivery of subsidies, benefits and services, the expenditure for which is incurred from the Consolidated Fund of India or the Consolidated Fund to the State to individuals residing in India, through assigning of unique identity numbers to such individuals and for matters connected therewith or incidental thereto. The Aadhar Act establishes Unique Identification Authority of India ("**UIDAI**"), which is responsible for authentication and enrolment of individuals under the Aadhaar programme. The Aadhar Act also provides for the appointment of Enrolling Agency, which would be responsible for the enrolment of individuals. The Aadhar Act, to authenticate the Aadhar Numbers, appoints a requesting entity, that would submit the Aadhar Number along with demographic information or biometric information to the Central Identities Data Repository. Lastly, the Aadhar Act also provides for the protection and confidentiality of identity information and authentication records of individuals.

The Digital Personal Data Protection Act, 2023 ("DPDP Act")

The DPDP Act received the assent of the President on August 11, 2023. The DPDP Act, has replaced the existing data protection provision, as contained in Section 43A of the IT Act. The DPDP Act provides for the rights of individuals to protect their personal data with the need to process personal data for lawful and other incidental purposes. The DPDP Act provides that personal data may be processed only for a lawful purpose after obtaining the consent of the individual. A notice must be given 163 before seeking consent. It further imposes certain obligations on data fiduciaries including (i) ensure the accuracy, consistency and completeness of data, (ii) build reasonable security safeguards to prevent personal data breach, (iii) inform the Data Protection Board of India (the "**DPB**") and affected persons in the event of a personal data breach, and (iv) erase personal data as soon as the data principal has withdrawn her consent or as soon as its reasonable to assume that the purpose has been met and retention is not necessary for legal purposes (storage limitation), whichever is earlier. In case of government entities, storage limitation and the right of the data principal to erasure will not apply.

The Central Government will establish the DPB. Key functions of the DPB, inter alia, include: (i) on receipt of an intimation of personal data breach, to direct any urgent remedial or mitigation measures in the event of a personal data breach, and to inquire into such personal data breach and impose penalty; (ii) on a complaint received in respect of a personal data breach or a breach in observance by a data fiduciary of its obligations in relation to her personal data or the exercise of her rights, or on a reference made to it by the central government or a state government, or in compliance of the directions of any court, to inquire into such breach and impose penalty, and (iii)The Board may, on a representation made to it by a person affected by a direction, or on a reference made by the Central Government, modify, suspend, withdraw or cancel such direction and, while doing so, impose such conditions as it may deem fit,. The DPB members will be appointed for two years and will be eligible for re-appointment. The Central Government will prescribe details such as the number of members of the DPB and the selection process.

3. Foreign Exchange Laws

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999, as amended, along with the rules, regulations and notifications made by the RBI thereunder, and the consolidated FDI Policy Circular of 2020 (No. 5(2)/2020) dated October 15, 2020, as amended, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.

As per the sector specific guidelines of the Government of India, up to 100% foreign investment is allowed under the automatic route in certain NBFC activities subject to compliance with guidelines under the Foreign Exchange Management Act, 1999 and applicable rules and regulations in this regard.

4. Laws Relating to Taxation

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

(i) Central Goods and Service Tax Act, 2017 and various state-wise legislations made thereunder;

(ii) Integrated Goods and Services Tax Act, 2017;

(iii) Income Tax Act 1961, as amended by the Finance Act in respective years; and

(iv) State-wise legislations in relation to professional tax.

5. Other Regulations

In addition to the above, our Company is required to comply with the provisions of the Companies Act, FEMA, the RBI guidelines on securitisation of standard assets, labour laws, various tax related legislations and other applicable statutes for its day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as 'Panchratna Stock and Investment Consultancy Services Private Limited' on April 6, 1992 at Mumbai, Maharashtra, India as a private limited company under the Companies Act, 1956. Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders on April 30, 1994 and consequently, the name of our Company was changed to 'Panchratna Stock and Investment Consultancy Services Limited'. A fresh certificate of change of name, consequent upon conversion to a public limited company was issued by the RoC on June 9, 1994. Thereafter, the name of our Company was changed to 'Panchratna Securities Limited', in order to align with the object clause and activity being carried on by our Company, pursuant to a resolution passed by the Shareholders on June 11, 1994. A fresh certificate of incorporation, consequent to the change of name was granted to our Company by the RoC on June 22, 1994. The RBI granted a certificate of registration dated March 18, 1998 bearing no. 13.00365 to our Company, under its erstwhile name 'Panchratna Securities Limited' for registration as an NBFC under Section 45-IA of the Reserve Bank of India Act, 1934. Subsequently, the name of our Company was changed to 'Muthoot Microfin Limited', in order to reflect the group's identity of the shareholders i.e., the Muthoot Pappachan Group and the operations of our Company, pursuant to a resolution passed by the Shareholders on October 29, 2012. A fresh certificate of incorporation, consequent to the change of name was granted to our Company by the RoC on November 6, 2012. Pursuant to a change in the objects clause of our Company, which was approved by way of special resolution dated January 21, 2013, our Company was granted a certificate of registration of the special resolution confirming alteration of object clause dated February 12, 2013. Subsequently, the RBI granted a revised certificate of registration dated March 18, 1998, reflecting the change of our Company's name to Muthoot Microfin Limited, with effect from March 25, 2015. The RBI has granted NBFC-MFI status to our Company with effect from March 25, 2015, pursuant to an endorsement on our certificate of registration dated March 18, 1998.

Changes in our Registered Office

The following table sets forth details of the change in the registered office of our Company since the date of its incorporation:

Date of Board resolution	Details of the change in address of our registered office	Reason for change
November 18, 2011	Change in registered office from 30A Panchratna, Opera House, Mumbai 400 004, Maharashtra, India to Shreeji Heights, Plot No.1, Flat No. C - 2404/05 Sector No. 46 - A, Palm Beach Road, Nerul, Navi Mumbai, Thane 400 706, Maharashtra, India	For smooth conduct of affairs of our Company and better administrative and operative convenience
May 8, 2012	Change in registered office from Shreeji Heights, Plot No.1, Flat No. C - 2404/05 Sector No. 46 - A, Palm Beach Road, Nerul, Navi Mumbai, Thane 400 706, Maharashtra, India to 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra, India	Administrative convenience and to aid better commercial prospects

Main objects of our Company

The main objects in our Memorandum of Association are set forth below:

"To reduce poverty in India and promote financial inclusion of masses by carrying on the business of providing microfinance services and catering to needs of a large number of underprivileged people directly or indirectly, and thus to help them and their families out of poverty and improve their standard of living by way of:

(a) provisioning of credit to customers, including formal and informal self-help groups, individuals and associations, operation of micro leasing facilities, micro finance related hire purchase;

(b) providing credit for buying, selling and supplying industrial and agricultural inputs, livestock, machinery and industrial raw materials to poor persons and to act as agent for any association for the sale of such goods or livestock, encouragement of investment in cottage industries and income generating project for poor persons;

(c) mobilizing and providing financial and technical assistance and training to microenterprises /clients, provision of loans to microfinance clients for home improvement and consumer credits and to give financial assistance to other Micro Finance Institutions in the form of term loan."

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on and proposed to be carried on by our Company.

Amendments to our Memorandum of Association

The following table sets forth details of the amendments to our Memorandum of Association, in the last 10 years preceding the date of this Prospectus:

Date of Shareholders' resolution/ effective date	Details of the amendments
March 25, 2015	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised share capital of our Company from ₹ 100,000,000 (Rupees one hundred million) divided into 10,000,000 (Ten million) Equity Shares of ₹ 10 each to ₹ 500,000,000 (Rupees five hundred million) divided into 50,000,000 (Fifty million) Equity Shares of ₹ 10 each.
December 23, 2015	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised share capital of our Company from ₹ 500,000,000 (Rupees five hundred million) divided into 50,000,000 (Fifty million) Equity Shares of ₹ 10 each to ₹ 750,000,000 (Rupees seven hundred and fifty million) divided into 75,000,000 (Seventy five million) Equity Shares of ₹ 10 each.
June 1, 2016	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised share capital of our Company from ₹ 750,000,000 (Rupees seven hundred and fifty million only) divided into 75,000,000 (Seventy five million) Equity Shares of ₹ 10 each to ₹ 1,500,000,000 (Rupees one billion five hundred million) divided into 150,000,000 (One hundred and fifty million) Equity Shares of ₹ 10 each.
November 16, 2016	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised share capital of our Company from ₹ 1,500,000,000 (Rupees one billion five hundred million) divided into 150,000,000 (One hundred and fifty million) Equity Shares of ₹ 10 each to ₹ 2,000,000,000 (Rupees two billion) divided into 150,000,000 (One hundred and fifty million) Equity Shares of ₹ 10 each and 50,000,000 (Fifty million) Compulsorily Convertible Redeemable Preference Shares of ₹ 10 each.
June 14, 2023	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised share capital of our Company from ₹ 2,000,000,000 (Rupees two billion) divided into 150,000,000 (One hundred and fifty million) Equity Shares of ₹ 10 each and 50,000,000 (Fifty million) Compulsorily Convertible Redeemable Preference Shares of ₹ 10 each to ₹ 2,500,000,000 (Rupees two billion five hundred million) divided into 200,000,000 (Two hundred million) Equity Shares of ₹ 10 each and 50,000,000 (Fifty million) Compulsorily Convertible Preference Shares of ₹ 10 each.
June 26, 2023	Clause III of the Memorandum of Association of our Company was amended to reflect an addition to the incidental and ancillary objects of our Company being, to transact with associations/ agencies for sale of credits obtained pursuant to providing loans to persons, firms or companies for buying energy efficient products to help them improve their standard of living.

Major events and milestones our Company

The table below sets forth the key events and milestones in the history of our Company:

Calendar year	Milestone
1992	Incorporated as Panchratna Stock and Investment Consultancy Services Private Limited
1994	Converted to a public limited company and name changed to Panchratna Securities Limited
1998	Company obtained a certificate of registration as an NBFC from RBI
2011	Company was acquired by promoters of "Muthoot Pappachan Group", namely, Janamma Thomas, Thomas John Muthoot, Thomas George Muthoot, Thomas Muthoot, Preethi John Muthoot, Nina George and Remmy Thomas
2015	RBI granted NBFC-MFI status with effect from March 25, 2015
2016	Raised ₹ 500,000,000 from Creation
2017	Crossed 1 million clients
2017	Raised ₹ 150,000,000 in the first round of investment for the year from Creation
2017	Raised ₹ 350,000,034.28 in the second round of investment for the year from Creation
2018	Raised ₹ 300,000,013 in the first round of investment for the year from Creation
2018	Raised ₹ 250,633,050 in the second round of investment for the year from Creation
2019	CRISIL upgraded the rating to A Stable for bank facilities and debt instruments
2021	Launched the Mahila Mitra app
2021	AUM crossed ₹50,000 million
2021	Raised ₹ 1,877,249,867.54 from GPC
2022	Raised ₹ 1,856,624,910.84 in the first round of investment for the year from GPC
2022	Raised ₹ 818,124,971.22 in the second round of investment for the year from GPC
2022	CRISIL upgraded the rating to A+ Stable for long-term bank facilities and debt programmes
2022	Crossed 2 million active customers
2022	Crossed 1,000 branches
2023	Reached 10,000 employees
2023	AUM crossed ₹100,000 million
2023	Launched Digital first Suvidha Loan

Awards and accreditations

Details of key awards received by our Company are set out below:

Calendar Year	Name of the award
2018	Award for implementing outstanding initiatives in the category 'Microfinance Plus Activities', at the MFIN Microfinance Awards 2018: In Pursuit of Excellence
	Comprehensive Microfinance Grading of 'M1C1', assigned by CRISIL
	Awarded as a 'Trusted Micro-Finance Brand' at the India Best Brand Series and Awards, 2018
	Awarded Golden Peacock Business Excellence Award

Calendar Year	Name of the award
	Best NBFC Award at the Chamber of Indian Micro Small and Medium Enterprises - MSME Banking Excellence Awards
	Awarded 'Finance Company of the Year – India' at the Asian Banking & Finance Retail Banking Awards, 2018
	Awarded for HR strategy at Asia's Best Employer Brand Awards (9th Edition) hosted by the World HRD Congress
	Certified as a 'Great Place to Work' by the Great Place to Work Institute, India
	Winner in the category of 'Risk management initiatives' at the 4th Eastern India Microfinance Summit, 2018 organised by the Association of Micro Finance Institutions, West Bengal
2019	'North India Best Employer Brand Award 2019' organized by the Employer Branding Institute
	Award for Brand Excellence in the BFSI Sector presented by ABP News
	Awarded 'Golden Peacock Award for Excellence in Corporate Governance – 2019' (Special Commendation) by Institute of Directors, India
	Top Organisations with Innovative HR Practices Award presented by the Asia Pacific HRM Congress
	Certified as one of the 'Best Workplaces in Microfinance, India' by the Great Place to Work Institute, India
	Awarded Asia's Most Promising Brand in the NBFC-MFI category by World Consulting and Research Corporation
	Awarded the Kerala Best Employer Brand Award by the Employer Branding Institute, India
2021	Recognised amongst the Best Workplaces in the BFSI Industry in India by the Great Place to Work Institute
	Indian Achievers' Award for Emerging Company presented by the Indian Achievers' Forum
	Awarded 'Best Use of Technology Award' for Financial Services by the National Enterprises Tech Connect
	Awarded a Certificate of Excellence for water and sanitation lending by Water.org India and Sa-Dhan
	Certified as a 'Great Place to Work' by the Great Place to Work Institute, India for the period between February, 2021 to January, 2022
	Awarded the 'Best Digital Transformation Initiative – Micro Finance' in the NBFC Category by the BFSI Excellence Awards, 2021
	Recognition of our Company's 'Commitment to being a Great Place to Work' by the Great Place to Work Institute, India
2022	Awarded for the Mobility category at the Technology Senate Awards South, 2022
	Awarded the 'Best Digital Transformation Initiative - Financial Services' at the India Devops Show 2022 organised by Quantic
	Awarded the 'Best Employee-Driven CX' by the India Customer Excellence Summit and Awards, 2022
2023	Certified as a 'Great Place to Work' by the Great Place to Work Institute, India with validity for the period between January, 2023 to January, 2024
	Awarded Best Learning Strategy – Gold Award by the Indian Business Council at the Human Resources Ideas & Voice Events, 2023
	Winner in the category of 'Modern and Agile Data Architecture and Infrastructure' at the Economics Times Datacon Awards, 2023
	Awarded Trailblazer in Digital Lending Award at the 2nd Elets NBFC100 Leader of Excellence Awards, 2023

Time and cost overruns

There have been no time and cost overruns in respect of our business operations.

Defaults or re-scheduling/ restructuring of borrowings

We have, in the past, defaulted on certain of our borrowings with 10 financial institutions/ banks in respect of our Company's borrowings, which have been repaid or waived by the lenders as on the date of this Prospectus:

Sr. No.	Lender	Nature of Default	Extent of Default (in ₹)	Status of Default
1.	ISIN- INE046W07180 - Blue Orchard Finance Limited	Delay in interest payment of ₹64.9 million due on December 5, 2022, which was paid on December 7, 2022, due to an inadvertent operational error	64.90 million	As the payment was made within curing period, it is not considered as default as per the agreement.
2.	ICICI Bank Limited	Shortfall of ₹1.25 million on account of incorrect repayment schedule shared by a lender	1.25 million	Regularised
3.	Punjab National Bank	Shortfall of ₹20 paise in repayment to the lender	20 paise	Regularised
4.	Karur Vysya Bank Limited	Shortfall of ₹62 paise in repayment to the lender	62 paise	Regularised
5.	Equitas Small Finance Bank Limited	One day delay in principal repayment of ₹20.6 million to a lender	20.6 million	Regularised
6.	IndusInd Bank Limited	Shortfall of ₹0.05 million in repayment of interest to a lender on account of revision in interest rate	0.05 million	Regularised
7.	Credit Saison Co., Ltd. (Kisestsu Saison Finance (India) Private Limited)	Default due to maximum permissible ratio of PAR>90 days (including managed portfolio), inclusive of write offs for trailing 12 months, to outstanding principal value of total asset under management to not exceed 10% till December 2021, 5% till December 2022 and 3% from April 1, 2022	-	Waiver obtained. The loan is closed as on September 30, 2023
8.	Manaveeya Development and Finance Private Limited	The gross loan portfolio at risk (PAR)> 30 days (AUM, including rescheduled loans)<13.00% up to June 30, 2021, <10% up to December 31, 2021 and	-	Waiver obtained

Sr. No.	Lender	Nature of Default	Extent of Default (in ₹)	Status of Default
		<thereafter <5% from January 1,2022.		
9.	Northern Arc Capital Limited	Maximum permissible ratio of sum of the PAR > 90 and write-offs (on the borrower's entire portfolio including receivables sold or discounted on a non-recourse basis) to gross loan portfolio shall be 12.00% till September 30, 2021 and 9.00% till March 31, 2022 and 5.00% from April 01, 2022 onwards, write-offs would be calculated for trailing twelve months as well as Maximum permissible ratio of Par > 90 net off Loan Loss Provisions (on the Borrower's entire portfolio including receivables sold or discounted on a non-recourse basis) to Tangible Net worth shall be 25.00% till September 30, 2021 and 20.00% from October 01, 2021 onwards.	-	Waiver obtained. The loan is closed as on September 30, 2023
10.	Bank of Bahrain and Kuwait	Net NPA (%) shall not be more than one	-	Regularised

Except as disclosed below, there have been no rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our Company's borrowings.

In the past, we have availed moratorium from certain of our lenders under the permitted framework by RBI for a period of six months (on payment of all instalments falling due between March 1, 2020 and August 31, 2020) on account of COVID-19, as provided in its circular bearing reference number DOR.No.BP.BC.47/21.04.048/2019-20. Our Company had applied and obtained moratorium from various lenders as listed out below:

Sr. No.	Name of Institution offered Moratorium	Amount of benefit offered		Amount outstanding as on September 30, 2023 (₹ in million)
		Principal	Interest	
1.	Bank of India	41,400,000	1,773,039	Nil
2.	IDFC First Bank Limited	71,428,570	2.758,122	Nil
3.	Bandhan Bank Limited	228,571,429	8.266,145	Nil
4.	DCB Bank Limited	47,793,940	-	Nil
5.	Abu Dhabi Commercial Bank	13,333,334	-	Nil
6.	Equitas Small Finance Bank Limited	22,250,351	899,744	Nil
7.	Lakshmi Vilas Bank Limited	83,333,334	13,410,216	Nil
8.	SBM Bank (India) Limited	-	313,699	Nil
9.	Standard Chartered Bank	125,000,000	-	Nil
10.	ICICI Bank Limited	90,909,089	12,449,252	Nil
11.	Andhra Bank Limited	75,757,576	4,957,098	Nil

The above-mentioned facilities for which moratorium was availed have been closed.

For further details, see "*Risk Factors – We are subject to certain conditions under our financing arrangements, which could restrict our ability to conduct our business and operations in the manner we desire.*" on page 35.

Significant financial and strategic partners

Our Company does not have any significant financial or strategic partners as on the date of this Prospectus.

Capacity/facility creation, location of branches

For details regarding locations of our branches, see "*Our Business*" on page 181.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see "*Our Business*" on page 181.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc., in the last 10 years preceding the date of this Prospectus.

Our Holding Company

As on the date of this Prospectus, MFL is our holding company. For details in relation to MFL, see "*Our Promoters and Promoter Group*" and "*Capital Structure*" on pages 246 and 83, respectively.

Our Subsidiaries and Joint Ventures

As on the date of this Prospectus, our Company does not have any subsidiaries or joint ventures.

Arrangement or understanding with major Shareholders

For details on inter-se arrangements and arrangements between our Shareholders, see "*Our Management – Arrangement or understanding with major Shareholders, customers, suppliers or others*" and "- *Shareholders' agreements and other agreements*" on pages 233 and 225, respectively.

Shareholders' agreements and other agreements

Except as disclosed in this Prospectus, our Company, Promoters and the Shareholders confirm that there are no other inter-se agreements/ arrangements and the clauses/ covenants in the agreements governing the rights of Equity Shareholders of our Company, which are material, which need to be disclosed and there are no other clauses/ covenants in the agreements governing the rights of the Equity Shareholders of our Company which are adverse/ prejudicial to the interests of minority/ public shareholders and other than in the ordinary course of business, carried on or intended to be carried on by our Company. Further, there are no other agreements, deeds of assignment, acquisition agreements, shareholders agreements, inter-se agreements, or agreements of like nature in connection with the Equity shareholding of our Company other than as disclosed in this Prospectus.

Amended and restated shareholders' agreement dated November 2, 2021 entered into between and amongst our Company, MFL, Thomas Muthoot, Thomas George Muthoot, Thomas John Muthoot, Nina George, Preethi John Muthoot, Remmy Thomas, Creation and GPC ("Parties") (the "Shareholders' Agreement" or "SHA"), as amended pursuant to the first amendment agreement dated June 26, 2023 ("Amendment Agreement") and the second amendment agreement dated November 29, 2023

The Shareholders' Agreement sets out the terms and conditions based on which the Parties will participate in the business of our Company and the terms governing their relationship in respect of the management and governance of our Company.

Under the Shareholders' Agreement, the Promoters collectively have the right to nominate for appointment up to five directors, Creation has a right to nominate one Director, so long as it holds at least 7% of the paid-up share capital of our Company (on a fully diluted basis) and GPC has the right to nominate for appointment of one nominee director, so long as it holds at least 5% ("**GPC Threshold**") of the paid-up share capital of our Company (on a fully diluted basis). In addition to this, GPC has the right to appoint one observer on the Board ("**GPC Investor Observer**") till it (along with its affiliates) holds the prescribed GPC Threshold. In terms of the Shareholders' Agreement and the Amendment Agreement, the right of the Promoters and GPC to appoint directors on the Board of our Company shall survive post Offer, subject to receipt of Shareholders' approval post listing. Further, in the event that the number of directors on the Board of our Company increases beyond 14, GPC shall have the right to nominate directors on the Board in proportion to its shareholding in our Company. Creation, GPC and our Promoters have the right to remove or replace their respective nominee directors with prior written notice to our Company. Similarly, GPC has the right to remove or replace the GPC Investor Observer in our Company with prior notice in writing to our Company.

Creation and GPC (collectively, the "**Investors**"), acting through their respective nominee directors have affirmative voting rights on certain matters, subject to each of them holding at least 2.5% of the share capital of our Company on a fully diluted basis, including for reduction or increase in the authorised share capital by lowering the par value of shares, alteration or amendment to the charter documents (other than in relation to an IPO), change of business of our Company, adopting or modifying or amending any ESOP Schemes, payment of dividend or other distribution by our Company, any decrease in number of Directors or change in election process thereof, and other matters as prescribed in the Shareholders' Agreement. Further, prior consent of Creation and GPC will be required for certain actions including, but not limited to, the transfer of shareholding by the Promoters to any person or affiliate (subject to their holding being above 2.5% of the paid-up share capital) and convening a general meeting on shorter notice in accordance with the Companies Act. The directors of our Company shall appoint one of the promoter directors as chairman of the Board. The Investors and Promoters also have pre-emptive, anti-dilution rights and certain transfer restrictions, including drag along and tag along rights in terms of securities being transferred by way of sale of all or part of the securities held in our Company among others, as set forth below:

- Pre-emptive rights in relation to issue of new securities by way of a rights issue, which will entail existing shareholders of our Company to have a pre-emptive right to participate in such issuance on a pro-rata basis;

- Information rights, to prepare and submit to Investors (as defined in the SHA) audited and unaudited financials within timelines as prescribed in the SHA, management reports on a monthly basis, operations reports, certified copies of minutes of all Board and Shareholders' meetings on a quarterly basis, information on resignation and appointment of KMP and such other information as requested by the Investor from time to time;

- Transfer restrictions, including drag along and tag along rights, providing GPC with the right to identify a third person to purchase all of the securities held by it with prior notice in writing to the Promoter Group (as defined the SHA) and Creation indicating its intention to initiate the process. Further, if any shareholder, other than the Investors (as defined the SHA), proposes to transfer all or part of the securities held, by way of sale, shall prior to executing the agreement, provide a written notice to the Investors to purchase the concerned securities. If in the event that the securities are not agreed to be purchased by the Investors, the shareholder may sell the offered securities at a price less than the price quoted to the Investors subject to tag along rights of the Investors;

- Reserved matter rights, wherein, Reserved Matters (as defined in the SHA) shall be approved by a resolution passed by majority Directors present and voting including the Creation Director, GPC Investor Director and at least one Promoter director.

In terms of the Amendment Agreement, subject to applicable law, the Company shall be liable to secure, reimburse, indemnify, defend and hold harmless the directors and certain Key Executives (as defined in the SHA) (whether such position was held in the past or at present at that time) on demand for and against any and all loss, damage, liability or other cost or expenses whatsoever arising out of, in relation to or resulting from any Director Undertaking (as defined in the SHA), provided such Key Executives and directors did not act in any manner which would constitute gross negligence, fraud or misconduct.

The Amendment Agreement and the Second Amendment Agreement will stand automatically terminated on the earlier of: (a) Long Stop Date, i.e., one year from the date of receipt of the final observations on the draft red herring prospectus in connection with the Offer from SEBI; (ii) the date on which the Board decides not to undertake the Offer or to withdraw any offer document filed with any regulator in respect of the Offer, including any draft offer document filed with SEBI. In terms of the Second Amendment Agreement, upon filing of the Red Herring Prospectus with the RoC, Part II shall automatically stand terminated, shall not have any force and shall be deemed to be removed from the Articles of Association without any further corporate or other action by the Parties such that the provisions of Part I come in effect and be in force.

Share subscription agreement dated December 21, 2016, executed between our Company, MFL, Thomas Muthoot, Thomas George Muthoot, Thomas John Muthoot, Nina George, Preethi John Muthoot, Remmy Thomas and Creation Investments India LLC ("Parties") (the "Creation SSA") read with the Shareholders' Agreement dated December 21, 2016 executed between the Parties, Amendment Agreement to the Shareholders' Agreement dated August 24, 2017 and Shareholders' Agreement dated December 20, 2017

Pursuant to the Creation SSA, Creation subscribed to 43,600 Equity Shares and 4,316,358 CCPS for an aggregate consideration of ₹500,000,000. Subsequently, pursuant to the Shareholders Agreement dated December 21, 2016, Creation subscribed to 4,359,958 CCPS for an aggregate consideration of ₹500,000,000. Thereafter, pursuant to Shareholders' Agreement dated December 20, 2017, Creation subscribed to 2,615,975 CCPS for an aggregate consideration of ₹ 300,000,000. The total CCPS amounting to 11,292,291 converted to 11,292,291 equity shares on March 9, 2019. For further details, see "*Capital Structure*" on page 83.

Share subscription agreement dated November 2, 2021, executed between our Company, MFL, Thomas Muthoot, Thomas George Muthoot, Thomas John Muthoot, Nina George, Preethi John Muthoot, Remmy Thomas and Greater Pacific Capital WIV Ltd ("Parties") (the "GPC SSA") as amended pursuant to the first amendment agreement to the Share subscription agreement dated June 26, 2023 ("SSA Amendment Agreement")

Pursuant to the GPC SSA, GPC has subscribed to 100 Equity Shares and the GPC CCPS in tranches with a term of 20 years ("**GPC Preference Shares**") for an aggregate consideration of $50,000,000.

The GPC SSA confers a cumulative right to receive dividend on the GPC Preference Shares at the rate of 0.001% of face value of each GPC Preference Share per annum and non-cash dividends, in accordance with the formulated dividend policy, as applicable. GPC may convert its GPC Preference Shares into Equity Shares on account of non-payment of dividend in accordance with the terms laid down in the GPC SSA. Further, GPC may exercise voting rights based on its shareholding on a fully diluted basis and be entitled to anti-dilution rights in accordance with the Shareholders Agreement. All GPC Preference Shares shall be liable for automatic conversion to maximum of up to 39,251,360 Equity Shares on the date which is earlier of (a) the maturity date of the respective GPC CCPS, i.e., 20 years from the date of the issue; or (b) Event Date (as defined in the SHA).

Pursuant to resolutions, each dated November 25, 2023, passed by our Board and our Shareholders, 23,360,260 CCPS held by GPC were converted to 27,520,722 Equity Shares of face value of ₹10 each. For details, see "*Capital Structure – Notes to Capital Structure – Share Capital history of our Company*" on page 83. The conversion price of the GPC CCPS is 1.76 times the Offer Price of Equity Shares.

Other material agreements

Agreement dated February 14, 2017 read with the supplemental agreement dated December 1, 2021, executed between Thomas John Muthoot, Thomas George Muthoot, Thomas Muthoot and our Company.

Our Company has entered into an agreement dated February 14, 2017 ("**Principal License Agreement**") with Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot (collectively referred as the "**Licensors**"), promoters of the "Muthoot Pappachan Group" for the licence and use of the "Muthoot Pappachan" trademark and "muthoot" logo ("**Muthoot Trademark and Logo**") in relation to our Company's business, subject to the terms of the Principal License Agreement. The Principal

License Agreement is valid for a period of 10 years from January 1, 2017 and may be terminated by either party (Company or the Licensors) by giving a written notice of 30 days to the other party. The Principal License Agreement permits use of the Muthoot Trademark and Logo strictly for our microfinance business purpose and for brand promotion activities. Any assignment, charge, mortgage or transfer of the Muthoot Trademark and Logo, without the prior consent of the Licensors, is prohibited.

Pursuant to the supplemental agreement to the Principal License Agreement dated December 1, 2021 (“**Supplemental Agreement**”), our Company has availed license for the use of the “Muthoot Microfin” trademark and the “ ” logo (“**Muthoot Microfin Trademark and Logo**”). The terms of the use and license of the Muthoot Microfin Trademark and Logo under the Supplemental Agreement is as prescribed under the Principal License Agreement. A total license fee of ₹100,000 has to be paid annually by our Company to the Licensors as consideration for the use of the Muthoot and Muthoot Microfin Trademarks and Logos, under the terms of the Principal License Agreement. For further information, see “*Risk Factors – We depend on the recognition of the “Muthoot” brand, and failure to use, maintain and enhance awareness of the brand would adversely affect our ability to retain and expand our base of customers*.” on page 38.

Details of guarantees given to third parties by our Promoter Selling Shareholders who are participating in the Offer for Sale

Except as disclosed below, our Promoter Selling Shareholders have not given any guarantee to any third party, that are outstanding on the date of this Prospectus.

As of November 20, 2023, the Promoter Selling Shareholders i.e., Thomas Muthoot, Thomas John Muthoot, Thomas George Muthoot, Preethi John Muthoot, Remmy Thomas and Nina George, have given personal guarantees for an outstanding amount of ₹168,520.13 million, ₹168,358.83 million, ₹168,358.83 million, ₹66,554.10 million, ₹1,648.10 million and ₹1,220.90 million, respectively, in favour of certain loans availed for onward lending/business purposes, for an outstanding amount of ₹1,232.20 million, ₹303.50 million, ₹265.90 million, ₹13,727.53 million, ₹14,350.00 million, ₹4,019.80 million and ₹139,861.80 million, respectively. For further details, please see “*Risk Factors - Some of our Promoters and Directors have provided personal guarantees for loan facilities obtained by third parties, and any failure or default by such third parties to repay such loans could trigger repayment obligations on them, which may impact their ability to effectively perform their obligations as our Promoters and/or Directors, as applicable, and thereby, adversely impact our business and operations”* on page 40.

In accordance with the loan documents, the period of guarantee subsists during the tenure of the facilities availed by the above-mentioned third parties. Any default or failure by the above-mentioned third parties to repay their respective loans in a timely manner, or at all, could trigger repayment obligations on the part of the guarantors, i.e., the Promoter Selling Shareholders.

For further details in relation to the material guarantees given by our Promoters to third parties with respect to the Equity Shares of our Company, see “*Our Promoters and Promoter Group*” on page 246.

Agreements with Key Managerial Personnel, Senior Management Personnel, Directors, Promoters, or any other employee

Our Key Managerial Personnel, Senior Management Personnel, Directors, Promoters, or any other employee have not entered into any agreement with any shareholder or any third party with regard to compensation or profit-sharing in connection with dealings in the securities of our Company.

OUR MANAGEMENT

In terms of the Articles of Association, our Company is authorised to have up to 15 directors. As on the date of this Prospectus, our Board has 10 Directors comprising of our Managing Director, nine Non-Executive Directors including five Non-Executive Independent Directors. Our Company has two-woman Independent Directors.

Details regarding our Board as on the date of this Prospectus are set forth below:

S. No.	Name, designation, period of directorship, term, address, occupation, date of birth, DIN and age	Other directorships
1.	**Thomas Muthoot** **Designation:** Managing Director **Period of Directorship:** Director since May 8, 2017 **Term:** With effect from November 4, 2022 for a period of five years **Address:** Muthoot, 7/59 A, Near Kaniyampuzha Bridge, Cherukad, Eroor, P.O, Eroor, Ernakulam, 682 306, Kerala, India **Occupation:** Service **Date of Birth:** July 15, 1966 **DIN:** 00082099 **Age:** 57 years	• Muthoot Agri Development and Hospitalities Private Limited • Muthoot Agri Projects and Hospitalities Private Limited • Muthoot APT Ceramics Limited • Muthoot Automotive (India) Private Limited • Muthoot Automobile Solutions Private Limited • Muthoot Capital Services Limited • Muthoot Motors Private Limited • Muthoot Hotels Private Limited • MPG Hotels and Infrastructure Ventures Private Limited • Muthoot Housing Finance Company Limited • Muthoot Fincorp Limited • Muthoot Pappachan Centre of Excellence in Sports* • Muthoot Risk Insurance and Broking Services Private Limited • Muthoot Pappachan Technologies Limited • Muthoot Dairies and Agri Ventures Private Limited • M-Liga Sports Excellence Private Limited • Prime Volleyball League Private Limited • Speckle Internet Solutions Private Limited • The Right Ambient Resorts Private Limited • The Thinking Machine Media Private Limited
2.	**Thomas John Muthoot** **Designation:** Non–Executive Director **Period of Directorship:** Director since May 8, 2017 **Term:** With effect from May 10, 2017 and liable to retire by rotation **Address:** Muthoot, TC - 4/1008/1, Thiruvananthapuram, Kaudiar, 695 003, Kerala India **Occupation:** Service **Date of Birth:** June 7, 1962 **DIN:** 00011618 **Age:** 61 years	• Muthoot Capital Services Limited • Muthoot APT Ceramics Limited • Muthoot Automotive (India) Private Limited • Muthoot Automobile Solutions Private Limited • Muthoot Motors Private Limited • Muthoot Hotels Private Limited • MPG Hotels and Infrastructure Ventures Private Limited • Mariposa Agri Ventures and Hospitalities Private Limited • Muthoot Housing Finance Company Limited • Muthoot Fincorp Limited

S. No.	Name, designation, period of directorship, term, address, occupation, date of birth, DIN and age	Other directorships
		• Muthoot Risk Insurance and Broking Services Private Limited • Muthoot Equities Limited • Muthoot Buildtech (India) Private Limited • Muthoot Land and Estates Private Limited • Muthoot Pappachan Technologies Limited • Muthoot Pappachan Medicare Private Limited • Muthoot Pappachan Centre of Excellence in Sports* • Speckle Internet Solutions Private Limited • Trivandrum Centre for Performing Arts
3.	**Thomas George Muthoot** **Designation:** Non-Executive Director **Period of Directorship:** Director since May 8, 2017 **Term:** With effect from May 10, 2017 and liable to retire by rotation **Address:** Muthoot Towers, M G Road, Ernakulam College, Ernakulam, 682 035, Kerala, India **Occupation:** Service **Date of Birth:** June 7, 1962 **DIN:** 00011552 **Age:** 61 years	• Buttercup Agri Projects and Hospitalities Private Limited • Finance Companies Associations (India)* • Fox Bush Agri Development and Hospitalities Private Limited • Jungle Cat Agri Development and Hospitalities Private Limited • Mandarin Agri Ventures and Hospitalities Private Limited • Muthoot Capital Services Limited • Muthoot APT Ceramics Limited • Muthoot Automotive (India) Private Limited • Muthoot Automobile Solutions Private Limited • Muthoot Hotels Private Limited • Muthoot Housing Finance Company Limited • Muthoot Fincorp Limited • Muthoot Infrastructure Private Limited • Muthoot Pappachan Centre of Excellence in Sports* • Muthoot Pappachan Medicare Private Limited • Muthoot Risk Insurance and Broking Services Private Limited • Muthoot Properties (India) Private Limited • Muthoot Pappachan Technologies Limited • MPG Hotels and Infrastructure Ventures Private Limited • Speckle Internet Solutions Private Limited • The Thinking Machine Media Private Limited
4.	**Akshaya Prasad**[1] **Designation:** Non–Executive Director **Period of Directorship:** Director since December 6, 2021	• Enzen Global Solutions Private Limited • Greater Pacific Capital India Private Limited

S. No.	Name, designation, period of directorship, term, address, occupation, date of birth, DIN and age	Other directorships
	Term: With effect from December 6, 2021 and liable to retire by rotation **Address:** 31, Platts Lane, London NW3 7NN **Occupation:** Private equity investment professional **Date of Birth:** January 12, 1977 **DIN:** 02028253 **Age:** 46 years	
5.	**John Tyler Day**[(2)] **Designation:** Non-Executive Director **Period of Directorship:** Director since December 20, 2022 **Term:** With effect from December 20, 2022 and liable to retire by rotation **Address:** 7034, Irongate Lane, Dallas, Texas 75214, USA **Occupation:** Professional **Date of Birth:** March 11, 1986 **DIN:** 07298703 **Age:** 37 years	• Cisv India Private Limited • Credavenue Private Limited • Desiderata Impact Ventures Private Limited • OFB Tech Private Limited • Sohan Lal Commodity Management Private Limited • Shapos Services Private Limited • Vastu Housing Finance Corporation Limited • Vivriti Asset Management Private Limited • Vivriti Capital Limited (formerly known as Vivriti Capital Private Limited) • Vivriti Next Private Limited (formerly known as QED Business Solutions Private Limited)
6.	**Alok Prasad** **Designation:** Non-Executive Independent Director **Period of Directorship:** Director since May 10, 2017 **Term:** With effect from May 10, 2022 for a period of five years **Address:** 144, Vista Villas, Opposite Unitech Cyber Park, Sector-46, Gurgaon, 122 001, Haryana, India **Occupation:** Service **Date of Birth:** September 8, 1952 **DIN:** 00080225 **Age:** 71 years	• Arman Financial Services Limited • Fincare Small Finance Bank Limited • Gang-Jong Development Finance Private Limited • Digital Lenders Association of India*
7.	**Thai Salas Vijayan** **Designation:** Non-Executive Independent Director **Period of Directorship:** Director since March 31, 2018 **Term:** With effect from May 15, 2023 for a period of five years and not liable to retire by rotation **Address:** Sunnyvale TC, 8/725 1, Thirumala, Thiruvananthapuram, Valiavala, 695 006, Kerala, India **Occupation:** Service **Date of Birth:** February 25, 1953 **DIN:** 00043959	• Kerala Infrastructure Fund Management Limited • Shriram Properties Limited

S. No.	Name, designation, period of directorship, term, address, occupation, date of birth, DIN and age	Other directorships
	Age: 70 years	
8.	**Bhama Krishnamurthy** **Designation:** Non-Executive Independent Director **Period of Directorship:** Director since May 15, 2018 **Term:** With effect from May 15, 2023 for a period of five years and not liable to retire by rotation **Address:** 401, Fourth floor, Avarsekars Srushti, Old Prabhadevi Road, Prabhadevi, Mumbai, 400 025, Maharashtra, India **Occupation:** Service **Date of Birth:** December 19, 1954 **DIN:** 02196839 **Age:** 69 years	• Cholamandalam Investment and Finance Company Limited • CSB Bank Limited • E-Eighteen.Com Limited • Five-Star Business Finance Limited • Network18 Media & Investments Limited • Thirumalai Chemicals Limited
9.	**Pushpy Babu Muricken** **Designation:** Non-Executive Independent Director **Period of Directorship:** Director since March 31, 2018 **Term:** With effect from March 31, 2023 for a period of five years and not liable to retire by rotation **Address:** 54/2509, Kodiyatt, 5 – Vrindavanam, Subhash Chandra Bose Road, Kochi, Vaytilla, Ernakulam, 682 019 Kerala, India **Occupation:** Service **Date of Birth:** May 8, 1974 **DIN:** 03431198 **Age:** 49 years	• Joyalukkas India Limited • Service Care Limited • Aiscape Global Systems Private Limited
10.	**Anand Raghavan** **Designation:** Non-Executive Independent Director **Period of Directorship:** Director since December 20, 2022 **Term:** With effect from December 20, 2022 for a period of five years **Address:** 22/1, Warren Road, Mylapore, Chennai, 600 004, Tamil Nadu, India **Occupation:** Professional **Date of Birth:** June 4, 1961 **DIN:** 00243485 **Age:** 62 years	• Chennai International Centre • Five-Star Business Finance Limited • Jasmine Concrete Exports Private Limited • Nani Palkhivala Arbitration Centre • SK Finance Limited • Shriram Life Insurance Company Limited

* *Categorised under Section 8 of the Companies Act*
(1) Nominee of GPC
(2) Nominee of Creation

Brief Biographies of Directors

Thomas Muthoot is one of the Promoters and the Managing Director of the Company. He holds a bachelor of law degree from University of Kerala. He is on the board of directors of several companies including Muthoot Capital Services Limited, Muthoot

Fincorp Limited, Muthoot Housing Finance Company Limited and Muthoot Hotels Private Limited. He has over 37 years of experience in the field of financial services.

Thomas John Muthoot is one of the Promoters and a Non-Executive Director of the Company. He holds a bachelor of commerce degree from University of Kerala. He has also completed owner/president management program from Harvard Business School. He is on the board of directors of several companies including Muthoot Fincorp Limited, Muthoot Capital Services Limited, Muthoot Housing Finance Company Limited and Muthoot Hotels Private Limited. He has over 37 years of experience in the field of financial services.

Thomas George Muthoot is one of the Promoters and a Non-Executive Director of the Company. He attended University of Kerala to pursue bachelor's in commerce. He is on the board of directors of several companies including Muthoot Fincorp Limited, Muthoot Capital Services Limited, Muthoot Housing Finance Company Limited and Muthoot Hotels Private Limited. He was previously the chairman of NBFCs Kerala and a committee member of the Finance Companies Association, Chennai. He has over 37 years of experience in the field of financial services.

Akshaya Prasad is a Non-Executive Director on our Board. He holds a bachelor of arts (honours) degree from University of Delhi. He has completed post graduate programme in management from Indian Institute of Management, Bangalore. He is also on the board of directors of Enzen Global Solutions Private Limited and a director of Greater Pacific Capital India Private Limited. He was previously associated with Goldman Sachs (India) Securities Private Limited where he last served as executive director. He has over 22 years of experience in the financial services sector.

John Tyler Day is a Non-Executive Director on our Board. He holds a bachelor of business administration degree from University of Texas at Austin. He also holds a master of business administration degree from J.L. Kellogg School of Management, Northwestern University. He is currently associated with Creation Investment Capital Management LLC as a partner and member of the investment committee. He has over 12 years of experience in the field of financial services.

Alok Prasad is a Non-Executive Independent Director on our Board. He attended University of Delhi to pursue master's in arts. He is on the board of directors of several companies such as Gang-Jong Development Finance Private Limited and Fincare Small Finance Bank Limited. Previously, he was on the board of director of Citicorp Finance (India) Limited and Citicorp Maruti Finance Limited. He served as the chief executive officer of Microfinance Institutions Network. He worked with the Reserve Bank of India from 1976 till 1989, where he last held the position of ex assistant general manager. He also worked with National Housing Bank from 1989 till 1996, where he last held the position of general manager. He is also the former chairperson and director of South Asia Micro-entrepreneurs Network (SAMN). He has over 34 years of experience in the field of finance.

Thai Salas Vijayan is an Non-Executive Independent Director on our Board. He holds a bachelor of science degree from University of Kerala. Previously, he has served as the chairman of Life Insurance of Corporation of India and the chairman of Insurance Regulatory and Development Authority of India. He is also on the board of directors of Kerala Infrastructure Fund Management Limited and Shriram Properties Limited.

Bhama Krishnamurthy is an Non-Executive Independent Director on our Board. She holds a master of science degree from University of Bombay. She is on the board of directors of several companies such as Five-Star Business Finance Limited and CSB Bank Limited. Previously, she was on the board of Ashv Finance Limited, Reliance payment Solutions Limited, Reliance Industrial Infrastructure Limited and IDBI Capital Markets and Securities Limited. She was the chief general manager of Small Industries Development Bank of India. She has an experience over 40 years in the field of financial services.

Pushpy Babu Muricken is an Non-Executive Independent Director on our Board. She is an associate member of the Institute of Cost and Works Accountants of India and holds a bachelor of law degree and bachelor of commerce degree from Mahatma Gandhi University. She is also on the Board of directors of Joyalukkas India Limited. She was the chairperson of the management committee of the Cochin chapter of the Institute of Cost Accountants. She was also the joint convener at the Ladies Forum of Kerala Chamber of Commerce and Industry. She was also an independent management consultant at NASSCOM for Start-ups, Kerala and was a guest faculty at Rajagiri College of Social Sciences, Kalamassery. She has over 16 years of experience in in the field of finance.

Anand Raghavan is a Non-Executive Independent Director on our Board. He holds a bachelor of commerce degree from University of Madras. He is also a chartered accountant certified by Institute of Chartered Accountants of India. He was previously associated with Ernst and Young as a partner and Sundaram Finance Limited as vice president – corporate affairs. He was also a member of Committee on functioning of Asset Reconstruction Companies and Committee for revival of MSMEs in Tamil Nadu. He has over 30 years of experience in the field of finance.

Relationship between our Directors

Except as stated below, none of our Directors are related to each other.

Name of Director	Name of related director	Relationship
Thomas John Muthoot	Thomas George Muthoot and Thomas Muthoot	Brothers
Thomas George Muthoot	Thomas John Muthoot and Thomas Muthoot	Brothers
Thomas Muthoot	Thomas George Muthoot and Thomas John Muthoot	Brothers

Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Prospectus, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

None of our Directors have been identified as Wilful Defaulters or Fraudulent Borrower by any bank or financial institution or consortium, in accordance with the applicable guidelines issued by the Reserve Bank of India.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as members by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Directors have any interest in any property acquired or proposed to be acquired of the Company or by the Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Terms of appointment of our Directors

Thomas Muthoot

Thomas Muthoot was initially appointed as the director of our Company on January 23, 2012. He was subsequently appointed as the Managing Director of our Company for a further term of five years with effect from November 4, 2022, pursuant to a Board resolution dated November 4, 2022 and a Shareholders resolution dated December 20, 2022. Subsequently, pursuant to a resolution dated November 4, 2022 passed by our Board and a resolution dated December 20, 2022 passed by the Shareholders, our Managing Director is not entitled to any remuneration from our Company.

No remuneration was paid to our Managing Director in the Financial Year 2023.

Remuneration to our Non-Executive Directors

Remuneration to our Non-Executive Directors

Our Non-Executive Directors are not entitled to any remuneration from our Company. No remuneration was paid to our Non-Executive Directors in the Financial Year 2023.

Remuneration to our Non-Executive Independent Director

Our Non-Executive Independent Directors are eligible for sitting fees for attending each meeting of the Board or committees thereof. Our Company has, pursuant to a board resolution dated May 3, 2018, fixed ₹60,000 per meeting as the sitting fees payable to our Non-Executive Independent Directors for attending the meetings of our Board. Further, pursuant to a Board resolution dated November 15, 2018, fixed as the sitting fees payable to our Independent Directors is ₹30,000 per meeting for attending the meetings of our Committees.

The details of sitting fees paid to our Non-Executive Independent Director for Financial Year 2023, are as follows:

Sr. No.	Name of Non- Executive Independent Director	Remuneration (₹ in million)
1.	Alok Prasad	0.75
2.	Thai Salas Vijayan	0.66
3.	Bhama Krishnamurthy	0.66
4.	Pushpy Babu Muricken	0.54
5.	Anand Raghavan	0.09

There is no contingent or deferred compensation payable to any of our Directors which accrued in Fiscal 2023.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Other than Akshaya Prasad and John Tyler Day who are nominated to our Board by GPC and Creation, respectively, under the terms of the Shareholders' Agreement and the Articles of Association, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors have been appointed on the Board.

Service Contracts with Directors

None of our Directors have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Bonus or profit-sharing plan for Directors

None of our Directors are party to any bonus or profit-sharing plan of our Company.

Shareholding of Directors in our Company

For details on shareholding of the Directors in our Company, see "*Capital Structure –Details of Equity Shares held by our Promoters, members of our Promoter Group, Directors, Key Managerial Personnel and Senior Management Personnel in our Company*" on page 92. As per our Articles of Association, our Directors are not required to hold any qualification shares.

Interests of Directors

Our Directors may be deemed to be interested to the extent of the remuneration (including sitting fees, as applicable) and reimbursement of expenses, payable to them by our Company under our Articles of Association and their terms of appointment, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. For details, see "*-Terms of appointment of our Directors"* on page 233.

Except for Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot, who are the Promoters of our Company, none of our Directors have any interests in the promotion or formation of our Company. For further details, see *"Our Promoters and Promoter Group - Interests of Promoters and Common Pursuits"* on page 249.

The Directors may also be regarded as interested in the Equity Shares that may be subscribed by or allotted to their relatives and companies, firms and trusts, in which they are interested as directors, proprietors, members, partners, trustees and promoters, pursuant to this Offer.

Other than the interest specified above, Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot, who are the Promoters and Directors of our Company, are interested in our Company to the extent of royalty paid to them by our Company pursuant to the Principal License Agreement and Supplemental Agreement. Our Promoters are also interested in our Company to the extent of appointment of the nominee director on the Board of Directors by virtue of Shareholders' Agreement dated November 2, 2021. For details, see "*History and Certain Corporate Matters – Shareholders' agreements and other agreements*" on page 225.

Additionally, certain of our Directors have leased their property to our Company to operate certain of our branches, pursuant to which lease agreements have been entered into for a period ranging for five years to ten years. For further details, see, *"Our Promoters and Promoter Group - Interests of Promoters and Common Pursuits"* on page 249.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested as members, by any person, either to induce him to become, or to qualify him as, as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested as members, in connection with the promotion or formation of our Company.

No loans have been availed by our Directors from our Company.

Changes in our Board in the last three years

Details of the changes in our Board in the last three years are set forth below:

Name	Date of Change	Reason for change in board
Thomas Muthoot John	March 27, 2023	Resigned as a Non-Executive Director from the Board due to personal and unavoidable circumstances.
Pushpy Babu Muricken(1)	February 6, 2023	Re-appointed as Additional Non-Executive Independent Director
Bhama Krishnamurthy(2)	February 6, 2023	Re-appointed as Additional Non-Executive Independent Director
Thai Salas Vijayan(3)	February 6, 2023	Re-appointed as Additional Non-Executive Independent Director
Anand Raghavan	December 20, 2022	Appointed as Non-Executive Independent Director
John Tyler Day	December 20, 2022	Appointed as Non-Executive Director
Kenneth Dan Vander Weele	November 21, 2022	Resigned from the Board as the Non-Executive Director due to retirement from Creation
Thomas Muthoot	November 4, 2022	Re-appointed as Managing Director of the Company
Alok Prasad(4)	May 10, 2022	Re-appointed as Additional Non-Executive Independent Director
Akshaya Prasad	December 6, 2021	Appointed as Non-Executive Director

*(1) *Pushpy Babu Muricken was regularised as the Non-Executive Independent Director of the Company on August 24, 2022.*

(2) *Bhama Krishnamurthy was regularised as the Non-Executive Independent Director of the Company on June 14, 2023*

(3) *Thai Salas Vijayan was regularised as the Non-Executive Independent Director of the Company on June 14, 2023*

(4) *Alok Prasad was regularised as the Non-Executive Independent Director of the Company on August 24, 2022*

Borrowing powers of the Board

In accordance with the Articles of Association and pursuant to a resolution passed by the Shareholders of our Company on August 24, 2022, our Board is authorised to borrow such sum or sums of money or monies for the purposes of the business of our Company as may be required from time to time, on such terms and conditions and with or without security as our Board may think fit, which together with the monies already borrowed by our Company, provided that the total amount of money/ monies so borrowed by our Board shall not at any time exceed the limit of ₹100,000 million.

Corporate Governance

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of corporate governance with respect to composition of Board and constitution of the committees of the Board, including the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee by our Company and formulation and adoption of policies, as prescribed under the SEBI Listing Regulations.

Our Board has been constituted in compliance with the Companies Act, the SEBI Listing Regulations. The Board of Directors function either as a full board, or through various committees constituted to oversee specific operational areas.

As on the date of this Prospectus, our Board has 10 Directors comprising of our Managing Director, 9 Non-Executive Directors including five Non-Executive Independent Directors including two woman Independent Directors. In compliance with Section 152 of the Companies Act, 2013, not less than two thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

Committees of the Board

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. In addition to the Committees detailed below, our Board of Directors may, from time to time constitute Committees for various functions.

Details of the Committees as on the date of this Prospectus are set forth below.

Audit Committee

The members of the Audit Committee are:

1. Pushpy Babu Muricken, Non-Executive Independent Director, Chairperson of the committee;
2. Bhama Krishnamurthy, Non-Executive Independent Director, Member;
3. Alok Prasad, Non-Executive Independent Director, Member;
4. Anand Raghavan, Non-Executive Independent Director, Member;
5. Thomas John Muthoot, Non- Executive Director, Member
6. Akshaya Prasad, Non- Executive Director, Member;

The Audit Committee was constituted at a meeting of our Board held on December 1, 2015 and was re-constituted at a meeting of our Board held on May 6, 2023. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated May 6, 2023 passed by our Board are set forth below:

The Audit Committee shall have powers, which should include the following:

(a) to investigate any activity within its terms of reference;

(b) to seek information from any employee of the Company;

(c) to obtain outside legal or other professional advice; and

(d) to secure attendance of outsiders with relevant expertise if it considers necessary.

Role of Audit Committee

The role of the Audit Committee shall, *inter alia,* include the following:

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

(b) recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditor, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;

(c) approving payments to statutory auditors for any other services rendered by the statutory auditors;

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

  i) 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;

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

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

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

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

  vi) disclosure of any related party transactions;

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

(e) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(f) 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 or rights issue, and making appropriate recommendations to the board to take up steps in this matter,

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

(h) formulating a policy on related party transaction, which shall include materiality of related party transactions;

(i) approval or any subsequent modification of transactions of the Company with related parties and omnibus approval of for related party transaction proposed to be entered into by the Company subject to such conditions as may be prescribed;

(j) scrutinizing of inter-corporate loans and investments;

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

(l) evaluation of internal financial controls and risk management systems ;

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

(n) 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;

(o) discussing with internal auditors on any significant findings and follow up there on;

(p) 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;

(q) discussing 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;

(r) 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;

(s) reviewing the functioning of the whistle blower mechanism;

(t) approving the appointment of the chief financial officer after assessing the qualifications, experience and background etc. of the candidate;

(u) carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

(v) reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loan/advances/investment/ existing as on the date of coming into force of this provision; and

(w) consider and comment on rationale, cost-benefits and impact of scheme involving merger, demerger, amalgamation etc. on the Company and its shareholder.

The Audit Committee shall mandatorily review the following information:

(a) management discussion and analysis of financial condition and results of operations;

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

(c) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management

(d) internal audit reports relating to internal control weaknesses;

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

(f) statement of deviations:

 (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

 (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

(g) To review the financial statement, in particular, the investment made by any unlisted subsidiary; and

(h) Such information as may be prescribed under the Companies Act and the SEBI (Listing and Obligation Disclosure Requirement) Regulations, 2015.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Thai Salas Vijayan, Non-Executive Independent Director, Chairman of the Committee;

2. Bhama Krishnamurthy, Non-Executive Independent Director, Member;

3. Alok Prasad, Non-Executive Independent Director, Member;

4. Anand Raghavan, Non-Executive Independent Director, Member;

5. Thomas John Muthoot, Non-Executive Director, Member; and

6. John Tyler Day, Non-Executive Director, Member.

The Nomination and Remuneration Committee was constituted at a meeting of our Board held on December 1, 2015 and was re-constituted at a meeting of our Board held on May 6, 2023. The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated May 6, 2023 passed by our Board are set forth below:

(a) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees ("Remuneration Policy"). The Nomination and Remuneration Committee, while formulating the remuneration policy, should ensure that

 (i) the level and composition of remuneration of reasonable and sufficient to attract, retain and motivate director to the quality required to run our Company successfully;

 (ii) relationship of remuneration of performance is clear and meets appropriate performance benchmark;

 (iii) remuneration to directors, key managerial personnel and senior management involves a balance between the fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goal.

(b) formulation of criteria for evaluation of the independent directors and the Board;

(c) devising a policy on Board diversity;

(d) identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;

(e) determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(f) recommending to the Board, all remuneration, in whatever form, payable to senior management;

(g) for every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge, and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidate, the Committee may;

  (i) use the service of an external agencies, if required;

  (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and

  (iii) consider the time commitments of the candidates

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Thomas John Muthoot, Non- Executive Director, Chairman of the committee;

2. Thomas Muthoot, Managing Director, Member;

3. Alok Prasad, Non-Executive Independent Director, Member;

The Stakeholders' Relationship Committee was constituted at a meeting of our Board held on June 27, 2018 and was re-constituted at a meeting of our Board held on June 26, 2023. The scope and functions of the Stakeholder Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated June 26, 2023 passed by our Board are set forth below:

(a) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;

(b) Review of measures taken for effective exercise of voting rights by shareholders;

(c) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

(d) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and

(e) carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Risk Management Committee

The members of the risk management committee are:

1. Thomas Muthoot, Managing Director, Member;

2. Thomas John Muthoot, Non-Executive Director, Member;

3. Thomas George Muthoot, Non-Executive Director, Member;

4. Alok Prasad, Non-Executive Independent Director, Member;

5. Bhama Krishnamurthy, Non-Executive Independent Director, Member; and

6. Sadaf Sayeed, Chief Executive Officer, Member.

The Risk Management Committee was constituted at a meeting of our Board held on December 1, 2015 and was re-constituted at a meeting of our Board held on December 20, 2022. The scope and functions of the Risk Management Committee are in accordance with the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated December 20, 2022 passed by our Board are set forth below:

1. To monitor and review the risk management plan;

2. To review operational risk;

3. To take strategic actions to mitigate the risk associated with the nature of the business; and

4. To appraise the Board of Directors at regular intervals regarding the process of putting in place a progressive risk management system, risk management policy and strategy.

Corporate Social Responsibility Committee

The members of the corporate social responsibility Committee are:

1. Alok Prasad, Non-Executive Independent Director, Member,

2. Thomas Muthoot, Managing Director, Member;

3. Thomas George Muthoot, Non-Executive Director, Member; and

4. Thomas John Muthoot, Non-Executive Director, Member.

The Corporate Social Responsibility Committee was constituted at a meeting of our Board held on July 19, 2016 and was re-constituted at a meeting of our Board held on August 24, 2017. The scope and functions of the corporate social responsibility committee are in accordance with section 135 of the Companies Act, 2013 and its terms of reference as stipulated pursuant to a resolution dated August 24, 2017 passed by our Board are set forth below:

(a) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, as amended;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

(c) monitor the corporate social responsibility policy of the Company and its implementation from time to time; and

(d) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

IPO Committee

The members of the IPO Committee are:

1. Thomas John Muthoot, Non-Executive Director;

2. Thomas Muthoot, Managing Director, Member;

3. John Tyler Day, Non-Executive Director, Member;

4. Akshaya Prasad, Non-Executive Director, Member;

5. Sadaf Sayeed, Chief Executive Officer, Member; and

6. Praveen T, Chief Financial Officer, Member.

The IPO committee was constituted by our Board pursuant to a resolution dated December 20, 2022 passed by our Board. The terms of reference as stipulated pursuant to a resolution dated December 20, 2022 passed by our Board are set forth below:

(a) To decide, in consultation with the BRLMS, the size, timing, pricing and all other terms and conditions of the issue and transfer of the Equity Shares for the Offer, including the number of Equity Shares to be offered pursuant to the Offer (including any reservation, green shoe option and any rounding off in the event of oversubscription) price and any discount allowed under Applicable Laws that may be fixed and determined in accordance with the Applicable Laws, and to accept any amendments, modifications, variations, or alterations thereto;

(b) to make applications to the Stock Exchanges for in-principle approval for listing of its Equity Shares and file such papers and documents, including a copy of the DRHP filed with Securities and Exchange Board of India, as may be required for the purpose;

(c) to take all actions as may be necessary or authorised, in connection with the Offer for Sale, including taking on record the approval of the Offer for Sale, extending the Bid/Offer period, revision of the Price Band, allow revision of the Offer for Sale portion in case any Selling Shareholder decides to revise it, in accordance with the Applicable Laws;

(d) to invite the existing shareholders of the Company to participate in the IPO to offer for sale Equity Shares held by them at the same price as in the IPO;

(e) authorisation of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorney, to do such acts, deeds and things as such authorised person in his/her/their absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment/transfer of the Equity Shares;

(f) giving or authorising any concerned person to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time;

(g) to approve suitable policies on insider trading, whistle-blowing, risk management and any other polices as may be required under the SEBI Listing Regulations or any other Applicable Laws;

(h) to approve any corporate governance requirements, code of conduct for the Board, officers and other employees of the Company that may be considered necessary by the Board or the IPO Committee or as may be required under the SEBI Listing Regulations or any other Applicable Laws;

(i) to appoint, enter into and terminate arrangements with the BRLMs, underwriters, syndicate members, brokers, advisors, escrow collection banks, registrars, refund banks, public issue account banks, monitoring agency, legal counsel, auditors, experts, printers, advertising agencies and any other agencies or persons or intermediaries to the IPO and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with the BRLMs and the Selling Shareholders;

(j) to seek, if required, the consent/ waiver of the lenders to the Company and/or the lenders to the subsidiaries of the Company, industry data providers, parties with whom the Company has entered into various commercial and other agreements including without limitation, customers, suppliers, strategic partners of the Company, any concerned government and regulatory authorities in India or outside India, and any other consent, approval or waiver that may be required in connection with the IPO or any actions connected therewith, if any;

(k) to approve the list of 'group companies' of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the DRHP, RHP and the Prospectus;

(l) to make applications to, seek clarifications and obtain approvals from, if necessary, the RBI, the SEBI or any other statutory or governmental authorities in connection with the IPO and, wherever necessary, accept and incorporate such modifications/ amendments/ alterations/ corrections as may be required in the DRHP, RHP and the Prospectus, on behalf of the Board;

(m) to negotiate, finalise, settle, execute and deliver or arrange the delivery of the BRLMs' mandate or engagement letter(s), the offer agreement, registrar agreement, syndicate agreement, underwriting agreement, cash escrow agreement, share escrow agreement and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever, including any amendment(s) or addenda thereto, including with respect to the payment of commissions, brokerages and fees, with the BRLMs, registrar to the IPO, legal advisors, auditors, Stock Exchanges and any other agencies/intermediaries in connection with the IPO with the power to authorise one or more officers of the Company to negotiate, execute and deliver all or any of the aforestated documents;

(n) to open and operate any bank account(s) required of the Company for the purposes of the IPO and the pre-IPO placement, including the cash escrow account, the public issue account as may be required;

(o) finalising, settling, approving, adoption and filing in consultation with the BRLMs, where applicable, the DRHP, RHP and the Prospectus (including amending, varying or modifying the same, as may be considered desirable or expedient) and the preliminary and final international wrap for the IPO together with any addenda, corrigenda and supplement thereto as finalised in consultation with the BRLMs, in accordance with all applicable laws, rules, regulations, notifications, circulars, orders and guidelines and take all such actions as may be necessary for filing of these documents including incorporating such alterations/corrections/modifications as may be required by and to submit undertakings/certificates or provide clarifications to SEBI or any other relevant governmental and statutory authority in accordance with Applicable Laws;

(p) arranging for the submission of the Draft Red Herring Prospectus to be submitted to the SEBI and the Stock Exchanges for receiving comment, the Red Herring Prospectus and the Prospectus to be registered with the RoC, and any corrigendum, amendments supplements thereto;

(q) seeking the listing of the Equity Shares on any Indian stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;

(r) to issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices, regulations and applicable law, including listing on one or more Stock Exchanges, with power to authorise one or more officers of the Company to sign all or any of the aforestated documents;

(s) authorise and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;

(t) finalise the basis of allotment of the Equity Shares;

(u) make applications for listing of the Equity Shares on the Stock Exchange for listing of the Equity Shares of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;

(v) take on record the approval of the Selling Shareholders for offering their Equity Shares in the Offer for Sale;

(w) accept and appropriate proceeds of the Fresh Issue in accordance with the Applicable Laws;

(x) decide in consultation with the BRLMs, the withdrawal of the Draft Red Herring Prospectus or the Red Herring Prospectus or any decision not to proceed with the Offer at any stage in accordance with Applicable Laws;

(y) to do all such deeds and acts as may be required to dematerialise the Equity Shares of the Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Company to execute all or any of the aforestated documents;

(z) to authorise and approve the incurring of expenditure and payment of fees, commissions, remuneration and expenses in connection with the IPO;

(aa) to withdraw the DRHP or the RHP or to decide not to proceed with the IPO at any stage in accordance with the SEBI ICDR Regulations and applicable laws;

(bb) to do all such acts, deeds, matters and things and execute all such other documents, etc., as it may, in consultation with the BRLMs, deem necessary or desirable for the IPO, including without limitation, determining the anchor investor portion and allocation to Anchor Investors, finalising the basis of allocation and allotment of Equity Shares to the successful allottees and credit of Equity Shares to the demat accounts of the successful allottees in accordance with Applicable Laws and any documents or instruments so executed and delivered or acts and things done or caused to be done by committee shall be conclusive evidence of the authority of the committee in so doing;

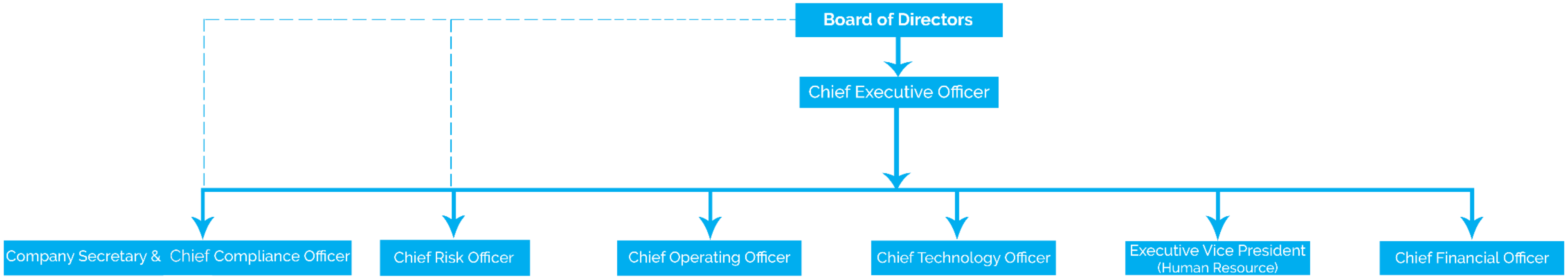
(cc) to settle all questions, remove any difficulties or doubts that may arise from time to time with respect to the IPO, including with respect to the issue, offer or allotment of the Equity Shares, terms of the IPO, utilisation of the IPO proceeds, appointment of intermediaries for the IPO and such other issues as it may, in its absolute discretion deem fit;

(dd) to take such action, give such directions, as may be necessary or desirable as regards the IPO and to do all such acts, matters, deeds and things, including but not limited to the allotment of Equity Shares against the valid applications received in the IPO, as are in the best interests of the Company;

(ee) to negotiate, finalise, settle, execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as may be deemed necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the IPO. Any documents or instruments so executed and delivered or acts and things done or caused to be done by the Board shall be conclusive evidence of the authority of the Board in so doing; and

(ff) to delegate any of the powers mentioned in (i) to (xxiv) to such persons as the IPO Committee may deem necessary.

Management Organisation Structure



Key Managerial Personnel

In addition to Thomas Muthoot whose details are set out under " – *Brief Biographies of Directors*" on page 231, the details of the Key Management Personnel, as on the date of this Prospectus, are set out below.

Sadaf Sayeed is the Chief Executive Officer of our Company. He holds a bachelor of commerce (honours) degree from the University of Delhi and a master of business administration degree from Guru Gobind Singh Indraprastha University. He has been associated with the Muthoot Pappachan Group for the last 12 years. He has been serving as the Chief Executive Officer of the Company for the last seven years since August 26, 2015 and was also associated with Muthoot Fincorp Limited as the chief operating officer of the microfinance division. Prior to joining our Company, he was associated with HDFC Bank Limited, Indiabulls Credit Services Limited, GE Countrywide Consumer Financial Services Limited, Satin Creditcare Network Limited and Spandana Sphoorty Financial Limited. He has over 22 years of experience in banking and financial sector. During Financial Year 2023, he received a gross remuneration of ₹ 37.31 million.

Praveen T. is the Chief Financial Officer of our Company. He is a member of the Institute of Chartered Accountants of India with twelve years of experience in finance, accounts and management. He has been associated with the Muthoot Pappachan Group for 10 years. He has been serving as the Chief Financial Officer for the last six years with effect from December 26, 2016. He was also associated with our Company as the associate vice president- finance and accounts from January 26, 2016, and with Muthoot Fincorp Limited as chief manager from February 04, 2013, to January 25, 2016. Prior to joining our Company, he was associated with Ark Power Controls Private Limited. During Financial Year 2023, he received a remuneration of ₹ 4.95 million.

Neethu Ajay is the Company Secretary and Chief Compliance Officer of our Company. She holds a bachelor of commerce degree from Mahatma Gandhi University. She has been associated with our Company for over nine years and was appointed as the Company Secretary with effect from February 13, 2014 and was designated as Compliance Officer with effect from June 27, 2018. Subsequently, she was designated as Company Secretary and Chief Compliance Officer with effect from May 15, 2023. She is an associate member of the Institute of Company Secretaries of India with over nine years of experience in compliance and secretarial functions. During Financial Year 2023, she received a remuneration of ₹ 1.92 million.

Senior Management Personnel

In addition to Sadaf Sayeed, the Chief Executive Officer of our Company, Praveen T, the Chief Financial Officer of our Company and Neethu Ajay, the Company Secretary and Chief Compliance Officer of our Company who are also our Key Managerial Personnel and whose details are provided above in"–*Key Managerial Personnel*", the details of our Senior Management Personnel as on the date of this Prospectus are as set forth below:

Udeesh Ullas is the Chief Operating Officer of our Company. He holds a bachelor of commerce degree from Mahatma Gandhi University and a master of business administration degree from Ariston School of Business Studies. He has been associated with the Muthoot Pappachan Group for the last 15 years. He was appointed as the Chief Operating Officer with effect from March 26, 2022. He had been serving as the executive vice president (operations) for the last four years with effect from March 26, 2018. He was also associated with Muthoot Fincorp Limited from January 15, 2008 to February 25, 2016. He has over 19 years of experience in retail banking operations, debt management and microfinance. Prior to joining our Company, he was associated with Cochin Bridge Infrastructure Company Limited, ICICI Bank and Fullerton India Credit Company Limited. During Financial Year 2023, he received a remuneration of ₹ 5.68 million*.

Subhransu Pattnayak is the Executive Vice President (Human Resources) of our Company. He holds a bachelor of science degree from Utkal University and a post graduate diploma in business administration from Technological Institute for Management and Advanced Computer Education. He has been associated with the Muthoot Pappachan Group for the last ten years. He has been serving as the Executive Vice President (Human Resources) with effect from March 26, 2021. Prior to that, he was serving as the Vice President – HR & Products of our Company for over five years from August 26, 2015. He was also associated with Muthoot Fincorp Limited from July 20, 2012, to August 25, 2015. He has over 21 years of experience. Prior to joining our Company, he was associated with ICICI Bank Limited in strategy and product development. During Financial Year 2023, he received a remuneration of ₹ 5.52 million*.

Jinsu Joseph is the Chief Risk Officer of our Company. He holds a bachelor of commerce degree from Mahatma Gandhi University. He is an associate member of the Institute of Chartered Accountants of India. He has been associated with the Muthoot Pappachan Group for the last six years. He has been serving as the Chief Risk Officer with effect from April 1, 2022. Prior to that, he was serving as the Deputy Chief Manager – Finance and Accounts and Senior Associate Vice President – Finance and Accounts (Head Office) of our Company. Prior to joining our Company, he was associated with Maben Nidhi Limited as the Head of the Department – Risk Management and Audit and with Tamilnad Mercantile Bank Limited as the Senior Manager (Chartered Accountant). He has over 11 years of experience in the field of finance. During Financial Year 2023, he received a remuneration of ₹ 3.19 million*.

Linson Chelamattathil Paul is the Chief Technology Officer of our Company. He holds a master of commerce degree from Mahatma Gandhi University and a master of science degree in computer sciences from Annamalai University. He also holds a master of business administration degree from Mahatma Gandhi University. Prior to joining our Company, he was associated with V-Guard Industries Limited as Senior Manager - Systems, Malayala Manorama TV Limited as Senior Manager, Systems, and Joyalukkas India Limited as Deputy General Manager – Information Technology. He has over 20 years of experience in information technology services. During Financial Year 2023, he received a remuneration of ₹ 3.59 million*.

**Excluding gratuity and leave encashment.*

Relationship between our Key Managerial Personnel and Senior Management Personnel and Directors

None of our Key Managerial Personnel or Senior Management Personnel are related to each other. None of the Key Managerial Personnel are related to any other Senior Management Personnel. Other than Thomas Muthoot, who is related to Thomas John Muthoot and Thomas George Muthoot, none of our Key Managerial Personnel or Senior Management Personnel are related to any of the Directors of our Company.

Status of Key Managerial Personnel and Senior Management Personnel

All our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

Interests of Key Managerial Personnel and Senior Management Personnel

Other than (i) our Managing Director, who is one of the Promoters and a Shareholder of our Company, (ii) Sadaf Sayeed, Praveen T, Udeesh Ullas, Subhransu Pattnayak, Neethu Ajay, Jinsu Joseoph and Linson Chelamattathil Paul who are interested in our Company to the extent of the ESOPs held by them and the resultant shareholding from such ESOPs respectively, (iii) Sadaf Sayeed, Praveen T, Neethu Ajay, Udeesh Ullas, Jinsu Joseph and Subhransu Pattnayak who are interested in our Company to the extent of the Equity Shares held by them, none of the Key Managerial Personnel and Senior Management Personnel of our Company have any interests in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. For detail see "*Our Management – Interests of Directors*" on page 234.

Bonus or profit-sharing plans for our Key Managerial Personnel and Senior Management Personnel

Except for (i) Sadaf Sayeed, who is entitled to performance linked bonus in accordance with his term of appointment; and (ii) our Key Managerial Personnel and Senior Management Personnel (except our Managing Director and Sadaf Sayeed), who are entitled to variable pay in terms of the compensation policy approved by the Board in its meeting held on May 6, 2023, none of our Key Managerial Personnel or Senior Management Personnel are party to any bonus or profit-sharing plan of our Company.

Shareholding of Key Managerial Personnel and Senior Management Personnel in our Company

Except as disclosed in "*Capital Structure – Details of Equity Shares held by our Promoters, Members of our Promoter Group, Directors, Key Managerial Personnel and Senior Management Personnel*" on page 92, and in the section "*Capital Structure – Share capital history of our Company*" on page 83, none of our Key Managerial Personnel and Senior Management Personnel hold any Equity Shares.

For details of ESOPs held by our Key Managerial Personnel and Senior Management Personnel, see "*Capital Structure – Details of Equity Shares held by our Promoters, Members of our Promoter Group, Directors, Key Managerial Personnel and Senior Management Personnel*" on page 92.

Changes in our Key Managerial Personnel and Senior Management Personnel in the three immediately preceding years.

Details of the changes in our Key Managerial Personnel and Senior Management Personnel in the last three years are set forth below:

Name	Designation	Date of Change	Reason for change in Key Managerial Personnel and Senior Management Personnel
Neethu Ajay	Company Secretary and Chief Compliance Officer	May 15, 2023	Redesignated as Company Secretary and Chief Compliance Officer
Jinsu Joseph	Chief Risk Officer	April 1, 2023	Re-Appointed as Chief Risk Officer
Jinsu Joseph	Chief Risk Officer	March 28, 2022	Appointed as Chief Risk Officer
Linson Chelamattathil Paul	Chief Technology Officer	July 16, 2022	Appointed as Chief Technology Officer
Rishikant Dubey	Chief Risk Officer	March 14, 2022	Resigned as Chief Risk Officer
Atul Garg	Chief Technology Officer	July 23, 2022	Resigned as Chief Technology Officer

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel and Senior Management Personnel have been appointed or selected as a Key Managerial Personnel or Senior Management Personnel pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others**.**

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel

Except for Sadaf Sayeed, who is entitled to performance linked bonus in accordance with his term of appointment, there is no contingent or deferred compensation payable to any of our Key Managerial Personnel and Senior Management Personnel which accrued in Financial Year 2023.

Payment of non-salary related benefits to Key Managerial Personnel and Senior Management Personnel of our Company

No amount or benefit has been paid or given to any Key Managerial Personnel and Senior Management Personnel of our Company within the two years preceding the date of filing of this Prospectus or is intended to be paid, other than in the ordinary course of their employment.

Employee stock option plan and employee stock purchase plan

For details of our ESOP Schemes, see "*Capital Structure – Employee Stock Option Schemes of our Company*" on page 96.

OUR PROMOTERS AND PROMOTER GROUP

Thomas John Muthoot, Thomas Muthoot, Thomas George Muthoot, Preethi John Muthoot, Remmy Thomas, Nina George and MFL are the Promoters of our Company.

As on the date of this Prospectus, our Promoters, collectively, hold 99,720,468 Equity Shares in our Company, representing 69.08% of the issued, subscribed and paid-up equity share capital of our Company, on a fully diluted basis. For further details, see "*Capital Structure – History of the Share Capital held by our Promoters - Build-up of the Equity shareholding of our Promoters in our Company*", on page 87.

Details of our Promoters

A. Our Individual Promoters

Thomas John Muthoot, born on June 7, 1962, aged 61 years, is one of our Promoters and a Non-Executive Director of our Company.

For a complete profile of Thomas John Muthoot, along with details of his residential address, educational qualifications, professional experience, posts held in the past, directorships held, business and other financial activities, see "*Our Management – Brief Biographies of Directors*" on page 231.

His Permanent Account Number is ABNPT4694B.

Thomas Muthoot, born on July 15, 1966, aged 57 years, is one of our Promoters and the Managing Director of our Company.

For a complete profile of Thomas Muthoot, along with details of his residential address, educational qualifications, professional experience, posts held in the past, directorships held, business and other financial activities, see "*Our Management – Brief Biographies of Directors*" on page 231.

His Permanent Account Number is AEAPM0424L.

Thomas George Muthoot, born on June 7, 1962, aged 61 years, is one of our Promoters and a Non-Executive Director of our Company.

For a complete profile of Thomas George Muthoot, along with details of his residential address, educational qualifications, professional experience, posts held in the past, directorships held, business and other financial activities, see "*Our Management – Brief Biographies of Directors*" on page 231.

His Permanent Account Number is ABNPT4693G.

Preethi John Muthoot, born on October 21, 1964, aged 59 years and residing at TC 4/1008/1, Kawdiar, P.O., Trivandrum 695 003, Kerala, India, is one of our Promoters.

She holds a bachelor's degree in arts from the University of Kerala. She is also a director on the board of Muthoot Agri Projects and Hospitalities Private Limited, MPG Precious Metals Private Limited, Muthoot Infrastructure Private Limited, Muthoot Exim Private Limited, Goblin Agri Projects and Hospitalities Private Limited, Cinnamon Agri Development and Hospitalities Private Limited, Muthoot Dairies and Agri Ventures Private Limited, Calypso Agri Development and Hospitalities Private Limited, El Toro Agri Projects and Hospitalities Private Limited, Alaska Agri Projects and Hospitalities Private Limited, Bamboo Agri Projects and Hospitalities Private Limited, Mandarin

Agri Ventures and Hospitalities Private Limited, MFL, Muthoot Pappachan Chits (India) Private Limited, Muthoot Kuries Private Limited, Muthoot Holdings Private Limited, The Thinking Machine Media Private Limited, and MPG Security Group Private Limited. She has been associated with our Company since January 23, 2012 and has over 11 years of experience in the field of financial services.

Her Permanent Account Number is ACRPJ5145J.

Remmy Thomas, born on May 31, 1968, aged 55 years and residing at Muthoot, No. 7/59-A, Cherukad, Eroor P.O., Near Kaniyampuzha Bridge, Ernakulam 682 306, Kerala, India, is one of our Promoters.

She holds a bachelor's degree in technology from Mahatma Gandhi University. She is also a director on the board of companies such as MPG Precious Metals Private Limited, Muthoot Infrastructure Private Limited, Muthoot Automotive (India) Private Limited, Muthoot Automobile Solutions Private Limited, Muthoot Exim Private Limited, Jungle Cat Agri Development and Hospitalities Private Limited, El Toro Agri Projects and Hospitalities Private Limited, The Right Ambient Resorts Private Limited, Buttercup Agri Projects and Hospitalities Private Limited, Flame Agri Projects and Hospitalities Private Limited, Pine Pink Agri Ventures and Hospitalities Private Limited, Fox Bush Agri Development and Hospitalities Private Limited, Muthoot Pappachan Chits (India) Private Limited, Muthoot Kuries Private Limited, Muthoot Equities Limited, Muthoot Buildtech (India) Private Limited, Muthoot Properties (India) Private Limited, Muthoot Land and Estates Private Limited and MPG Security Group Private Limited. She has been associated with our Company since January 23, 2012 and has over 11 years of experience in the field of financial services.

Her Permanent Account Number is ABLPT3225E.

Nina George, born on September 17, 1967, aged 56 and residing at Muthoot Towers, M.G. Road, Ernakulum College, Ernakulum 682 035, Kerala India, is one of our Promoters.

She holds a bachelor's degree in science from Mahatma Gandhi University. She is also a director on the board of companies such as MPG Precious Metals Private Limited, Muthoot Motors Private Limited, Muthoot Exim Private Limited, Goblin Agri Projects and Hospitalities Private Limited, Cinnamon Agri Development and Hospitalities Private Limited, Muthoot Agri Development and Hospitalities Private Limited, Calypso Agri Development and Hospitalities Private Limited, Buttercup Agri Projects and Hospitalities Private Limited, Alaska Agri Projects and Hospitalities Private Limited, Flame Agri Projects and Hospitalities Private Limited, Bamboo Agri Projects and Hospitalities Private Limited, Pine Pink Agri Ventures and Hospitalities Private Limited, Mariposa Agri Ventures and Hospitalities Private Limited, Muthoot Pappachan Chits (India) Private Limited, Muthoot Kuries Private Limited, Muthoot Equities Limited, Muthoot Holdings Private Limited and MPG Security Group Private Limited. She has been associated with our Company since January 23, 2012 and has over 11 years of experience in the field of financial services.

Her Permanent Account Number is ADCPG0092R.

Our Company confirms that the permanent account numbers, bank account numbers, passport numbers, Aadhaar card numbers and driving license numbers of each of our Promoters have been submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

Other ventures of our Promoters

Other than as disclosed in *"- Promoter Group*" and "*Our Management*" on pages 251 and 228, respectively, our Promoters are not involved in any other venture.

B. Our Corporate Promoter

Muthoot Fincorp Limited

Corporate Information

MFL was incorporated as 'Muthoot Debt Management Services Limited' on June 10, 1997 at Trivandrum, Kerala as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Kerala. The Corporate Identification Number for MFL is U65929KL1997PLC011518. MFL was granted a certificate of commencement of business on July 3, 1997 from the Registrar of Companies, Kerala. Thereafter, MFL's name was changed from 'Muthoot Debt Management Services Limited' to 'Muthoot Fincorp Limited' on March 19, 2002 pursuant to a fresh certificate of incorporation dated March 19, 2002 being issued by the Registrar of Companies, Kerala. MFL was granted the NBFC status by the RBI with effect from July 23, 2002 and is a non-deposit taking NBFC bearing registration number 16.00170. MFL is also authorized to act as a registered depository participant - CDSL bearing registration number IN-DP-409-2019 and Authorized Dealer - Category II bearing registration number 05/2010. MFL became the promoter of our Company on September 29, 2012. The registered office of MFL is situated at Muthoot Centre, TC No. 27/ 3022, Punnen Road Trivandrum, 695 001, Kerala, India. MFL has listed its non-convertible debentures on BSE.

Nature of Business

MFL is engaged in the business of advancing loans, including small and medium enterprise loans, personal loans, loans against property, in providing forex services, money transfer services as agents or sub-agents of various registered money transfer agencies, generation and sale of wind energy through its wind farms located in Tamil Nadu, Real Estate and as a Depository Participant. There has been no change in business activities of MFL.

Board of Directors

The Board of Directors of MFL, as on the date of this Prospectus are as follows:

S. No.	Name of the Director	Designation
1.	Thomas John Muthoot	Managing Director
2.	Thomas Muthoot	Whole-time director
3.	Thomas George Muthoot	Director
4.	Preethi John Muthoot	Director
5.	Kurian Peter Arattukulam	Independent Director
6.	Vikraman Ampalakkat	Independent Director
7.	Badal Chandra Das	Independent Director
8.	Ravi Ramachandran	Independent Director
9.	Anthony Abraham Thomas	Additional Independent Director

Shareholding Pattern of MFL

As on the date of this Prospectus, the authorised share capital of our Corporate Promoter is ₹4,250,000,000 divided into 225,000,000 equity shares of face value of ₹10 each and 220,000,000 preferences shares of face value of ₹10 each. The issued and paid-up share capital of MFL, as on the date of this Prospectus is ₹3,437,055,600 divided into 193,705,560 equity shares of face value of ₹10 each and 150,000,000 preference shares of face value of ₹10 each.

The shareholding pattern of the equity shares of face value of ₹ 10 each of MFL as on the date of this Prospectus is as follows:

S. No.	Name of the shareholder	Number of Equity Shares held	Shareholding Percentage (%)
1.	Thomas John Muthoot	51,456,049	26.56
2.	Thomas George Muthoot	51,456,021	26.56
3.	Thomas Muthoot	51,456,053	26.56
4.	Preethi John Muthoot	12,913,704	6.67
5.	Nina George	12,913,704	6.67
6.	Remmy Thomas	12,913,704	6.67
7.	Muthoot Kuries (India) Private Limited	119,050	0.06
8.	Muthoot Exim Private Ltimited	476,200	0.25
9.	Janamma Thomas^	1,039	Negligible
10.	A.V Koshy	5	Negligible
11.	Jayakrishnan P	5	Negligible
12.	Amjad A.M	5	Negligible
13.	Parameswaran T.S.	5	Negligible
14.	Lathika Anand	5	Negligible
15.	Sangeetha Vijay	5	Negligible
16.	Shiney Thomas	6	Negligible
Total		**193,705,560**	**100.00**

^Deceased. The shares held by Late Janamma Thomas will be transmitted in accordance with the Companies Act.

MFL has issued 150,000,000 preference shares of face value of ₹ 10 each, as on the date of this Prospectus. The shareholding pattern of these preference shares is as follows:

S. No	Name of the shareholder	Number of preference shares held	Percentage of shareholding (%)
1.	BPEA Credit India Fund II A(1)	50,000,000	33.33
2.	BPEA Credit India Fund III Scheme F(2)	64,000,000	42.67
3.	BPEA Credit India Fund III Scheme C(3)	36,000,000	24.00
Total		**150,000,000**	**100.00**

(1) BPEA Credit India Fund II A was incorporated on December 13, 2017 and has its registered office at Unit no. 707, 7th Floor, Time Tower, M.G. Road, Gurgaon – 122001. It is an AIF (Captgory II)

(2) BPEA Credit India Fund III Scheme F was incorporated on June 14, 2020 and has its registered office at Unit no. 707, 7th Floor, Time Tower, M.G. Road, Gurgaon – 122001. It is an AIF (Captgory II)

(3) BPEA Credit India Fund III Scheme C was incorporated on June 14, 2020 and has its registered office at Unit no. 707, 7th Floor, Time Tower, M.G. Road, Gurgaon – 122001. It is an AIF (Captgory II)"

Details of change in control of MFL

There has been no change in the control of MFL in the last three years preceding the date of this Prospectus.

Promoters of MFL

The promoters of MFL are Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot.

Our Company confirms that the permanent account number, bank account number, company registration number of MFL along with the address of the registrar of companies where MFL is registered have been submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

Financial information of MFL for Financial Year ended March 31,2023, March 31, 2022 and March 31, 2021

Particulars	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021
Reserves (excluding revaluation reserve)(1) (Rs. in million)	36,993.29	32,557.88	30,070.82
Revenue from Operations (Rs. in million)	34,698.25	33,263.36	32,320.77
Profit/(Loss) after Tax (Rs. in million)	4,598.11	3,468.51	3,695.37
Earnings per Share (Basic) (face value of ₹10 each)	23.74	17.91	19.08
Earnings per Share (Diluted) (face value of ₹10 each)	22.85	17.36	19.08
Net Asset Value (per share) (2)	200.98	178.08	165.24

(1) Reserves include Other Comprehensive Income and is considered the same as "Other Equity" from the balance sheet.

(2) Net Asset Value is computed as Net Worth/Number of equity shares outstanding (Net Worth being Equity plus Other Equity).

Litigation involving our Promoter

For further details on the litigation involving our Corporate Promoter and Individual Promoter, see "*Outstanding Litigation and Material Developments - Litigation involving our Promoters*" on page 428.

Change in the control of our Company

Our Individual Promoters acquired shares of our Company on January 23, 2012 and are accordingly not the original promoters of our Company. For further details, see "*Capital Structure - History of the Share Capital held by our Promoters*" on page 87.

There has been no change in the control of our Company during the last five years preceding the date of this Prospectus.

Interests of Promoters and common pursuits

Our Promoters are interested in our Company to the extent that (i) they are the Promoters of our Company; and (ii) to the extent of their direct and indirect shareholding in our Company; including the dividend payable, if any, and any other distributions in respect of the Equity Shares held by them in our Company, from time to time. For details of the shareholding of our Promoters in our Company, see "*Capital Structure*", on page 83.

Our Individual Promoters, Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot are also the promoters of our Corporate Promoter, MFL. Further, our Individual Promoters, Thomas John Muthoot, Thomas George Muthoot, Thomas Muthoot and Preethi John Muthoot, also serve as directors on the board of directors of our Corporate Promoter, MFL.

Our Company has entered into a Principal License Agreement read with the Supplemental Agreement with our Promoters, Thomas Muthoot, Thomas John Muthoot and Thomas George Muthoot, for the license and use of the "Muthoot Pappachan" and the "Muthoot Microfin" trademarks and the and logos for an aggregate annual license fee of ₹ 0.1 million ("**Annual License Fee**").

Our Promoters are being paid the Annual License Fee as depicted below:

(₹ in million)

S. No.	Name of the Promoter	For the year ended as on March 31, 2023	For the year ended as on March 31, 2022
1.	Thomas Muthoot	0.03	0.20
2.	Thomas George Muthoot	0.03	0.20
3.	Thomas John Muthoot	0.03	0.20

For further details, see "*History and Certain Corporate Matters – Other material agreements*", on page 226.

Our Promoters, namely Thomas George Muthoot, Thomas John Muthoot and Thomas Muthoot, who are also Directors of our Company, may be deemed to be interested to the extent of their remuneration and reimbursement of expenses, payable to them, if any, in their capacity as Directors. For further details, see "*Our Management*" on page 228.

No sum has been paid or agreed to be paid to any of our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Except as disclosed below, and under "*Our Management*" and "*Other Financial Information – Related Party Transactions*" on pages 228 and 387, respectively, our Promoters have no interest in any property acquired by our Company during the three years immediately preceding the date of this Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery, etc. and no amount or benefit has been paid or given to our Promoters, or any of the members of the Promoter Group during the two years preceding the filing of this Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or any of the members of the Promoter Group:

1. Our Company has entered into nine lease agreements with MFL, dated between December 1, 2015 and April 1, 2018, in respect of various properties leased by us for our regional offices and branches in Karnataka, Kerala and Tamil Nadu. These lease agreements are valid for a period of 10 years and our Company is liable to pay fixed deposits and monthly rents for each property, subject to increase by 5 every year or 15% once in every three years, as stipulated in the respective lease agreement;

2. Our Company has entered into three lease agreements with Thomas Muthoot, Thomas George Muthoot and Thomas John Muthoot, dated between March 1, 2017 and October 6, 2022, in respect of various properties leased by us for our regional offices in Kerala and Tamil Nadu. These lease agreements are valid for a period of 10 years and our Company is liable to pay rent monthly ranging between ₹ 29,700 and ₹ 163,752 for each property, subject to increase by 5%, 10% every year or 15% once in every three year, as stipulated in the respective lease agreement;

3. Our Company has entered into three lease agreements with Thomas George Muthoot, dated between December 12, 2018 and October 3, 2022, in respect of various properties leased by us for our administrative office and branch in Kerala. These lease agreements are valid for a period of 10 years and our Company is liable to pay rent annually and monthly ranging between ₹ 16,500 and ₹ 315,000 for each property, subject to increase by 5% every year and 10% every three year, or as stipulated in the respective lease agreement;

4. Our Company has entered into two lease agreements with Thomas John Muthoot, dated October 2, 2020 and December 31, 2022, in respect of properties leased by us for our branches in Kerala. These lease agreements are valid for a period ranging between five years and 10 years, and our Company is liable to pay rent monthly ranging between ₹ 7,035 and ₹ 19,947 for each property, subject to increase by 5% every year, as stipulated in the respective lease agreement; and

5. Our Company has entered into a lease agreement with Thomas Muthoot, dated December 12, 2018 in respect of our regional office in Kerala. The lease agreement is valid for a period of 10 years and our Company is liable to pay rent monthly amounting to ₹90,729 exclusive of GST which is subject to increase by 5% every year.

Material guarantees given by our Promoters to third parties with respect to Equity Shares of our Company

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Prospectus.

Further, our Promoters have given personal guarantees for certain loans availed by MFL and certain entities forming part of our Promoter Group.

Companies and firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company or firm by way of selling or transferring their entire stake in the three years immediately preceding the date of this Prospectus.

Promoter Group

The following individuals and entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

Natural persons forming part of our Promoter Group (other than our Promoters)

Sr. No.	Name of the Promoter	Name	Relationship
1.	Thomas Muthoot	Suzannah Muthoot	Daughter
		Hannah Muthoot	Daughter
		Saramma Jacob	Sister
		Sylu Jacob	Sister
		T.U. Kuruvilla	Spouse's father
		Chinnamma Kuruvilla	Spouse's mother
		Reena Kuruvilla	Spouse's sister
		Rekha Thomas	Spouse's sister
		Renu Pawels	Spouse's sister
		Eldho Kuruvilla	Spouse's brother
2.	Remmy Thomas	T.U. Kuruvilla	Father
		Chinnamma Kuruvilla	Mother
		Suzannah Muthoot	Daughter
		Hannah Muthoot	Daughter
		Reena Kuruvilla	Sister
		Rekha Thomas	Sister
		Renu Pawels	Sister
		Eldho Kuruvilla	Brother
		Saramma Jacob	Spouse's sister
		Sylu Jacob	Spouse's sister
3.	Thomas John Muthoot	Thomas Muthoot John	Son
		Susan John Muthoot	Daughter
		Saramma Jacob	Sister
		Sylu Jacob	Sister
		Valsa George	Spouse's mother
		Thomas George Puthenveetil	Spouse's brother
		Seema Lala Kurien	Spouse's sister
4.	Preethi John Muthoot	Valsa George	Mother
		Thomas Muthoot John	Son
		Susan John Muthoot	Daughter
		Thomas George Puthenveetil	Brother
		Seema Lala Kurien	Sister
		Saramma Jacob	Spouse's sister
		Sylu Jacob	Spouse's sister
5.	Thomas George Muthoot	Tina Suzanne George	Daughter
		Ritu Elizabeth George	Daughter
		Shweta Ann George	Daughter
		Saramma Jacob	Sister
		Sylu Jacob	Sister
		Alice Jacob	Spouse's mother
		Rina Mathew	Spouse's sister
6.	Nina George	Alice Jacob	Mother
		Tina Suzanne George	Daughter
		Ritu Elizabeth George	Daughter
		Shweta Ann George	Daughter
		Rina Mathew	Sister
		Saramma Jacob	Spouse's sister
		Sylu Jacob	Spouse's sister

Entities forming part of our Promoter Group

Set out below, are the entities forming part of our Promoter Group (other than our Corporate Promoter):

1. Alaska Agri Projects and Hospitalities Private Limited

2. AVNI Homes

3. Bamboo Agri Projects and Hospitalities Private Limited

4. Buttercup Agri Projects and Hospitalities Private Limited
5. Calypso Agri Development and Hospitalities Private Limited
6. Cinnamon Agri Development and Hospitalities Private Limited
7. Cochin Granites Pulickal Associates
8. Cochin Stone Aggregates
9. El Toro Agri Projects and Hospitalities Private Limited
10. Flame Agri Projects and Hospitalities Private Limited
11. Fox Bush Agri Development and Hospitalities Private Limited
12. Goblin Agri Projects and Hospitalities Private Limited
13. Jungle Cat Agri Development and Hospitalities Private Limited
14. Mandarin Agri Ventures and Hospitalities Private Limited
15. Mariposa Agri Ventures and Hospitalities Private Limited
16. MPG Hotels and Infrastructure Ventures Private Limited
17. MPG Precious Metals Private Limited
18. MPG Security Group Private Limited
19. Muthoot Agri Development and Hospitalities Private Limited
20. Muthoot Agri Projects and Hospitalities Private Limited
21. Muthoot Dairies and Agri Ventures Private Limited
22. Muthoot APT Ceramics Limited
23. Muthoot Automobile Solutions Private Limited
24. Muthoot Automotive (India) Private Limited
25. Muthoot Bankers
26. Muthoot Buildtech (India) Private Limited
27. Muthoot Capital Services Limited
28. Muthoot Cine Enterprises
29. Muthoot Equities Limited
30. Muthoot Estate Investments
31. Muthoot Exim Private Limited
32. Muthoot Finance Company
33. Muthoot Holdings Private Limited
34. Muthoot Hotels Private Limited
35. Muthoot Housing Finance Company Limited
36. Muthoot Infrastructure Private Limited
37. Muthoot Insurance Services
38. Muthoot Kuries Private Limited

39. Muthoot Land and Estates Private Limited
40. Muthoot Motors (Cochin)
41. Muthoot Motors Private Limited
42. Muthoot Pappachan Centre of Excellence in Sports
43. Muthoot Pappachan Chits (India) Private Limited
44. Muthoot Pappachen Foundation
45. Muthoot Pappachan Medicare Private Limited
46. Muthoot Pappachan Technologies Limited
47. Muthoot Properties (India) Private Limited
48. Muthoot Risk Insurance and Broking Services Private Limited
49. Oneearth Properties and Plantations Private Limited
50. Pine Pink Agri Ventures and Hospitalities Private Limited
51. Speckle Internet Solutions Private Limited
52. The Thinking Machine Media Private Limited
53. Thombrayil Properties & Plantations Private Limited
54. Vedatma Educational & Career Consulting Private Limited

DIVIDEND POLICY

Our Company has no formal dividend policy as on date of this Prospectus. The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the guidelines prescribed by the RBI from time to time including the RBI Circular on Declaration of Dividends by NBFCs dated June 24, 2021 and the provisions of the Articles of Association and the applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including, but not limited to, internal factors such as, our Company's profits, growth plans, earning stability, investment opportunities, and external factors, such as changes in government policies, changes in regulatory provisions, economic environment, and cost of external financing, and other factors considered relevant by our Board. Our Company may also, from time to time, pay interim dividends.

No dividend on Equity Shares and CCPS has been paid by our Company during the last three Fiscals preceding the date of this Prospectus nor for the six months ended September 30, 2023 and since October 1, 2023 until the date of this Prospectus.

There is no guarantee that any dividends will be declared or paid in the future. Future dividends, if any, shall depend on various factors such as our revenues, profits, cash flow, financial condition, contractual restrictions, and capital requirements of our Company and regulatory requirements. Additionally, restrictive covenants under the loans or financing arrangements our Company is currently availing or may enter to finance our fund requirements for our business activities may impact our ability to pay dividends. For further details, see "*Risk Factors – Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and lender consents and we cannot assure you that we will be able to pay dividends in the future*" and "*Financial Indebtedness*" on pages 59 and 418, respectively.

SELECTED STATISTICAL INFORMATION

The following information should be read together with our Restated Financial Statements as well as "Our Business", "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 181, 31 and 388, respectively. The amounts presented in this section are derived from our Restated Financial Statements or internally-generated unaudited statistical data. Our Restated Financial Statements have been derived from the audited financial statements as at and for the years ended March 31, 2021, March 31, 2022 and March 31, 2023, and the six months ended September 30, 2022 and 2023, which were prepared in accordance with the Ind AS and restated in accordance with the SEBI ICDR Regulations, the Guidance Note and relevant provisions of the Companies Act.

This Prospectus, including this section, includes certain non-GAAP measures as well as financial measures and certain other statistical information of our financial condition and operations, which are supplemental measures of our performance and liquidity that are not required by, prepared under or presented in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP, i.e., non-GAAP measures, which may not accurately represent our financial condition, performance and results of operations. The non-GAAP measures relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other MFIs or financial services companies. Further, these non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS, and should not be considered in isolation or construed as an alternative to cash flows, profit/(loss) for the period/year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, such non-GAAP measures are not standardized terms, hence a direct comparison of similarly-titled non-GAAP measures between companies may not be possible. Other companies may calculate non-GAAP measures differently from us, limiting its utility as a comparative measure. Although such non-GAAP financial information are not measures of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. Accordingly, investors should not place undue reliance on the non-generally accepted accounting principles financial information included in this Prospectus.

The terms "total outstanding loan portfolio", "average outstanding loan portfolio" and "outstanding non-performing loan portfolio" appearing in this section refer to the loans provided by us, as referred to in our restated financial statements, and "gross outstanding loan portfolio" or "gross loan portfolio" includes "total outstanding loan portfolio" together with our assigned and managed loans.

Financial Metrics

Particulars	As of / for the Six Months Ended September 30,		As of / for the Financial Year Ended March 31,		
	2023	2022	2023	2022	2021
Gross loan portfolio *(₹ million)*[1]	108,670.66	74,494.86	92,082.96	62,549.42	49,867.11
Gross loan portfolio growth *(%)*[2]	45.88%	55.54%	47.22%	25.43%	3.06%
Total loan portfolio *(₹ million)*[3]	87,288.75	55,807.08	71,987.02	46,197.26	35,045.78
Total loan portfolio growth *(%)*	56.41%	54.13%	55.83%	31.82%	27.32%
Assigned loans *(₹ million)*[4]	19,248.47	15,895.71	17,727.53	16,701.64	15,018.73
Ratio of assigned loan to gross loan portfolio *(%)*	17.71%	21.34%	19.25%	26.70%	30.12%
Restructured portfolio *(₹ million)*[5]	563.19	2,596.86	1,227.22	3,862.65	Not applicable[13]
Ratio of restructured portfolio to total loan portfolio *(%)*	0.65%	4.65%	1.70%	8.36%	Not applicable[13]
Average annual gross loan portfolio *(₹ million)*[6]	100,376.81	68,522.14	77,316.19	56,208.26	49,126.43
Average monthly gross loan portfolio *(₹ million)*[7]	101,170.47	68,119.92	75,821.33	51,263.02	46,729.06
Average annual total loan portfolio *(₹ million)*[8]	79,637.89	51,002.17	59,092.14	40,621.52	31,286.11

Particulars	As of / for the Six Months Ended September 30,		As of / for the Financial Year Ended March 31,		
	2023	2022	2023	2022	2021
Average monthly total loan portfolio *(₹ million)*[9]	81,146.38	51,015.87	58,087.22	38,879.92	30,074.14
Number of loans disbursed *(million)*	1.22	1.07	2.11	1.35	0.76
Disbursements *(₹ million)*	51,815.75	34,865.20	81,044.74	46,469.63	26,367.66
Disbursement growth *(%)*[10]	48.62%	171.87%	74.40%	76.24%	(35.42)%
Active loan accounts *(million)*[11]	3.94	3.20	3.34	2.72	2.28
Number of active customers *(million)*[12]	3.19	2.40	2.77	2.05	1.86
Number of active customers growth *(%)*	32.96%	30.71%	35.23%	10.52%	1.44%
Ratio of disbursements to the number of loans disbursed *(₹)*	42,344.65	32,440.41	38,481.83	34,359.82	34,594.02
Ratio of gross loan portfolio to the number of active customers *(₹)*	34,028.92	31,016.15	33,205.46	30,500.79	26,874.83

Notes:

(14) *Gross loan portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets which includes loan assets held by our Company as of the last day of the relevant period/year, loan assets which have been transferred by our Company by way of assignment as well as loan assets managed by our Company through partner institution and co-lending partner, and are outstanding as of the last day of the relevant period/year. While we act as partner institution for these loans, these loans are provided on the balance sheet of our partner institution, and not recognized as our loan assets on our balance sheet.*

(15) *Gross loan portfolio growth represents the growth in gross loan portfolio as of the last day of the relevant period/year as compared with the gross loan portfolio as of the last day of the preceding year.*

(16) *Total loan portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets held by our Company as of the last day of the relevant period/year, gross of impairment allowance.*

(17) *Assigned loans represent the loan portfolio outstanding on the last day of the relevant period/year which have transferred by our Company by way of assignment.*

(18) *Restructured portfolio represents the outstanding portfolio held by our Company on the last day of the relevant period/year which have been restructured in accordance with the resolution plan implemented by us pursuant to the Resolution Framework for COVID-19-related stress as per RBI circular dated May 5, 2021 ("**Resolution Framework 2.0**"). Under Resolution Framework 2.0, the RBI has provided a framework to lending institutions (including NBFC-MFIs) for the implementation of resolution plans to address the economic fallout due to the COVID-19 pandemic.*

(19) *Average annual gross loan portfolio is the simple average of our gross loan portfolio as of the last day of the relevant period/year and our gross loan portfolio as of March 31 of the preceding year.*

(20) *Average monthly gross loan portfolio is the simple average of the month end balances of our gross loan portfolio for the periodsmentioned.*

(21) *Average annual total loan portfolio is the simple average of our total loan portfolio as of the last day of the relevant period/year and our total loan portfolio as of March 31 of the preceding year.*

(22) *Average monthly total loan portfolio is the simple average of the month end balances of our total loan portfolio for the periodsmentioned.*

(23) *Disbursement growth represents growth in disbursements for the relevant period/year as a percentage of disbursements for the previous period/year.*

(24) *Active loan accounts represent the aggregate number of all loan assets under management which includes loan assets held by our Company as of the last day of the relevant period/year as well as loan assets which have been transferred by our Company by way of assignment, and are outstanding as of the last day of the relevant period/year.*

(25) *Active customers refers to our customers which had an active loan account as of the last day of the relevant period/year.*

(26) *Not applicable because Resolution Framework 2.0 was only implemented by the RBI during the Financial Year 2022.*

Particulars	As of / for the Six Months Ended September 30,		As of / for the Financial Year Ended March 31,		
	2023	2022	2023	2022	2021
Revenue from Operations *(₹ million)*[1]	10,423.27	6,047.42	14,287.64	8,325.06	6,841.67
Revenue from Operations growth *(%)*	72.36%	65.40%	71.62%	21.68%	(20.47)%
Interest Income *(₹ million)*[2]	9,135.76	5,624.14	12,906.45	7,286.23	6,227.84
Finance Costs *(₹ million)*[3]	4,153.25	2,260.76	5,490.10	3,401.55	2,993.28
Net Interest Income *(₹ million)*[4]	6,270.02	3,786.66	8,797.54	4,923.52	3,848.39
Net Interest Margins *(%)*[5]	12.39%	11.12%	11.60%	9.60%	8.24%

Particulars	As of / for the Six Months Ended September 30,		As of / for the Financial Year Ended March 31,		
	2023	2022	2023	2022	2021
Operating expenses *(₹ million)*[6]	2,945.56	2,087.98	4,611.46	3,269.12	2,556.75
Cost to Income ratio *(%)*[7]	46.61%	53.69%	51.39%	65.02%	64.41%
Impairment on financial instruments *(₹ million)*[8]	627.46	1,633.23	2,233.18	1,111.53	1,322.24
Credit cost (based on average monthly gross loan portfolio) *(%)*[9]	0.62%	2.40%	2.95%	2.17%	2.83%
Credit loss ratio *(%)*[10]	0.32%	2.05%	1.81%	1.31%	2.00%
Pre-provision operating profit before Tax *(₹ million)*[11]	3,373.57	1,800.87	4,361.88	1,758.74	1,412.79
Pre-provision operating profit before Tax growth *(%)*	87.33%	181.80%	148.01%	24.49%	(51.57)%
Profit after Tax *(₹ million)*[12]	2,052.57	124.66	1,638.89	473.98	70.54
Profit after Tax growth *(%)*	1,546.54%	62.06%	245.77%	571.97%	(61.26)%
Total comprehensive income for the year *(₹ million)*[13]	2,111.82	273.33	2,033.06	797.23	(173.10)
Net Worth *(₹ million)*[14]	18,420.95	14,465.84	16,258.49	13,365.79	8,898.90
Average annual Net Worth *(₹ million)* [15]	17,339.72	13,915.81	14,812.14	11,132.34	8,984.42
Total Assets *(₹ million)*[16]	1,00,312.99	70,190.86	85,291.99	55,914.58	41,838.48
Annual average total assets *(₹ million)*[17]	92,802.49	63,052.72	70,603.28	48,876.53	41,370.28
Total borrowings *(₹ million)*[18]	77,461.10	52,307.15	64,931.76	39,966.09	30,156.58
Annual average borrowings *(₹ million)*[19]	71,196.42	46,136.62	52,448.92	35,061.34	29,685.05
Monthly average borrowings *(₹ million)*[20]	70,096.41	42,136.69	49,430.33	31,313.79	26,231.67
Return on average gross loan portfolio *(%)*[21]	2.03%	0.18%	2.16%	0.92%	0.15%
Return on annual average equity *(%)*[22]	11.84%	0.90%	11.06%	4.26%	0.79%
Annual average borrowings / annual average Net Worth *(times)*	4.11	3.32	3.54	3.15	3.30
Basic EPS[23]	17.57	1.09	14.19	4.15	0.62
Diluted EPS[24]	14.22	0.91	11.66	3.94	0.62
Net Asset Value per Equity share [25]	127.61	100.21	112.63	97.74	77.94
Book value per share *(₹)*[26/]	131.39	103.18	115.97	100.24	77.94
Stage I assets *(%)*[27]	97.01%	94.66%	96.42%	88.02%	88.14%
Stage II assets *(%)*[28]	0.62%	2.08%	0.61%	5.72%	4.47%
Gross NPA ratio *(%)*[29]	2.37%	3.26%	2.97%	6.26%	7.39%
Net NPA ratio *(%)*[30]	0.33%	0.88%	0.60%	1.55%	1.42%
Debt to equity *(times)*[31]	4.21	3.62	3.99	2.99	3.39

Notes:

(1) Revenue from Operations represents our total revenue from operations as per our Restated Financial Statements for the relevant year.

(2) Interest income represents our interest income as per our Restated Financial Statements for the relevant year.

(3) Finance Costs represents our finance costs as per our Restated Financial Statements for the relevant year.

(4) Net Interest Income represents our Revenue from Operations reduced by Finance Costs as per our Restated Financial Statements for the relevant year.

(5) Net Interest Margins is the ratio of our Net Interest Income to our average monthly gross loan portfolio. Our average monthly gross loan portfolio is the simple monthly average of our gross loan portfolio for the relevant period/year.

(6) Operating expenses represents the aggregate of employee benefits expenses, depreciation and amortization expense and other expenses for the relevant year derived from our Restated Financial Statements for the relevant year.

(7) Cost to Income ratio is the ratio of the aggregate of our fees and commission expenses, employee benefit expenses, operating expenses and depreciation and amortization expense to total income net of finance cost as per our Restated Financial Statements for the relevant year.

(8) Impairment on financial instruments represents such expenses for the relevant period/ year derived from our Restated Financial Statements.

(9) Credit cost (based on average monthly gross loan portfolio) represents impairment on financial instruments for the relevant period/year derived from our Restated Financial Statements as a percentage of average monthly gross loan portfolio.

(10) Credit loss ratio represents loans written off during the relevant period/year as a percentage of average annual gross loan portfolio.

(11) Pre-provision operating profit before tax represents the sum of profit before tax for the relevant period/year and impairment on financial instruments for such year derived from our Restated Financial Statements for the relevant year.

(12) Profit After Tax represents our profit for the year (after tax) as per our Restated Financial Statements for the relevant year.

(13) Total comprehensive income represents total comprehensive income for the relevant period/year as per our Restated Financial Statements.

(14) Net Worth represents our net worth as of the last day of the relevant period/year as per our Restated Financial Statements.

(15) Annual Average Net Worth is the simple average of our Net Worth as of last day of the relevant period/year and our Net Worth as of March 31 of the preceding year.

(16) Total Assets represents our total assets as of the last day of the relevant period/year as per our Restated Financial Statements.

(17) Annual average total assets is the simple average of our Total Assets outstanding as of last day of the relevant period/year and our Total Assets outstanding as of March 31 of the preceding year.

(18) Total Borrowings represents the aggregate of debt securities, subordinated liabilities, and borrowings (other than debt securities), as per our Restated Financial Statements for the relevant period/year.

(19) Annual Average Borrowings is the simple average of our Total Borrowings outstanding as of last day of the relevant period/year and our Total Borrowings outstanding as of March 31 of the preceding year.

(20) Monthly average borrowings is the simple average of the month end balances of our Total Borrowings for the periods mentioned.

(21) Return on average gross loan portfolio represents profit for the relevant period/year derived from our Restated Financial Statements as a percentage of annual monthly average gross loan portfolio for such period/year.

(22) Return on annual average equity represents the ratio of our Profit After Tax attributable to equity holders to our annual average of net worth as of last day of the relevant period/year and as of March 31 of the preceding year as per our Restated Financial Statements.

(23) Basic EPS represent Basic Earnings per Equity share as per our Restated Financial Statements for the relevant year.

(24) Diluted EPS represent Diluted Earnings per Equity share as per our Restated Financial Statements for the relevant year.

(25) Net Asset value per equity share represent the ratio of our Net Worth to Number of Equity shares as of last day of the relevant period/year and Equity Shares on a fully diluted basis is considered for the purpose of calculation of Net Asset Value.

(26) Book value per share represents the ratio of our Net Worth to number of shares as converted basis on last day of the relevant period/year.

(27) Stage I assets represent loan assets which are up to 30 days overdue, and that have not had a significant increase in credit risk since initial recognition or that have low credit risk as of last day of the relevant period/year.

(28) Stage II assets represent loan assets which are between 31 and 90 days overdue, and that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment as of last day of the relevant period/year.

(29) Gross NPA ratio represents the ratio of our stage III assets to total loan portfolio as of last day of the relevant period/year. Total loan portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets held by our Company as of the last day of the relevant period/year, gross of impairment allowance.

(30) Net NPA ratio represents the ratio of our Net NPA to Net Loan portfolio as of last day of the relevant period/year. Net Loan portfolio represents total loan portfolio reduced by impairment allowance.

(31) Debt to equity represents the ratio of our Total Borrowings to our Net Worth as of last day of the relevant period/year.

Liabilities and Provisions

Particulars	As of September 30,				As of March 31,					
	2023		2022		2023		2022		2021	
	(₹ in millions)	*(%)*	*(₹ in millions)*	*(%)*	*(₹ in millions)*	*(%)*	*(₹ in millions)*	*(%)*	*(₹ in millions)*	*(%)*
Financial liabilities:										
Payables										
Other payables:										
Total outstanding dues to micro, small and medium enterprises	3.4	-	-	-	-	-	-	-	-	-
Total outstanding dues to creditors other than micro, small and medium enterprises	146.23	0.18%	131.67	0.24%	119.27	0.17%	75.34	0.18%	29.19	0.09%
Debt securities	14,356.23	17.53%	10,958.64	19.67%	13,701.51	19.85%	6,746.27	15.86%	4,524.69	13.74%
Borrowings (other than debt securities)	63,104.87	77.06%	41,348.51	74.19%	51,230.25	74.21%	32,969.85	77.49%	25,382.26	77.06%

Particulars	As of September 30,				As of March 31,					
	2023		2022		2023		2022		2021	
	(₹ in millions)	*(%)*	*(₹ in millions)*	*(%)*	*(₹ in millions)*	*(%)*	*(₹ in millions)*	*(%)*	*(₹ in millions)*	*(%)*
Subordinated liabilities	-	0.00	-	0.00%	-	0.00%	249.97	0.59%	249.63	0.76%
Lease liability	1,454.62	1.78%	1,074.25	1.93%	1,299.40	1.88%	913.96	2.15%	779.89	2.37%
Other financial liabilities	2,664.73	3.25%	2,086.50	3.74%	2,582.70	3.74%	1,492.80	3.51%	1,888.61	5.73%
Total financial liabilities	**81,730.08**	**99.80%**	**55,599.57**	**99.77%**	**68,933.13**	**99.85%**	**42,448.19**	**99.76%**	**32,854.27**	**99.74%**
Non-financial liabilities:										
Provisions	64.90	0.08%	67.65	0.12%	36.13	0.05%	49.38	0.12%	46.38	0.14%
Other non-financial liabilities	97.06	0.12%	57.80	0.10%	64.24	0.09%	51.22	0.12%	38.93	0.12%
Total non-financial liabilities	**161.96**	**0.20%**	**125.45**	**0.23%**	**100.37**	**0.15%**	**100.60**	**0.24%**	**85.31**	**0.26%**
Total liabilities	**81,892.04**	**100.00**	**55,725.02**	**100.00%**	**69,033.51**	**100.00%**	**42,548.79**	**100.00%**	**32,939.58**	**100.00%**

Borrowing Profile

The following table sets forth a summary of the components of our borrowing profile, and each item expressed as a percentage of total borrowings, as of the date indicated:

Particulars	As of September 30,				As of March 31,					
	2023		2022		2023		2022		2021	
	(₹ in millions)	*(%)*	*(₹ in millions)*	*(%)*	*(₹ in millions)*	*(%)*	*(₹ in millions)*	*(%)*	*(₹ in millions)*	*(%)*
Debt securities:										
Redeemable non-convertible debentures (Secured)	14,356.23	18.53%	10,958.64	20.95%	13,216.67	20.35%	6,249.44	15.64%	4,234.19	14.04%
Commercial paper (Unsecured)	-	0.00%	-	0.00%	484.84	0.75%	496.83	1.24%	290.50	0.96%
Total debt securities (at amortised cost) (A)	**14,356.23**	**18.53%**	**10,958.64**	**20.95%**	**13,701.51**	**21.10%**	**6,746.27**	**16.88%**	**4,524.69**	**15.00%**
Borrowings (other than debt securities):										
Term loans (secured):										
i) from banks	31,734.75	40.97%	23,408.32	44.75%	29,200.07	44.97%	16,481.93	41.24%	11,848.61	39.29%
ii) from financial institutions	15,176.72	19.59%	10,244.38	19.58%	11,678.52	17.99%	11,687.60	29.24%	8,196.14	27.18%
iii) borrowings under securitization arrangement	12,405.75	16.02%	7,378.87	14.11%	8,230.63	12.68%	4,121.09	10.31%	4,458.92	14.79%
iv) external commercial borrowings	2,869.42	3.70%	0	0.00%	2,047.76	3.15%	-	0.00%	-	0.00%
Term loans (unsecured):										
from financial institutions	918.23	1.19%	316.94	0.61%	73.27	0.11%	679.23	1.70%	878.59	2.91%
Total borrowings (other than debt securities) (B)	**63,104.87**	**81.47%**	**41,348.51**	**79.05%**	**51,230.25**	**78.90%**	**32,969.85**	**82.49%**	**25,382.26**	**84.17%**
Subordinated liabilities (at amortised cost):										
i) from banks	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
ii) from financial institutions	-	0.00%	-	0.00%	-	0.00%	249.97	0.63%	249.63	0.83%
Total subordinated liabilities (at amortised cost) (C)	**-**	**0.00%**	**-**	**0.00%**	**-**	**0.00%**	**249.97**	**0.63%**	**249.63**	**0.83%**
Total borrowings (A+B+C)	**77,461.10**	**100.00%**	**52,307.15**	**100.00%**	**64,931.76**	**100.00%**	**39,966.09**	**100.00%**	**30,156.58**	**100.00%**

Yield, Return on Assets, and Cost of Funds

The following table sets forth, for the periods indicated, yield, return on assets and cost of funds for our Company:

Particulars	As of / for the Six Months Ended September 30,		As of / for the Financial Year Ended March 31,		
	2023	2022	2023	2022	2021
Annual average yield on total loan portfolio *(%)*[(1)]	22.94%	22.05%	21.84%	17.94%	19.91%
Revenue from Operations on average monthly gross loan portfolio *(%)*[(2)]	20.61%	17.76%	18.84%	16.24%	14.64%
Finance Costs on average monthly gross loan portfolio *(%)*[(3)]	8.21%	6.64%	7.24%	6.64%	6.41%
Net Interest Margins on average monthly gross loan portfolio *(%)*[(4)]	12.39%	11.12%	11.60%	9.60%	8.24%
Other Income on average monthly gross loan portfolio *(%)*[(5)]	0.10%	0.30%	0.23%	0.20%	0.26%
Operating expense on average monthly gross loan portfolio *(%)*[(6)]	5.82%	6.13%	6.08%	6.38%	5.47%
Credit Cost on average monthly gross loan portfolio *(%)*[(7)]	1.24%	4.80%	2.95%	2.17%	2.83%
Profit Before Tax on average monthly gross loan portfolio *(%)*[(8)]	5.43%	0.49%	2.81%	1.26%	0.19%
Return on average monthly gross loan portfolio *(%)*[(9)]	2.03%	0.18%	2.16%	0.92%	0.15%
Average Effective cost of borrowing *(%)*[(10)]	11.20%	10.54%	10.94%	10.44%	11.08%

Notes:

(1) Annual average yield on total loan portfolio is the ratio of total interest income to average annual total loan portfolio for the relevant year.

(2) Revenue from Operations on average monthly gross loan portfolio is the ratio of our Revenue from Operations as per our Restated Financial Statements for the relevant year to average monthly gross loan portfolio for the relevant year. Our average monthly gross loan portfolio is the simple monthly average of our gross loan portfolio for the relevant year.

(3) Finance Cost on average monthly gross loan portfolio is the ratio of our Finance Costs as per our Restated Financial Statements for the relevant year to average monthly gross loan portfolio for the relevant year.

(4) Net Interest Margins on average monthly gross loan portfolio is the ratio of our Net Interest Income to average monthly gross loan portfolio.

(5) Other Income on average monthly gross loan portfolio is the ratio of our Other Income as per our Restated Financial Statements for the relevant year to average monthly gross loan portfolio for the relevant year.

(6) Operating expense on average monthly gross loan portfolio is the ratio of operating expense to average monthly gross loan portfolio for the relevant year.

(7) Credit cost on average monthly gross loan portfolio is the ratio of our Impairment on Financial Instruments as per our Restated Financial Statements for the relevant year to average monthly gross loan portfolio.

(8) Profit Before Tax on average monthly gross loan portfolio is the ratio of profit for the year (before tax) as per our Restated Financial Statements for the relevant year to average monthly gross loan portfolio for the relevant year.

(9) Return on average gross loan portfolio represents profit for the relevant year derived from our Restated Financial Statements as a percentage of annual monthly average gross loan portfolio for such year.

(10) Average effective cost of borrowing represents annually weighted average interest cost on borrowings, weights being annual average borrowings. Borrowings include debt securities, subordinated liabilities, and borrowings (other than debt securities).

Capital to Risk Asset Ratios

Our capital adequacy information as of March 31, 2021, March 31, 2022 and March 31, 2023, and as of September 30, 2022 and September 30, 2023 is as follows:

Particulars	As of September 30,		As of March 31,		
	2023	2022	2023	2022	2021
	(₹ in millions, unless otherwise stated)		*(₹ in millions, unless otherwise stated)*		
Tier I capital *(₹ millions)* [(1)]	15,403.52	12,252.95	13,638.38	11,336.55	7,253.00
Tier II capital *(₹ millions)* [(2)]	-	-	-	150.12	250.33
Total Tier I and Tier II capital *(₹ millions)*	15,403.52	12,252.95	13,638.38	11,486.67	7,503.33

Particulars	As of September 30,		As of March 31,		
	2023	2022	2023	2022	2021
	(₹ in millions, unless otherwise stated)		*(₹ in millions, unless otherwise stated)*		
Total risk weighted assets *(₹ millions)* (3)	75,274.17	50,716.38	62,358.19	39,947.73	33,269.15
Capital to risk assets ratio - Tier I *(%)*	20.46%	24.16%	21.87%	28.38%	21.80%
Capital to risk assets ratio - Tier II *(%)*	0.00%	0.00%	0.00%	0.38%	0.75%
Capital to risk assets ratio (CRAR)(4) *(%)*	20.46%	24.16%	21.87%	28.75%	22.55%

Notes:

(1) Tier I capital include (i) paid-up capital (ordinary shares), statutory reserves, and other disclosed free reserves, if any; (ii) perpetual non-cumulative preference shares eligible for inclusion as Tier I capital, subject to laws in force from time to time; (iii) innovative perpetual debt instruments eligible for inclusion as Tier I capital; and (iv) capital reserves representing surplus arising out of sale proceeds of assets, as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances, including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund as defined in the Master Circular on Prudential Norms on Capital Adequacy, Basel I Framework dated July 1, 2015 issued by the RBI.

(2) Tier II capital include undisclosed reserves, revaluation reserves, general provisions and loss reserves, hybrid capital instruments, subordinated debt and investment reserve account to the extent the aggregate does not exceed Tier I capital.

(3) Total risk weighted assets represents the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI.

(4) The capital to risk assets ratio (CRAR) is calculated as capital funds (Tier I capital plus Tier II capital) divided by risk-weighted assets (the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI).

Asset Liability Management

Set forth below is an analysis of the maturity profile of our interest bearing assets and interest bearing liabilities across different time periods, as of September 30, 2023.

	0 to 7 days	8 to 14 days	15 to 30 days	1 to 2 months	2 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Total
ASSETS											
Cash and cash equivalents	1,975.78	2.54	93.90	163.78	7.67	719.08	1,384.55	2,413.83	133.50	-	6,894.63
Loans, net of provision	1,316.59	1,480.75	1,303.94	4,286.84	4,303.72	12,846.52	24,889.03	32,014.81	970.75	0.00	83,412.95
Total assets (excluding investments)	3,292.37	1,483.28	1,397.83	4,450.62	4,311.38	13,565.61	26,273.58	34,428.64	1,104.25	-	90,307.59
As % of total assets *(%)*	3.65%	1.64%	1.55%	4.93%	4.77%	15.02%	29.09%	38.12%	1.22%	0.00%	100.00%
LIABILITIES											
Borrowings	749.60	1,479.63	1,638.01	3,907.57	3,698.92	14,099.70	20,861.48	28,393.67	3,019.82	-	77,848.40
Total liabilities (excluding foreign currency liabilities)	749.60	1,479.63	1,638.01	3,907.57	3,698.92	14,099.70	20,861.48	28,393.67	3,019.82	-	77,848.40
As % of total liabilities *(%)*	0.96%	1.90%	2.10%	5.02%	4.75%	18.11%	26.80%	36.47%	3.88%	0.00%	100.00%
Positive/(Negative) cumulative mismatch of assets over liabilities	2,542.77	2,546.43	2,306.25	2,849.30	3,461.76	2,927.68	8,339.78	14,374.75	12,459.18	12,459.18	12,459.18

Particulars	As of September 30,		As of March 31,		
	2023	2022	2023	2022	2021
Average Maturity of Assets *(In Months)*(1)	11.33	11.08	10.97	10.76	11.09
Average Maturity of Liabilities *(In Months)*(2)	12.13	12.00	13.45	12.47	11.83

Notes:

(1) Average Maturity of Assets is the weighted average of all the maturities of the Assets. The weights are the months with the maturity of the Assets.

(2) Average Maturity of Liability is the weighted average of all the maturities of the Liabilities. The weights are the months with the maturity of the Liability. Average maturity helps to determine the average time to maturity of all the liabilities calculated in months.

Classification of Assets

We follow a ‘three-stage’ model for impairment based on changes in credit quality since initial recognition as summarized below:

- Stage I (0-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.

- Stage II (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment at the reporting date.

- Stage III (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

Provisioning and write-offs

MFIs are required to adopt the asset classification and provisioning norms as set forth below:

(i) A “standard asset” means the asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business;

(ii) “Special mention accounts 0” means the accounts where the principal or interest payment is overdue for less than 31 days;

(iii) “Special mention accounts 1” means the accounts where the principal or interest payment is overdue between 31 to 60 days;

(iv) “Special mention accounts 2” means the accounts where the principal or interest payment is overdue between 61 to 90 days; and

(v) A “non-performing asset” means an asset for which interest or principal payment has remained overdue for a period of 91 days or more.

For all assets, ECL allowance is as per our Board-approved ECL model to ensure compliance with RBI Circular No. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020.

Classification and provisioning for assets

The following table sets forth certain information regarding classification of our assets and provisioning:

Particulars	As of September 30,		As of March 31,		
	2023	2022	2023	2022	2021
	(₹ in millions)		*(₹ in millions)*		
Gross carrying value:					
Stage I	84,674.65	52,828.22	69,408.82	40,665.01	30,890.18
Stage II	543.41	1,160.35	436.67	2,642.24	1,566.51
Stage III	2,070.69	1,818.51	2,141.53	2,890.01	2,589.09
Total gross carrying value:	**87,288.75**	**55,807.08**	**71,987.02**	**46,197.26**	**35,045.78**
ECL allowance:					
Stage I	459.40	443.73	383.14	580.94	551.40
Stage II	17.34	9.04	53.84	47.49	31.27
Stage III	1,312.78	887.94	1,283.19	1,587.72	1,522.79
Total ECL allowance:	**1,789.52**	**1,340.71**	**1,720.17**	**2,216.15**	**2,105.46**
ECL allowance percentage(1)	**2.05%**	**2.40%**	**2.39%**	**4.80%**	**6.01%**

Particulars	As of September 30,		As of March 31,		
	2023	2022	2023	2022	2021
	(₹ in millions)		*(₹ in millions)*		
Net carrying value:					
Stage I	84,215.25	52,384.49	69,025.68	40,084.07	30,338.78
Stage II	526.07	1,151.31	382.83	2,594.75	1,535.24
Stage III	757.91	930.57	858.34	1,302.29	1,066.30
Total net carrying value	**85,499.23**	**54,466.37**	**70,266.85**	**43,981.11**	**32,940.32**

Note:

(1) *ECL allowance percentage represents ECL allowance for the relevant period/year as a percentage of the total gross loan portfolio as of the last day of the relevant period/year derived from our Restated Financial Statements.*

The following table sets forth information regarding the provisioning of our loans as of the dates indicated:

Particulars	As of September 30,		As of March 31,		
	2023	2022	2023	2022	2021
Stage I and II	0.56%	0.84%	0.63%	1.45%	1.80%
Stage III	63.40%	48.83%	59.92%	54.94%	58.82%
Impairment allowance coverage ratio[(1)]	**86.42%**	**73.73%**	**80.32%**	**76.68%**	**81.32%**

Note:

(1) Impairment allowance coverage ratio represents the ratio of total impairment allowance on term loans (gross) derived from our Restated Financial Statements to Stage III Assets (Gross NPAs) for the relevant period/year.

The following table sets forth information regarding the classification of "Special mention accounts" ("**SMA**") as of the dates indicated:

Particulars	As of September 30,		As of March 31,		
	2023	2022	2023	2022	2021
Standard Asset	96.46%	93.64%	96.20%	85.79%	82.86%
SMA 0	0.55%	1.02%	0.22%	2.23%	5.29%
SMA 1	0.32%	0.35%	0.26%	2.29%	1.97%
SMA 2	0.30%	1.73%	0.35%	3.43%	2.50%
Non-Performing Asset	2.37%	3.26%	2.97%	6.26%	7.39%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Impairment on financial instruments

We have adopted Ind AS, which requires impairment on financial instruments to be computed using the ECL methodology. Impairment on financial instruments calculated under the ECL methodology may differ materially from calculated under the Income Recognition, Asset Classification and Provisioning ("**IRACP**") norms applicable under Indian GAAP.

The following table sets forth the difference between impairment on financial instruments calculated using the ECL methodology and provisions calculated using the IRACP norms as of September 30, 2023:

Particulars	As of September 30, 2023 *(₹ in millions)*
Total loss allowances (provisions) as required under Ind AS 109 **(A)**	1,789.52
Provisions required as per IRACP norms[(1)] **(B)**	1,613.39
Difference between total loss allowances (provisions) as required under Ind AS 109 and provisions required as per IRACP norms **((A)-(B))**	176.11

Note:

(1) The amount of the securitization is an on-balance sheet item under IRACP norms in line with Ind AS for the purpose of computing provisions.

Operational Metrics

Particulars	As of / for the Six months ended September 30,		As of / for the Financial Year Ended March 31,		
	2023	**2022**	**2023**	**2022**	**2021**
Number of states and union territories where we operate	18	18	18	16	17
Number of districts where we operate	339	305	321	281	249
Number of branches	1,340	1,008	1,172	905	755
Gross loan portfolio per branch *(₹ million)*	81.10	73.90	78.57	69.12	66.05
Number of active customers *(million)*	3.19	2.40	2.77	2.05	1.86
Number of active loan accounts *(million)*	3.94	3.20	3.34	2.72	2.28
Disbursements per branch *(₹ million)*	38.67	34.59	69.15	51.35	34.92
Number of active customers per branch	2,383.19	2,382.75	2,366.15	2,266.02	2,457.66
Number of employees per branch	9.18	9.08	8.73	9.04	9.07
Gross loan portfolio per active loan account	27,613.01	23,269.14	27,596.01	23,017.09	21,917.54
Number of employees	12,297	9,150	10,227	8,178	6,846
Gross loan portfolio per employee *(₹ million)*	8.84	8.14	9.00	7.65	7.28
Disbursements in the year per employee *(₹ million)*	4.21	3.81	7.92	5.68	3.85
Number of Loan officers	7,493	5,648	6,274	4,994	4,552
Branch management staff	2,666	1,563	1,962	1,338	1,060
Area office managers	336	259	281	200	133
Field Monitoring staff – Operation Team	287	235	257	206	162
Field Monitoring staff – Other Departments	942	828	844	818	450
Regional office staff	301	271	282	270	237
Head office staff	272	346	327	352	252
Gross loan portfolio per loan	14.50	13.19	14.68	12.52	10.95

Particulars	As of / for the Six months ended September 30,		As of / for the Financial Year Ended March 31,		
	2023	2022	2023	2022	2021
officer *(₹ million)*					
Disbursements in the year per loan officer *(₹ million)*	6.92	6.17	12.92	9.31	5.79
Number of active customers per loan officer	426.19	425.25	442.00	410.64	407.63
Collections *(₹ million)*	37,356.76	23,830.86	53,867.89	34,643.84	29,130.19
Collection efficiency *(%)*(1)	98.89%	93.71%	95.84%	85.75%	67.52%
Repeat customers *(million)*(2)	1.00	0.76	1.29	1.12	0.98
Unique customers *(million)*(3)	2.20	1.64	1.49	0.93	0.87
Proportion of unique customers *(%)*	68.77%	68.39%	53.57%	45.19%	46.99%
Average disbursement turnaround time during first cycle *(days)*	3.8	4.2	4.1	4.4	4.7
Average disbursement turnaround time during subsequent cycles *(days)*	2.5	2.9	2.8	2.9	2.8

Notes:

(1) Collection efficiency represents the ratio of our collections (including overdue collections) to billings for the relevant period/year.

(2) Repeat customers represent the number of customers who have taken one or more additional loans from us after taking their initial loan.

(3) Unique customers refer to customers who are in their first loan cycle with us.

Loans Outstanding in Various States

Set forth below are aggregate loans outstanding in various states of India:

(₹ in millions, unless otherwise stated)

State	As of September 30,				As of March 31,					
	2023		2022		2023		2022		2021	
	Gross Loan portfolio	*% of Gross Loan portfolio*	*Gross Loan portfolio*	*% of Gross Loan portfolio*	*Gross Loan portfolio*	*% of Gross Loan portfolio*	*Gross Loan portfolio*	*% of Gross Loan portfolio*	*Gross Loan portfolio*	*% of Gross Loan portfolio*
Tamil Nadu	27,172.51	25.00%	21,681.01	29.10%	24,392.70	26.49%	19,487.90	31.16%	15,280.91	30.64%
Puducherry	1,092.75	1.01%	922.16	1.24%	1,057.04	1.15%	770.03	1.23%	755.43	1.51%
Kerala	18,505.10	17.03%	15,817.21	21.23%	17,639.19	19.16%	14,646.37	23.42%	12,440.10	24.95%
Karnataka	10,138.34	9.33%	6,561.00	8.81%	8,441.34	9.17%	5,633.63	9.01%	4,788.29	9.60%
Gujarat	3,715.57	3.42%	2,756.29	3.70%	3,310.89	3.60%	2,317.95	3.71%	1,829.02	3.67%
Uttar Pradesh	9,378.28	8.63%	5,627.45	7.55%	7,528.56	8.18%	4,086.16	6.53%	2,949.26	5.91%
Odisha	4,760.28	4.38%	2,974.96	3.99%	3,841.02	4.17%	2,643.08	4.23%	1,894.18	3.80%
Punjab	2,601.93	2.39%	2,164.99	2.91%	2,345.58	2.55%	1,733.01	2.77%	1,811.05	3.63%
Maharashtra	4,114.96	3.79%	2,117.86	2.84%	2,995.29	3.25%	1,665.85	2.66%	1,189.72	2.39%
Haryana	1,694.70	1.56%	1,336.98	1.79%	1,557.05	1.69%	1,096.93	1.75%	901.95	1.81%
Madhya Pradesh	1,238.54	1.14%	999.32	1.34%	1,216.61	1.32%	782.72	1.25%	563.97	1.13%
West Bengal	7,595.18	6.99%	3,684.62	4.95%	5,548.18	6.03%	2,438.42	3.90%	1,379.96	2.77%
Jharkhand	1,451.55	1.34%	818.87	1.10%	1,072.89	1.17%	636.40	1.02%	463.82	0.93%
Bihar	10,497.40	9.66%	4,591.33	6.16%	7,480.34	8.12%	2,736.18	4.37%	1,827.23	3.66%
Goa	-	0.00%	-	0.00%	-	0.00%	-	0.00%	6.85	0.01%
Rajasthan	3,614.07	3.33%	1,912.48	2.57%	2,793.04	3.03%	1,456.93	2.33%	1,501.26	3.01%

State	As of September 30,				As of March 31,					
	2023		2022		2023		2022		2021	
	Gross Loan portfolio	*% of Gross Loan portfolio*	*Gross Loan portfolio*	*% of Gross Loan portfolio*	*Gross Loan portfolio*	*% of Gross Loan portfolio*	*Gross Loan portfolio*	*% of Gross Loan portfolio*	*Gross Loan portfolio*	*% of Gross Loan portfolio*
Himachal Pradesh	52.69	0.05%	3.04	0.00%	39.20	0.04%	-	0.00%	-	0.00%
Chhattisgarh	698.08	0.64%	475.96	0.64%	595.08	0.65%	417.85	0.67%	284.14	0.57%
Uttarakhand	348.73	0.32%	49.34	0.07%	228.96	0.25%	-	0.00%	-	0.00%
Total	**108,670.66**	**100.00%**	**74,494.86**	**100.00%**	**92,082.96**	**100.00%**	**62,549.42**	**100.00%**	**49,867.11**	**100.00%**

Disbursements in Various States

Set forth below are disbursements in various states of India:

(₹ in millions, unless otherwise stated)

State	For the Six Months Ended September 30,				For the Financial Year					
	2023		2022		2023		2022		2021	
	Disbursements	*% of Disbursements*	*Disbursements*	*% of Disbursements*	*Disbursements*	*% of Disbursements*	*Disbursements*	*% of Disbursements*	*Disbursements*	*% of Disbursements*
Tamil Nadu	6,182.48	22.89%	5,112.86	23.89%	19,480.40	24.04%	14,436.68	31.07%	8,562.95	32.48%
Puducherry	239.19	0.89%	252.87	1.18%	917.53	1.13%	568.03	1.22%	372.19	1.41%
Kerala	4,379.88	16.22%	4,249.74	19.86%	15,777.96	19.47%	10,494.86	22.58%	5,636.56	21.38%
Karnataka	2,727.43	10.10%	1,844.83	8.62%	7,205.88	8.89%	3,652.28	7.86%	2,119.17	8.04%
Gujarat	770.36	2.85%	618.72	2.89%	2,467.44	3.04%	1,428.23	3.07%	779.08	2.95%
Uttar Pradesh	2,102.89	7.79%	2,215.86	10.35%	7,145.67	8.82%	3,364.65	7.24%	1,965.64	7.45%
Odisha	1,361.26	5.04%	732.39	3.42%	3,261.58	4.02%	2,103.83	4.53%	1,007.54	3.82%
Punjab	560.47	2.08%	601.23	2.81%	1,971.82	2.43%	1,150.69	2.48%	865.45	3.28%
Maharashtra	1,167.55	4.32%	626.68	2.93%	2,625.91	3.24%	1,275.06	2.74%	650.84	2.47%
Haryana	359.91	1.33%	416.71	1.95%	1,416.77	1.75%	954.66	2.05%	568.77	2.16%
Madhya Pradesh	184.57	0.68%	320.90	1.50%	1,093.06	1.35%	652.66	1.40%	410.39	1.56%
West Bengal	2,445.85	9.06%	1,381.50	6.46%	5,761.60	7.11%	2,278.57	4.90%	1,006.53	3.82%
Jharkhand	396.48	1.47%	267.79	1.25%	1,013.46	1.25%	574.42	1.24%	350.99	1.33%
Bihar	2,919.52	10.81%	1,920.98	8.98%	7,502.23	9.26%	2,215.44	4.77%	1,093.23	4.15%
Goa	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Rajasthan	950.32	3.52%	682.81	3.19%	2,626.65	3.24%	1,010.78	2.18%	819.64	3.11%
Himachal Pradesh	8.41	0.03%	3.04	0.01%	41.86	0.05%	-	0.00%	-	0.00%
Chhattisgarh	162.52	0.60%	107.95	0.50%	484.70	0.60%	308.79	0.66%	158.69	0.60%
Uttarakhand	85.07	0.32%	42.13	0.20%	250.22	0.31%	-	0.00%	-	0.00%
Total	**27,004.13**	**100.00%**	**21,399.01**	**100.00%**	**81,044.74**	**100.00%**	**46,469.63**	**100.00%**	**26,367.66**	**100.00%**

Active Customers in Various States

Set forth below are active customers in various states of India:

(₹ in millions, unless otherwise stated)

State	As of September 30,				As of March 31,					
	2023		2022		2023		2022		2021	
	Active Customers	*% of Active Customers*	*Active Customers*	*% of Active Customers*	*Active Customers*	*% of Active Customers*	*Active Customers*	*% of Active Customers*	*Active Customers*	*% of Active Customers*
Tamil Nadu	0.83	26.04%	0.72	29.79%	0.78	27.97%	0.62	30.35%	0.57	30.51%
Puducherry	0.03	1.00%	0.03	1.23%	0.03	1.13%	0.03	1.26%	0.03	1.60%
Kerala	0.47	14.63%	0.42	17.61%	0.45	16.17%	0.41	19.97%	0.42	22.53%
Karnataka	0.26	8.16%	0.19	7.96%	0.22	8.08%	0.17	8.44%	0.17	9.01%
Gujarat	0.13	4.18%	0.11	4.40%	0.12	4.34%	0.09	4.50%	0.08	4.56%
Uttar Pradesh	0.30	9.44%	0.20	8.35%	0.24	8.80%	0.16	7.65%	0.12	6.50%
Odisha	0.15	4.84%	0.11	4.52%	0.13	4.72%	0.09	4.31%	0.07	3.77%
Punjab	0.09	2.94%	0.08	3.50%	0.09	3.13%	0.07	3.51%	0.08	4.06%
Maharashtra	0.12	3.65%	0.07	3.04%	0.09	3.32%	0.06	2.87%	0.04	2.42%
Haryana	0.06	1.86%	0.05	2.09%	0.05	1.88%	0.04	2.08%	0.04	1.98%
Madhya Pradesh	0.05	1.47%	0.04	1.53%	0.04	1.52%	0.03	1.42%	0.02	1.35%
West Bengal	0.20	6.22%	0.11	4.49%	0.15	5.45%	0.07	3.56%	0.05	2.57%
Jharkhand	0.04	1.40%	0.03	1.07%	0.03	1.20%	0.02	0.97%	0.02	0.85%
Bihar	0.31	9.61%	0.16	6.56%	0.22	8.05%	0.11	5.35%	0.08	4.28%
Goa	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00	0.02%
Rajasthan	0.11	3.39%	0.07	3.05%	0.09	3.21%	0.06	3.00%	0.06	3.32%
Himachal Pradesh	0.00	0.05%	0.00	0.00%	0.00	0.04%	-	0.00%	-	0.00%
Chhattisgarh	0.02	0.76%	0.02	0.75%	0.02	0.76%	0.02	0.75%	0.01	0.69%
Uttarakhand	0.01	0.34%	0.00	0.06%	0.01	0.23%	-	0.00%	-	0.00%
Total	**3.19**	**100.00%**	**2.40**	**100.00%**	**2.77**	**100.00%**	**2.05**	**100.00%**	**1.86**	**100.00%**

Number of Branches in Various States

Set forth below are number of branches in various states of India:

State	Six Months Ended September 30,				Financial Year					
	2023		2022		2023		2022		2021	
	Number of Branches	*% of Branches*	*Number of Branches*	*% of Branches*	*Number of Branches*	*% of Branches*	*Number of Branches*	*% of Branches*	*Number of Branches*	*% of Branches*
Tamil Nadu	302	22.54%	229	22.72%	253	21.59%	221	24.42%	182	24.11%
Puducherry	10	0.75%	9	0.89%	9	0.77%	9	0.99%	8	1.06%
Kerala	200	14.93%	162	16.07%	194	16.55%	141	15.58%	127	16.82%
Karnataka	121	9.03%	103	10.22%	120	10.24%	97	10.72%	95	12.58%
Gujarat	57	4.25%	46	4.56%	52	4.44%	41	4.53%	41	5.43%
Uttar Pradesh	121	9.03%	82	8.13%	101	8.62%	68	7.51%	47	6.23%
Odisha	63	4.70%	43	4.27%	56	4.78%	41	4.53%	28	3.71%
Maharashtra	66	4.93%	46	4.56%	49	4.18%	36	3.98%	33	4.37%
Punjab	44	3.28%	44	4.37%	44	3.75%	42	4.64%	40	5.30%
Madhya Pradesh	21	1.57%	18	1.79%	21	1.79%	16	1.77%	12	1.59%
Haryana	35	2.61%	28	2.78%	34	2.90%	28	3.09%	18	2.38%
West Bengal	95	7.09%	60	5.95%	72	6.14%	46	5.08%	34	4.50%
Bihar	107	7.99%	63	6.25%	81	6.91%	55	6.08%	33	4.37%
Rajasthan	53	3.96%	44	4.37%	47	4.01%	40	4.42%	32	4.24%
Jharkhand	20	1.49%	12	1.19%	16	1.37%	11	1.22%	10	1.32%
Goa	-	0.00%	-	0.00%	-	0.00%	-	0.00%	1	0.13%
Himachal Pradesh	2	0.15%	2	0.20%	2	0.17%	-	0.00%	-	0.00%
Chhattisgarh	14	1.04%	13	1.29%	14	1.19%	13	1.44%	14	1.85%

State	Six Months Ended September 30,				Financial Year					
	2023		2022		2023		2022		2021	
	Number of Branches	*% of Branches*	*Number of Branches*	*% of Branches*	*Number of Branches*	*% of Branches*	*Number of Branches*	*% of Branches*	*Number of Branches*	*% of Branches*
Uttarakhand	9	0.67%	4	0.40%	7	0.60%	-	0.00%	-	0.00%
Total	**1,340**	**100.00%**	**1,008**	**100.00%**	**1,172**	**100.00%**	**905**	**100.00%**	**755**	**100.00%**

Loans Outstanding by Regions

(₹ in millions, unless otherwise stated)

Regions	As of September 30,				As of March 31,					
	2023		2022		2023		2022		2021	
	Gross loan portfolio	*% of Gross loan portfolio*	*Gross loan portfolio*	*% of Gross loan portfolio*	*Gross loan portfolio*	*% of Gross loan portfolio*	*Gross loan portfolio*	*% of Gross loan portfolio*	*Gross loan portfolio*	*% of Gross loan portfolio*
Urban(1)	4,751.05	4.37%	3,308.65	4.44%	4,910.77	5.33%	2,919.67	4.67%	2,466.67	4.95%
Rural(2)	103,919.61	95.63%	71,186.21	95.56%	87,172.19	94.67%	59,629.75	95.33%	47,400.43	95.05%
Total	**108,670.66**	100.00%	**74,494.86**	100.00%	**92,082.96**	**100.00%**	**62,549.42**	**100.00%**	**49,867.11**	**100.00%**

Notes:

(1) Urban represents the regions in India that are located outside villages.

(2) Rural represents the regions in India that are located in villages.

Disbursements by Regions

(₹ in millions, unless otherwise stated)

Regions	As of September 30,				As of March 31,					
	2023		2022		2023		2022		2021	
	Gross loan portfolio	*% of Gross loan portfolio*	*Gross loan portfolio*	*% of Gross loan portfolio*	*Gross loan portfolio*	*% of Gross loan portfolio*	*Gross loan portfolio*	*% of Gross loan portfolio*	*Gross loan portfolio*	*% of Gross loan portfolio*
Urban(1)	2,139.26	4.13%	2,309.92	6.63%	5,370.49	6.63%	4,402.66	9.47%	1,474.84	5.59%
Rural(2)	49,676.49	95.87%	32,555.28	93.37%	75,674.25	93.37%	42,066.97	90.53%	24,892.82	94.41%
Total	**51,815.75**	**100.00%**	**34,865.20**	**100.00%**	**81,044.74**	**100.00%**	**46,469.63**	**100.00%**	**26,367.66**	**100.00%**

Notes:

(1) Urban represents the regions in India that are located outside villages.

(2) Rural represents the regions in India that are located in villages.

Active Customers by Regions

(₹ in millions, unless otherwise stated)

Regions	As of September 30,				As of March 31,					
	2023		2022		2023		2022		2021	
	Gross loan portfolio	*% of Gross loan portfolio*	*Gross loan portfolio*	*% of Gross loan portfolio*	*Gross loan portfolio*	*% of Gross loan portfolio*	*Gross loan portfolio*	*% of Gross loan portfolio*	*Gross loan portfolio*	*% of Gross loan portfolio*
Urban(1)	0.11	3.42%	0.09	3.56%	0.11	3.95%	0.08	4.00%	0.07	3.67%
Rural(2)	3.08	96.58%	2.32	96.44%	2.66	96.05%	1.97	96.00%	1.79	96.33%
Total	**3.19**	**100.00%**	**2.40**	**100.00%**	**2.77**	**100.00%**	**2.05**	**100.00%**	**1.86**	**100.00%**

Notes:

(1) Urban represents the regions in India that are located outside villages.

(2) Rural represents the regions in India that are located in villages.

Break-up of Branches based on Age

Age of branches	Six Months Ended September 30,						Financial Year								
	2023			2022			2023			2022			2021		
	Number of branches	*Active customers per branch*	*Active loan accounts per branch*	*Number of branches*	*Active customers per branch*	*Active loan accounts per branch*	*Number of branches*	*Active customers per branch*	*Active loan accounts per branch*	*Number of branches*	*Active customers per branch*	*Active loan accounts per branch*	*Number of branches*	*Active customers per branch*	*Active loan accounts per branch*
<1 year	346	1,800.97	2,341.29	216	1,731.60	2,434.58	279	1,299.49	1,603.20	162	1,157.15	1,546.52	64	1,747.17	2,177.13
1-3 years	277	2,972.04	3,700.71	191	2,779.00	3,745.30	220	2,451.16	2,904.21	202	1,958.94	2,554.85	229	1,806.56	2,119.61
>3 years	717	3,127.68	3,794.90	601	3,213.04	4,293.41	673	2,780.56	3,344.13	541	2,712.72	3,606.11	462	2,878.83	3,572.48
Total	**1,340**	**2,383.19**	**2,936.93**	**1,008**	**2,382.75**	**3,176.04**	**1,172**	**2,366.15**	**2,847.12**	**905**	**2,266.02**	**3,002.79**	**755**	**2,457.66**	**3,013.53**

Age of branches	Six Months Ended September 30,						Financial Year								
	2023			2022			2023			2022			2021		
	Gross loan portfolio per branch (₹ million)	*Disburse-ments per branch (₹ million)*	*Employees per branch*	*Gross loan portfolio per branch (₹ million)*	*Disburse-ments per branch (₹ million)*	*Employees per branch*	*Gross loan portfolio per branch (₹ million)*	*Disburse-ments per branch (₹ million)*	*Employees per branch*	*Gross loan portfolio per branch (₹ million)*	*Disburse-ments per branch (₹ million)*	*Employees per branch*	*Gross loan portfolio per branch (₹ million)*	*Disburse-ments per branch (₹ million)*	*Employees per branch*
<1 year	53	35.30	6	42	10.53	6	47.84	59.58	5.76	34.98	27.57	5.38	49.44	52.68	5.78
1-3 years	89	39.85	8	71	15.37	7	82.04	77.14	7.08	58.63	53.47	6.52	45.68	26.48	6.28
>3 years	90	39.31	8	86	13.40	8	90.17	70.51	7.53	83.25	57.68	7.66	78.45	36.65	8.23
Total	**81**	**20.15**	**9**	**74**	**21.23**	**9**	**78.57**	**69.15**	**8.73**	**69.12**	**51.35**	**9.04**	**66.05**	**34.92**	**9.07**

Exposure of Districts

% contribution of total loan portfolio	Six Months Ended September 30,				Financial Year					
	2023		2022		2023		2022		2021	
	Number of Districts	*% of Total Districts*	*Number of Districts*	*% of Total Districts*	*Number of Districts*	*% of Total Districts*	*Number of Districts*	*% of Total Districts*	*Number of Districts*	*% of Total Districts*
<0.5%	285	84.07%	256	83.93%	264	82.24%	232	82.56%	204	81.93%
0.5% - 1.0%	36	10.62%	23	7.54%	34	10.59%	24	8.54%	17	6.83%
1.0%-3.0%	17	5.01%	24	7.87%	22	6.85%	22	7.83%	24	9.64%
3.0%-5.0%	1	0.29%	2	0.66%	1	0.31%	2	0.71%	4	1.61%
>5.0%	-	0.00%	-	0.00%	-	0.00%	1	0.36%	-	0.00%
Total	**339**	**100.00%**	**305**	**100.00%**	**321**	**100.00%**	**281**	**100.00%**	**249**	**100.00%**

% contribution of total loan portfolio	Six Months Ended September 30,				Financial Year					
	2023		2022		2023		2022		2021	
	Gross loan portfolio (₹ million)	*% of Gross loan portfolio*	*Gross loan portfolio (₹ million)*	*% of Gross loan portfolio*	*Gross loan portfolio (₹ million)*	*% of Gross loan portfolio*	*Gross loan portfolio (₹ million)*	*% of Gross loan portfolio*	*Gross loan portfolio (₹ million)*	*% of Gross loan portfolio*
<0.5%	48,093.14	44.26%	29,522.55	39.63%	36,462.44	39.60%	22,386.89	35.79%	18,000.97	36.10%
0.5% - 1.0%	28,080.96	25.84%	11,373.43	15.27%	20,656.25	22.43%	10,048.82	16.07%	5,200.98	10.43%
1.0%-3.0%	28,507.35	26.23%	27,735.42	37.23%	31,073.25	33.74%	22,734.67	36.35%	18,714.42	37.53%
3.0%-5.0%	3,989.20	3.67%	5,863.47	7.87%	3,891.02	4.23%	4,179.67	6.68%	7,950.74	15.94%
>5.0%	-	0.00%	-	0.00%	-	0.00%	3,199.37	5.11%	-	0.00%
Total	**108,670.66**	**100.00%**	**74,494.86**	**100.00%**	**92,082.96**	**100.00%**	**62,549.42**	**100.00%**	**49,867.11**	**100.00%**

Break-up of Loans Outstanding based on the Economic Activity of Customers

Set forth below are details of our gross loan portfolio classified according to our Customers' principal economic activity, as of September 30, 2023.

Economic activity	September 30, 2023		
	Number of Loans Accounts (million)	*Gross Income-Generating Gross Loan Portfolio (₹ million)*	*% of Gross Loan Portfolio*
Agriculture	0.77	26,211.14	24.12%
Animal Husbandry	1.18	34,903.47	32.12%
Manufacturing	0.20	5,678.99	5.23%
Services	0.96	27,934.48	25.71%
Trading	0.36	10,349.35	9.52%
Sanitation	0.06	1,127.59	1.04%
Consumption	0.36	1,882.44	1.73%
Education	0.05	583.20	0.54%
Total	**3.94**	**108,670.66**	**100.00%**

Collection Efficiency in Various States

Set forth below are details of collection efficiency[(1)] as of the financial year ended March 31**,** 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023.

State	As of September 30,		As of March 31,		
	2023	2022	2023	2022	2021
Tamil Nadu	97.72%	91.22%	93.49%	83.65%	68.90%
Puducherry	97.52%	89.33%	92.33%	81.16%	69.44%
Kerala	99.22%	93.18%	95.87%	82.08%	64.68%
Karnataka	100.16%	95.90%	97.59%	84.53%	59.41%
Gujarat	97.53%	92.88%	94.93%	83.61%	62.08%
Uttar Pradesh	99.59%	98.40%	99.13%	95.57%	75.32%
Odisha	99.07%	93.84%	96.11%	91.56%	61.63%
Maharashtra	97.16%	90.72%	91.89%	85.80%	59.40%
Punjab	97.96%	90.67%	93.60%	86.93%	72.67%
Madhya Pradesh	94.28%	94.67%	95.80%	91.37%	68.63%
Haryana	98.65%	97.37%	98.45%	95.77%	82.98%
West Bengal	101.29%	102.39%	102.53%	92.72%	62.44%
Bihar	100.63%	99.66%	100.12%	94.21%	77.18%
Rajasthan	98.90%	90.43%	93.85%	88.10%	82.36%
Jharkhand	98.43%	96.15%	96.41%	90.77%	73.51%
Goa	0.00%	0.00%	0.00%	1,494.37%	68.98%
Chhattisgarh	94.51%	88.47%	91.34%	79.80%	71.77%
Himachal Pradesh	102.17%	0.00%	100.75%	0.00%	0.00%
Uttarakhand	102.53%	102.98%	101.09%	0.00%	0.00%
Average	**98.89%**	**93.71%**	**95.84%**	**85.75%**	**67.52%**

Notes:

(1) The collection efficiency represents the ratio of our collections (including overdue collection and advance collection, but excluding prepayments) to billings, for the relevant period/year.

Portfolio performance by period

Set forth below are details relating to the portfolio performance of our loans disbursed post June 30, 2021 and our loans disbursed on or prior to June 30, 2021, for the Financial Year 2023 and the six months ended September 30, 2023.

Particulars	Six months ended September 30, 2023					
	Number of outstanding loan accounts	***% of outstanding loan accounts***	***Total principal outstanding***	***% of Total principal outstanding***	***% of Stage II Portfolio***	***% of Stage III Portfolio***
Loans Disbursed post June 30, 2021	32,65,757	89.55%	84,923.11	97.29%	0.59%	0.67%
Loans Disbursed on or prior to June 30, 2021	3,81,270	10.45%	2,365.65	2.71%	0.04%	1.70%
Total	**36,47,027**	**100.00%**	**87,288.75**	**100.00%**	**0.62%**	**2.37%**

Particulars	Financial Year 2023					
	Number of outstanding loan accounts	***% of outstanding loan accounts***	***Total principal outstanding***	***% of Total principal outstanding***	***% of Stage II Portfolio***	***% of Stage III Portfolio***
Loans Disbursed post June 30, 2021	2,559,821	83.95%	68,708.82	95.45%	0.38%	0.37%
Loans Disbursed on or prior to June 30, 2021	489,231	16.05%	3,278.20	4.55%	0.23%	2.61%
Total	**3,049,052**	**100.00%**	**71,987.02**	**100.00%**	**0.61%**	**2.97%**

Analysis of our Customers

Set forth below are details relating to the customers of our Company.

Particulars	As of / for the Six Months Ended September 30,		As of / for the Financial Year Ended March 31,		
	2023	**2022**	**2023**	**2022**	**2021**
Active loan accounts *(million)*[(1)]	3.94	3.20	3.34	2.72	2.28
Number of active customers *(million)*[(2)]	3.19	2.40	2.77	2.05	1.86
Number of active customers growth *(%)*	6.15%	10.49%	35.23%	10.52%	(1.44)%
Active loan account per customer *(times)*	1.23	1.33	1.20	1.33	1.23
Loan disbursed during the period *(million)*	1.22	1.07	2.11	1.35	0.76
Customers to whom loans were disbursed during the period *(million)*	0.95	0.72	1.52	1.02	0.70
Repeat customers to whom loans were disbursed *(million)*[(3)]	0.16	0.24	0.51	0.57	0.49
Repeat customers to total customers to whom loans were disbursed *(%)*	16.25%	33.03%	33.67%	55.77%	70.02%
New customers *(million)*[(4)]	0.47	0.43	1.01	0.45	0.21
New customers to total customers to whom loans were disbursed *(%)*	49.78%	60.10%	66.33%	44.23%	29.98%
New to Credit (NTC) Customers *(million)*[(5)]	0.11	0.13	0.20	0.14	0.06
NTC customers to total customers to whom loans were disbursed *(%)*	11.07%	17.71%	13.47%	13.21%	9.04%

Notes:

(1) Active loan accounts represent the aggregate number of all loan assets under management which includes loan assets held by our Company as of the last day of the relevant period/year as well as loan assets which have been transferred by our Company by way of assignment and are outstanding as of the last day of the relevant period/year.

(2) Number of active customers represent the aggregate number of customers who have an active loan account as on the last day of the relevant period/year.

(3) Repeat customers to whom loans were disbursed represent the customers who have taken one or more loans with our Company while disbursing a fresh

loan during the corresponding period.

(4) *New customers represent customers who are first time borrowers of our Company while disbursing a fresh loan during the corresponding period.*

(5) *New to Credit Customers (NTC) represent customers who do not have any outstanding formal borrowing or credit history while disbursing a fresh loan during the corresponding period.*

Digital Adoption

Set forth below are details relating to the digital adoption of our Company.

Particulars	As of / for the Six Months Ended September 30,		As of / for the Financial Year Ended March 31,		
	2023	2022	2023	2022	2021
Number of active customers *(million)*	3.19	2.40	2.77	2.05	1.86
Total Mahila Mitra App Downloads (During the year) *(million)*	0.32	0.19	0.31	0.85	0.02
Total Mahila Mitra App Downloads (As of the relevant year) *(million)*	1.50	1.06	1.18	0.87	0.02
Unique Customers who Transacted Digitally with us (For the relevant financial year) *(million)*	2.46	0.83	1.70	0.52	0.13
Unique Customers who Transacted Digitally with us (As of the relevant financial year) *(million)*	2.46	1.02	1.94	0.59	0.13
Cashless Disbursement *(%)*	100.00%	100.00%	100.00%	100.00%	100.00%
Digital Collection (For the relevant financial year) *(₹ million)*[(1)]	9,515.25	2,488.00	10,955.40	1,683.01	308.59
Digital Collection Share in Overall Collection (For the relevant financial year) *(%)*[(2)]	25.47%	10.41%	20.30%	4.86%	1.06%

Notes:

(1) *Digital Collection for the financial year/periods represents the amount collected through various digital channels such as QR codes, Easypay and Wallet during the relevant financial year/periods.*

(2) *Digital Collection share in overall collection for the financial year/periods is the ratio of digital collection to overall collection for the relevant financial year/periods.*

Performance Indicators of Digital Branches

Set forth below are details relating to the performance of our branches under various digital collection share categories.

	Ratio of Digital Collection to Overall Collection (For the period between April 1, 2023 to September 30, 2023)			
	Below 50%	50%-80%	80%-90%	90%-100%
Percentage of branches *(%)*	87.76%	5.07%	1.12%	6.04%
Productivity performance of branches *(Number)*[(1)]	28.16	37.67	56.35	44.38
Fresh Delinquency PAR *(%)*[(2)]	0.33%	0.20%	0.11%	0.04%

Notes:

(1) *Productivity performance of branches represents the ratio of number of loans disbursed for the period between April 1, 2023 to September 30, 2023 to number of active relationship officers for the period between April 1, 2023 to September 30, 2023.*

(2) *Fresh Delinquency PAR represents the ratio of average fresh delinquency for the period between April 1, 2023 to September 30, 2023 to average gross loan portfolio for the period between April 1, 2023 to September 30, 2023.*

Performance Indicators of Score Card-based Disbursements

Set forth below are details relating to the performance of our disbursements through the use of our internal score card (that assigns a credit score rating such as "very low risk", "low risk", "medium risk" and "high risk" to our customers) which we developed along with Equifax.

	Credit Rating Assigned to Customers	
	Very Low & Low	Medium & High
Disbursements *(₹ million)*[(1)]	40,979.87	6,987.06
Percentage of Disbursements *(%)*[(2)]	85.43%	14.57%
Number of loans disbursed *(₹ million)*[(3)]	0.75	0.12
Percentage of loans disbursed *(%)*[(4)]	86.37%	13.63%
Average Ticket Size *(₹)*[(5)]	48,252.03	39,292.84
PAR 0+[(6)]	0.20%	0.52%

Notes:

(1) Disbursements represent the total amount of Income Generating Loans disbursed through the use of our internal score card for the six months ended September 30, 2023.

(2) Percentage of Disbursements is the ratio of Disbursements (as per Note 1 to this table) of each category of customers to total Disbursements (as per Note 1 to this table) across all categories of customers.

(3) Number of loans disbursed represent the total number of Income Generating Loans disbursed through the use of our internal score card for the six months ended September 30, 2023.

(4) Percentage of loans disbursed (%) is the ratio of Number of loans disbursed (as per Note 3 to this table) to each category of customers to total Number of loans disbursed (as per Note 3 to this table) across all categories of customers.

(5) Average Ticket size represents the ratio of Disbursements (as per Note 1 to this table) to Number of loans disbursed (as per Note 3 to this table) after the implementation and use of our internal score card towards New Customers. New Customers represent customers who are first time borrowers of our Company while disbursing a fresh loan during the corresponding period.

(6) PAR 0+ represents the ratio of delinquent loans for clients disbursed through the use of our internal score card to the total amount of loans disbursed through the use of our internal score card to New Customers.

Customer support activity

Set forth below are details relating to insurance support products offered to our customers by our Company.

Particulars	As of / for the Six Months Ended September 30,		As of / for the Financial Year Ended March 31,		
	2023	2022	2023	2022	2021
Insurance Premium collected *(₹ million)*	2,299.73	1,459.52	3,380.93	1,856.03	981.15
Life Insurance *(₹ million)*	1,643.08	1,069.72	2,440.26	1,383.05	772.36
Medical Insurance *(₹ million)*	304.88	304.31	598.28	387.54	175.44
Natural Calamity Insurance *(₹ million)*	351.78	85.49	342.38	85.43	33.36
Number of Life Insured - Life Insurance *(in millions)*	2.43	1.52	3.33	2.43	1.50
E Clinics	460	271	358	12	Not Applicable
Proportion of Branches with E Clinics *(%)*	34.33%	26.88%	30.55%	1.33%	Not Applicable
Number of persons Enrolled for Digital Consultation *(in millions)*	0.44	0.35	0.69	0.20	Not Applicable
Medical Consultations	98,844	60,898	198,826	24,100	Not Applicable
Tele Consultation	65,878	28,996	78,801	11,456	Not Applicable

Financial and Operational Metrics for Mature States

We have classified three states and one union territory where we first commenced our operations as mature states, which includes Kerala, Tamil Nadu, Puducherry and Karnataka. The following table sets forth the financial and operational performance of these mature states.

Particulars	As of / for the Six Months Ended September 30,		As of / for the Financial Year Ended March 31,		
	2023	2022	2023	2022	2021
Number of branches	633	503	576	468	412
Number of districts	79	77	78	72	65

Particulars	As of / for the Six Months Ended September 30,		As of / for the Financial Year Ended March 31,		
	2023	2022	2023	2022	2021
Average number of branches per district	8.01	6.53	7.38	6.50	6.34
Gross loan portfolio *(₹ million)*(1)	56,908.70	44,981.38	51,530.27	40,537.93	33,264.72
Gross loan portfolio growth *(%)*(2)	26.52%	38.76%	27.12%	21.86%	2.25%
Gross loan portfolio per branch *(₹ million)*	89.90	89.43	89.46	86.62	80.74
Disbursements *(₹ million)*	25,524.06	19,290.65	43,381.77	29,151.85	16,690.87
Disbursement growth *(%)*(3)	32.31%	123.40%	48.81%	74.66%	(37.69)%
Disbursements per branch *(₹ million)*	40.32	38.35	75.32	62.29	40.51
Collection Efficiency *(%)*(4)	98.60%	92.46%	94.85%	83.11%	66.06%
Active Customers *(million)*(5)	1.59	1.36	1.48	1.23	1.18
Active Customers per branch	2,514	2,702	2,568.06	2,629.53	2,866.41
Customers to whom loans were disbursed during the period *(million)*	0.44	0.52	0.71	0.59	0.41
Repeat customers to whom loans were disbursed *(million)*(6)	0.08	0.43	0.32	0.39	0.33
Repeat customers to total customers to whom loans were disbursed *(%)*	18.29%	82.40%	44.40%	65.93%	80.81%
New customers *(million)*(7)	0.15	0.18	0.40	0.20	0.08
New customers to total customers to whom loans were disbursed *(%)*	34.69%	33.54%	55.60%	34.07%	19.19%
New to Credit (NTC) Customers *(million)*(8)	0.03	0.05	0.07	0.05	0.02
NTC customers to total customers to whom loans were disbursed *(%)*	7.07%	9.13%	10.07%	9.30%	5.04%
Employees	6,077	4,995	5,213	4,704	4,188
Loan officers	3,545	2,956	3,045	2,788	2,754
Gross loan portfolio per loan officer *(₹ million)*	16.05	15.22	16.92	14.54	12.08
Disbursement per loan officer *(₹ million)*	7.20	6.53	14.25	10.46	6.06
Active customers per loan officer	448.93	459.76	485.78	441.40	428.82

Notes:

(1) Gross loan portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets which includes loan assets held by our Company as of the last day of the relevant period/year, loan assets which have been transferred by our Company by way of assignment as well as loan assets managed by our Company through partner institution and co-lending partner, and are outstanding as of the last day of the relevant period/year. While we act as partner institution for these loans, these loans are provided on the balance sheet of our partner institution, and not recognized as our loan assets on our balance sheet.

(2) Gross loan portfolio growth represents the growth in gross loan portfolio as of the last day of the relevant period/year as compared with the gross loan portfolio as of the last day of the preceding year.

(3) Disbursement growth represents growth in disbursements for the relevant period/year as a percentage of disbursements for the previous period/year.

(4) Collection efficiency represents the ratio of our collections (including overdue collections) to billings for the relevant period/year.

(5) Active Customers represent customers who have an active loan account as on the last day of the relevant period/year.

(6) Repeat customers to whom loans were disbursed represent the customers who have taken one or more loans with our Company while disbursing a fresh loan during the corresponding period.

(7) New customers represent customers who are first time borrowers of our Company while disbursing a fresh loan during the corresponding period.

(8) New to Credit (NTC) customers represent customers who do not have any outstanding formal borrowing or credit history while disbursing a fresh loan during the corresponding period.

Financial and Operational Metrics for Other States Across the Rest of India

We have classified 14 states and union territories (excluding mature states) as our states across the rest of India (including North, West and East India). The following table sets forth the financial and operational performance of these states for the rest of India.

Particulars	As of / for the Six Months Ended September 30,		As of / for the Financial Year Ended March 31,		
	2023	2022	2023	2022	2021
Number of branches	707	505	596	437	343
Number of districts	260	228	243	209	184
Average number of branches per district	2.72	2.21	2.45	2.09	1.86
Gross loan portfolio *(₹ million)*(1)	51,761.95	29,513.49	40,552.69	22,011.50	16,602.38
Gross loan portfolio growth *(%)*(2)	75.38%	90.69%	84.23%	32.58%	13.93%
Gross loan portfolio per branch *(₹ million)*	73.21	58.44	68.04	50.37	48.40
Disbursements *(₹ million)*	26,291.69	15,574.55	37,662.97	17,317.78	9,676.80
Disbursement growth *(%)*(3)	68.81%	271.78%	117.48%	78.96%	(31.08)%
Disbursements per branch *(₹ million)*	37.19	30.84	63.19	39.63	28.21
Collection Efficiency *(%)* (4)	99.24%	95.93%	97.42%	90.84%	70.81%
Active Customers *(million)*(5)	1.60	1.04	1.29	0.82	0.67
Active Customers per branch	2,265.96	2,064.85	2,171.02	1,876.72	1,966.68
Customers to whom loans were disbursed during the period *(million)*	0.51	0.55	0.81	0.44	0.29
Repeat customers to whom loans were disbursed *(million)*(6)	0.07	0.28	0.20	0.18	0.16
Repeat customers to total customers to whom loans were disbursed *(%)*	14.50%	51.55%	24.24%	42.06%	55.12%
New Customers *(million)*(7)	0.32	0.25	0.61	0.25	0.13
New customers to total customers to whom loans were disbursed *(%)*	62.74%	46.10%	75.76%	57.94%	44.88%
New to Credit (NTC) Customers *(million)*(8)	0.07	0.08	0.13	0.08	0.04
NTC customers to total customers to whom loans were disbursed *(%)*	14.50%	14.30%	16%	18%	15%
Employees	6,220	4,155	5,014	3,474	2,658
Loan officers	3,948	2,692	3,229	2,206	1,798
Gross loan portfolio per loan officer *(₹ million)*	13.11	10.96	12.56	9.98	9.23
Disbursement per loan officer *(₹ million)*	6.66	5.79	11.66	7.85	5.38
Active customers per loan officer	405.78	387.35	400.72	371.77	375.18

Notes:

(1) *Gross loan portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets which includes loan assets held by our Company as of the last day of the relevant period/year, loan assets which have been transferred by our Company by way of assignment as well as loan assets managed by our Company through partner institution and co-lending partner, and are outstanding as of the last day of the relevant period/year. While we act as partner institution for these loans, these loans are provided on the balance sheet of our partner institution, and not recognized as our loan assets on our balance sheet.*

(2) *Gross loan portfolio growth represents the growth in gross loan portfolio as of the last day of the relevant period/year as compared with the gross loan*

portfolio as of the last day of the preceding year.

(3) *Disbursement growth represents growth in disbursements for the relevant year as a percentage of disbursements for the previous period/year.*

(4) *Collection efficiency represents the ratio of our collections (including overdue collections) to billings for the relevant period/year.*

(5) *Active Customers represent customers who have an active loan account as on the last day of the relevant period/year.*

(6) *Repeat customers to whom loans were disbursed represent the customers who have taken one or more loans with our Company while disbursing a fresh loan during the corresponding period.*

(7) *New customers represent customers who are first time borrowers of our Company while disbursing a fresh loan during the corresponding period.*

(8) *New to Credit (NTC) Customers represent customers who do not have any outstanding formal borrowing or credit history while disbursing a fresh loan during the corresponding period.*

Financial and Operational Metrics for Mature Branches

We had 522, 694 and 917 mature branches that were open as of April 1, 2020, April 1, 2021 and April 1, 2022 (net of closures, if any). Mature branches are branches that have been in operation for more than three years. The following table sets out the financial and operational metrics of the mature branches for the respective Financial Years:

Particulars	**As of / for the Six Months Ended September 30,**		**As of / for the Financial Year Ended March 31,**		
	2023	**2022**	**2023**	**2022**	**2021**
Number of branches	1,091	798	917	694	522
Number of districts	269	225	242	194	145
Average number of branches per district	4.06	3.55	3.79	3.58	3.60
Gross loan portfolio *(₹ million)*[(1)]	91,504.88	65,208.80	78,006.78	53,859.82	38,737.86
Gross loan portfolio growth *(%)*[(2)]	40.33%	36.76%	44.83%	39.04%	26.53%
Gross loan portfolio per branch *(₹ million)*	83.87	81.72	85.07	77.61	74.21
Disbursements *(₹ million)*	40,548.47	27,119.97	63,948.34	37,912.75	19,117.29
Disbursement growth *(%)*[(3)]	49.52%	156.29%	68.67%	98.32%	(22.81)%
Disbursements per branch *(₹ million)*	37.17	33.98	69.74	54.63	36.62
Collection Efficiency *(%)* [(4)]	98.60%	93.04%	95.33%	84.59%	65.79%
Active Customers *(million)*[(5)]	2.76	2.11	2.38	1.74	1.43
Active Customers per branch	2,528.07	2,643.03	2,597.02	2,509.56	2,730.30
Customers to whom loans were disbursed during the period *(million)*	0.75	0.56	1.19	0.82	0.50
Repeat customers to whom loans were disbursed *(million)*[(6)]	0.14	0.21	0.48	0.50	0.39
Repeat customers to total customers to whom loans were disbursed *(%)*	19.08%	38.11%	40.03%	61.09%	77.61%
New Customers *(million)*[(7)]	0.31	0.30	0.71	0.32	0.11
New customers to total customers to whom loans were disbursed *(%)*	41.89%	53.22%	59.97%	38.91%	22.39%
New to Credit (NTC) Customers *(million)*[(8)]	0.07	0.06	0.15	0.09	0.03
NTC customers to total customers to whom loans were disbursed *(%)*	9.69%	11.09%	12.43%	11.26%	6.32%
Employees	8,271	5,879	6,609	5,046	4,113
Loan officers	6,173	4,598	5,050	3,993	3,365
Gross loan portfolio per loan officer *(₹ million)*	14.82	14.18	15.45	13.49	11.51

Particulars	As of / for the Six Months Ended September 30,		As of / for the Financial Year Ended March 31,		
	2023	2022	2023	2022	2021
Disbursement per loan officer *(₹ million)*	6.57	5.90	12.66	9.49	5.68
Active customers per loan officer	446.80	458.71	471.58	436.17	423.54

Notes:

(1) Gross loan portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets which includes loan assets held by our Company as of the last day of the relevant period/year, loan assets which have been transferred by our Company by way of assignment as well as loan assets managed by our Company through partner institution and co-lending partner, and are outstanding as of the last day of the relevant period/year. While we act as partner institution for these loans, these loans are provided on the balance sheet of our partner institution, and not recognized as our loan assets on our balance sheet.

(2) Gross loan portfolio growth represents the growth in gross loan portfolio as of the last day of the relevant period/year as compared with the gross loan portfolio as of the last day of the preceding year.

(3) Disbursement growth represents growth in disbursements for the relevant year as a percentage of disbursements for the previous period/year.

(4) Collection efficiency represents the ratio of our collections (including overdue collections) to billings for the relevant period/year.

(5) Active Customers represent customers who have an active loan account as on the last day of the relevant period/year.

(6) Repeat customers to whom loans were disbursed represent customers who have taken one or more loans with our Company while disbursing a fresh loan during the corresponding period.

(7) New customers represent customers who are first time borrowers of our Company while disbursing a fresh loan during the corresponding period.

(8) New to Credit (NTC) Customers represent the customers who do not have any outstanding formal borrowing or credit history while disbursing a fresh loan during the corresponding period.

SECTION V: FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

To
The Board of Directors
Muthoot Microfin Limited
(CIN: U65190MH1992PLC066228)

Registered office:	Administrative office:
13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai MH 400051 IN	5th Floor, Muthoot Towers M.G. Road, Kochi, Kochi – 682035 KL IN

Dear Sirs / Madam,

1. We have examined the attached Restated Financial Information of **Muthoot Microfin Limited** (the "**Company**"), comprising the restated statement of assets and liabilities as at September 30, 2023, September 30, 2022, March 31, 2023, March 31, 2022 and March 31, 2021, the restated statement of profit and loss (including other comprehensive income), the restated statement of changes in equity, the restated statement of cash flows for the six months period ended September 30, 2023, September 30, 2022 and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the summary statement of significant accounting policies and other explanatory information (collectively, the "**Restated Financial Information**"), as approved by the Board of Directors of the Company at their meeting held on November 25, 2023 for the purpose of inclusion in the Red Herring Prospectus ("**RHP**") prepared by the management of the Company ("the Management") in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:
   a. section 26 of Part I of Chapter III of the Companies Act, 2013 including Rules thereon, as amended (the "**Act**");
   b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ("**ICDR Regulations**"); and
   c. the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "**Guidance Note**").

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the RHP, to be filed with the Securities and Exchange Board of India ("**SEBI**"), National Stock Exchange of India Limited and BSE Limited (collectively, "**Stock Exchanges**"), and Registrar of Companies, Maharashtra (as applicable), in connection with the proposed IPO. The Restated Financial Information has been prepared by the Management on the basis of preparation stated in note 2 to the Restated Financial Information.

The responsibilities of the Board of Directors of the Company include designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations, and the Guidance Note.

3. We have examined such Restated Financial Information taking into consideration:
    a. the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated January 27, 2023 in connection with the proposed IPO of equity shares of the Company;
    b. the Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
    c. concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
    d. the requirements of section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO.

4. These Restated Financial Information have been compiled by the Management from:
    a. audited Interim Ind AS Financial Statements of the Company as at and for the six months period ended September 30, 2023 and September 30, 2022, prepared in accordance with Indian Accounting Standards ("**Ind AS**") 34 'Interim Financial Reporting' specified under section 133 of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors in their meeting held on November 25, 2023.
    b. Ind AS Financial Statements of the Company as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 audited by respective statutory auditors and prepared in accordance with Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors in their meeting held on May 6, 2023, May 10, 2022 and June 3, 2021 respectively.

5. We have audited the Financial Statements of the Company for the year ended March 31, 2023 and March 31, 2022 prepared by the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India, for the limited purpose of complying with the requirement of getting its financial statements audited by an audit firm holding a valid peer review certificate issued by the "Peer Review Board" of the ICAI as required by ICDR Regulations in relation to the proposed IPO.

6. For the purpose of our examination of Restated Financial Information, we have relied on:
   a. Special purpose audit report issued by us dated November 25, 2023 on the Interim Ind AS financial statements of the company as at and for the six months period ended September 30, 2023 and September 30, 2022, as referred in paragraph 4 (a) above.
   b. The auditors' report issued by us dated May 6, 2023, and May 10, 2022, on Ind AS financial statements of the company as at and for the years ending March 31, 2023, and March 31, 2022, respectively, as referred in paragraph 4 (b) above.
   c. auditors' report issued by, [Walker Chandiok & Co LLP, Chartered Accountants ("the Previous Auditor")] dated June 03, 2021 on the Ind AS financial statements as at and for the year ended March 31, 2021, as referred in paragraph 4 (b) above.

7. The above referred reports on the financial statements issued by us and the previous auditor were unmodified. However, the report includes an Emphasis of Matter paragraph which describes the uncertainties relating to the effects of the Covid-19 pandemic outbreak on the Company's operation as at and for the year ended March 31, 2021 which is reproduced below.

   "We draw attention to note 52 to the accompanying financial statements which describes the uncertainties relating to the effects of the COVID-19 pandemic outbreak on the Company's operations, the extent of which is significantly dependent on future developments, as they evolve. Our opinion is not modified in respect of this matter."

8. Based on our examination and according to the information and explanations given to us, and based on the reliance placed on the auditor's report issued by other auditor as mentioned in paragraph 6 above, we report that the Restated Financial Information:
   a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications, if any, retrospectively in the six month period ended September 30, 2023, September 30, 2022 and for the years ended March 31, 2023, March 31, 2022, and March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six month period ended September 30, 2023;
   b. there are no qualifications in the auditors' report on the interim Ind AS financial statement and audited Ind AS financial statements of the Company which require any adjustments to the Restated Financial Information. There is an Emphasis of Matter (refer paragraph 7 above), which does not require any adjustment to the Restated Financial Information;
   c. do not require any adjustment for the matters giving rise to modification, as there is no modification in the underlying audit/ special purpose audit reports; and
   d. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

9. The Restated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on interim Ind AS financial statements and audited Ind AS financial statements mentioned in paragraph 4 above.

10. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us or the previous auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our examination report for events and circumstances occurring after the date of this report.

12. Our report is intended solely for use of the Board of Directors for inclusion in the RHP to be filed with SEBI and the Stock Exchanges, and Registrar of Companies, Maharashtra, as applicable in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's registration no.: 109983W
by the hand of

Tirtharaj Khot
Partner
Membership no.: (F) 037457

Pune, November 25, 2023

UDIN: 23037457BGYROT3745

Muthoot Microfin Limited
Restated Statement of Assets and Liabilities
(All amounts in INR millions, unless stated otherwise)

	Notes	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Assets						
Financial assets						
Cash and cash equivalents	4	5,579.15	6,510.95	7,594.55	7,058.27	5,190.76
Bank balances other than cash and cash equivalents	5	4,941.92	3,624.70	3,909.58	2,940.89	2,259.03
Receivables						
Other receivables	6	1,230.82	485.90	722.10	167.73	92.91
Loans	7	85,499.23	54,466.37	70,266.85	43,981.11	32,940.32
Investments	8	513.66	2,766.87	633.59	0.45	0.45
Other financial assets	9	52.66	41.96	40.61	33.68	23.85
		97,817.44	**67,896.75**	**83,167.28**	**54,182.13**	**40,507.32**
Non-financial assets						
Current tax assets (net)	10	128.85	624.15	104.60	395.45	94.15
Deferred tax asset (net)	11	73.41	76.86	57.75	47.75	100.35
Property, plant and equipment	12	644.62	474.67	594.37	420.45	398.44
Right-of-use assets	13	1,249.68	924.89	1,121.72	791.19	700.16
Capital work-in-progress	14	-	0.05	-	-	-
Other intangible assets	15	2.65	1.21	2.92	0.84	1.25
Other non-financial assets	16	396.34	192.28	243.35	76.77	36.81
		2,495.55	**2,294.11**	**2,124.71**	**1,732.45**	**1,331.16**
Total Assets		**1,00,312.99**	**70,190.86**	**85,291.99**	**55,914.58**	**41,838.48**
Liabilities and Equity						
Liabilities						
Financial liabilities						
Payables						
Other payables						
total outstanding dues to micro, small and medium enterprises	17	3.40	-	-	-	-
total outstanding dues to creditors other than micro, small and medium enterprises	17	146.23	131.67	119.27	75.34	29.19
Debt securities	18	14,356.23	10,958.64	13,701.51	6,746.27	4,524.69
Borrowings (other than debt securities)	19	63,104.87	41,348.51	51,230.25	32,969.85	25,382.26
Subordinated liabilities	20	-	-	-	249.97	249.63
Lease liability	13	1,454.62	1,074.25	1,299.40	913.96	779.89
Other financial liabilities	21	2,664.73	2,086.50	2,582.70	1,492.80	1,888.61
		81,730.08	**55,599.57**	**68,933.13**	**42,448.19**	**32,854.27**
Non Financial liabilities						
Provisions	22	64.90	67.65	36.13	49.38	46.38
Other non financial liabilities	23	97.06	57.80	64.24	51.22	38.93
		161.96	**125.45**	**100.37**	**100.60**	**85.31**
Equity						
Share capital	24	1,401.98	1,401.98	1,401.98	1,333.33	1,141.71
Other equity	25	17,018.97	13,063.86	14,856.51	12,032.46	7,757.19
		18,420.95	**14,465.84**	**16,258.49**	**13,365.79**	**8,898.90**
Total Liabilities and Equity		**1,00,312.99**	**70,190.86**	**85,291.99**	**55,914.58**	**41,838.48**

Refer to accompanying notes 1 to 59 forming part of Restated Financial Statements

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No.: 109983W

For and on behalf of the Board of Directors of
Muthoot Microfin Limited

Tirtharaj Khot
Partner
Membership No.: (F) 037457
Place: Pune

Thomas Muthoot
Managing Director
DIN: 00082099
Place: Kochi

Thomas John Muthoot
Non Executive Director
DIN: 00011618
Place: Kochi

Thomas George Muthoot
Non Executive Director
DIN: 00011552
Place: Kochi

Praveen T
Chief Financial Officer
Place: Kochi
Date : 25 November 2023

Neethu Ajay
Company Secretary
Place: Kochi
Date : 25 November 2023

Date: 25 November 2023

Muthoot Microfin Limited
Restated Statement of Profit and loss
(All amounts in INR millions, unless stated otherwise)

	Note	For the six month period ended September 30, 2023	For the six month period ended September 30, 2022	For the Year ended March 31, 2023	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Revenue from operations						
Interest income	26	9,135.76	5,624.14	12,906.45	7,286.23	6,227.84
Fees and commission income	27	159.99	60.08	173.22	61.59	32.11
Net gain on fair value changes	28	1,084.06	321.00	1,115.37	910.31	409.25
Income on investments	29	38.11	35.18	83.35	58.29	169.95
Sale of services		5.35	7.02	9.25	8.64	2.52
Total revenue from operations		**10,423.27**	**6,047.42**	**14,287.64**	**8,325.06**	**6,841.67**
Other income	30	49.11	102.19	175.80	104.35	121.14
Total income		**10,472.38**	**6,149.61**	**14,463.44**	**8,429.41**	**6,962.81**
Expenses						
Finance costs	31	4,153.25	2,260.76	5,490.10	3,401.55	2,993.28
Fees and commission expenses	32	132.52	135.62	275.41	178.49	97.36
Impairment on financial instruments	33	627.46	1,633.23	2,233.18	1,111.53	1,322.24
Employee benefits expenses	34	2,095.52	1,472.31	3,225.58	2,370.81	1,870.90
Depreciation and amortisation expense	35	164.58	122.11	266.06	207.84	188.33
Other expenses	36	552.94	357.94	844.41	511.98	400.15
Total expenses		**7,726.27**	**5,981.97**	**12,334.74**	**7,782.20**	**6,872.26**
Profit before exceptional items and tax		**2,746.11**	**167.64**	**2,128.70**	**647.21**	**90.55**
Exceptional items		-	-	-	-	-
Profit before tax		**2,746.11**	**167.64**	**2,128.70**	**647.21**	**90.55**
Tax expense						
Current tax	37	729.12	122.10	679.91	224.05	347.29
Deferred tax	37	(35.58)	(79.12)	(142.59)	(56.14)	(317.72)
Tax relating to prior years		-	-	(47.51)	5.32	(9.56)
Profit for the period/year (A)		**2,052.57**	**124.66**	**1,638.89**	**473.98**	**70.54**
Other Comprehensive income						
Items that will not be reclassified to profit and loss						
Remeasurement of the net defined benefit (liability)/asset		(23.59)	(11.56)	(22.09)	(17.14)	(8.14)
Income tax relating to the above		5.94	2.91	5.56	4.31	2.05
Items that will be reclassified to profit and loss						
Remeasurement of loan assets		102.76	210.24	548.84	449.13	(317.46)
Income tax relating to the above		(25.86)	(52.92)	(138.14)	(113.05)	79.91
Other comprehensive income/(loss) for the period/year, net of tax (B)		**59.25**	**148.67**	**394.17**	**323.25**	**(243.64)**
Total comprehensive income/(loss) for the period/year (A+B)		**2,111.82**	**273.33**	**2,033.06**	**797.23**	**(173.10)**
Earning per equity share (face value of ₹ 10 each)	38					
Basic (₹)		17.57	1.09	14.19	4.15	0.62
Diluted (₹)		14.22	0.91	11.66	3.94	0.62

Refer to accompanying notes 1 to 59 forming part of Restated Financial Statements

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No.: 109983W

For and on behalf of the Board of Directors of
Muthoot Microfin Limited

Tirtharaj Khot
Partner
Membership No.: (F) 037457
Place: Pune

Thomas Muthoot
Managing Director
DIN: 00082099
Place: Kochi

Thomas John Muthoot
Non Executive Director
DIN: 00011618
Place: Kochi

Thomas George Muthoot
Non Executive Director
DIN: 00011552
Place: Kochi

Praveen T
Chief Financial Officer
Place: Kochi
Date : 25 November 2023

Neethu Ajay
Company Secretary
Place: Kochi
Date : 25 November 2023

Date: 25 November 2023

Muthoot Microfin Limited
Restated Statement of Cash flows
(All amounts in INR millions, unless stated otherwise)

	For the six month period ended September 30, 2023	For the six month period ended September 30, 2022	For the Year ended March 31, 2023	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Cash flows from operating activities					
Profit before tax	**2,746.11**	**167.64**	**2,128.70**	**647.21**	**90.55**
Adjustments					
Depreciation and amortisation	164.58	122.11	266.06	207.84	188.33
(Gain)/loss on sale of tangible assets	(0.23)	(0.02)	0.03	0.21	(0.18)
Provision for employee benefits	10.18	6.70	17.67	36.93	38.26
Impairment on financial instruments	627.46	1,633.23	2,233.18	1,111.53	1,322.24
Income from Investments	(38.11)	(35.18)	(83.35)	(58.29)	(169.95)
Interest income on security deposits	(1.96)	(1.58)	(3.31)	(3.23)	(2.15)
Gain on termination of lease	(2.30)	(3.81)	(2.46)	(4.50)	(1.96)
Gain on sale of loan asset through direct assignment	(1,084.06)	(321.00)	(1,115.37)	(910.31)	(409.25)
Adjustments towards effective interest rate in respect of loan assets	145.83	87.53	203.80	93.37	32.05
Adjustments towards effective interest rate in respect of debt securities, borrowings and subordinate liabilities	(43.56)	(109.97)	(106.91)	(137.53)	1.68
Share based payments	50.64	9.19	42.11	9.04	3.65
Adjustment on account of consolidation of ESOP trust	-	(0.60)	(0.60)	(1.24)	(1.58)
Finance cost on leases	75.05	62.01	128.93	96.74	80.82
Operating cash flow before working capital changes	**2,649.63**	**1,616.25**	**3,708.48**	**1,087.80**	**1,172.51**
Working capital changes					
(Increase)/decrease in loans	(14,818.85)	(11,674.78)	(27,058.51)	(10,872.01)	(8,564.80)
(Increase)/decrease in other receivables	(508.72)	(318.17)	(554.37)	(74.80)	17.53
(Increase)/decrease in other financial assets	(13.81)	(9.78)	(10.89)	(10.95)	0.06
(Increase)/Decrease in other non financial assets	(152.91)	(98.28)	(165.85)	(32.42)	6.32
Increase/(Decrease) in other payables	30.36	56.33	43.93	46.15	(9.72)
Increase/(Decrease) in other financial liabilities	82.03	593.71	1,089.92	(410.08)	438.75
Increase/(decrease) in provisions	(5.00)	-	(53.00)	(51.07)	(50.90)
Increase/(decrease) in other non financial liabilities	32.82	6.58	13.02	12.29	3.04
Cash (used in)/generated from operating activities	**(12,704.45)**	**(9,828.14)**	**(22,987.27)**	**(10,305.10)**	**(6,987.21)**
Income taxes paid (net)	(753.37)	(350.78)	(341.54)	(530.67)	(52.34)
Net cash (used in)/generated from operating activities	**(13,457.82)**	**(10,178.92)**	**(23,328.81)**	**(10,835.76)**	**(7,039.55)**
Cash flows from investing activities					
Purchase of tangible assets (including capital advances, capital creditors and capital work in progress) and intangible assets	(115.70)	(120.69)	(281.79)	(114.26)	(79.69)
Investment in term deposits with banks (net)	(1,032.34)	(683.81)	(968.69)	(681.86)	(469.50)
Investment in equity instruments	119.93	(2,766.42)	(633.14)	-	(0.45)
Proceeds from sale of tangible assets	0.23	0.02	(0.03)	(0.21)	0.18
Profit on sale of investments	38.11	35.18	83.35	58.29	169.95
Net cash (used in)/generated from investing activities	**(989.77)**	**(3,535.73)**	**(1,800.30)**	**(738.03)**	**(379.51)**
Cash flows from financing activities					
Proceeds from issue of equity shares	-	272.16	272.16	0.02	-
Proceeds from issue of preference shares	-	818.11	818.11	3,733.86	-
Share issue expenses	-	-	-	(78.86)	-
Proceeds from borrowings	19,751.00	14,290.00	36,394.80	23,837.50	9,239.30
Proceeds from debt securities	3,000.00	5,629.39	9,091.27	5,019.44	2,390.50
Proceeds from securitisation arrangement	10,243.30	6,613.58	13,092.63	4,857.22	4,835.70
Repayment of borrowings	(11,970.26)	(9,097.94)	(22,168.21)	(15,872.29)	(15,158.54)
Repayment of debt securities	(2,384.84)	(1,378.57)	(2,121.26)	(2,709.11)	-
Repayment of securitisation arrangement	(6,066.31)	(3,355.42)	(8,966.65)	(5,185.72)	(365.54)
Repayment of Subordinated Liabilities	-	(250.00)	(250.00)	-	-
Proceeds from treasury shares	-	(272.16)	(272.16)	6.79	-
Payment of lease liabilities	(140.70)	(101.82)	(225.30)	(167.56)	(144.52)
Net cash (used in)/generated from financing activities	**12,432.19**	**13,167.33**	**25,665.40**	**13,441.30**	**796.90**
Net (decrease)/increase in cash and cash equivalents	(2,015.40)	(547.32)	536.28	1,867.51	(6,622.16)
Cash and cash equivalents as at the beginning of the period/year	7,594.55	7,058.27	7,058.27	5,190.76	11,812.92
Cash and cash equivalents as at the end of the period/year	**5,579.15**	**6,510.95**	**7,594.55**	**7,058.27**	**5,190.76**
Operational cash flows from interest					
Interest paid	3,137.26	1,862.83	4,607.20	3,123.50	2,891.11
Interest received	8,623.28	4,948.55	11,441.52	6,488.46	4,661.67

* The Statement of Cash Flows has been presented using indirect method as per the requirements of Ind AS 7 - Statement of Cash Flows

Refer to accompanying notes 1 to 59 forming part of Restated Financial Statements

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No.: 109983W

For and on behalf of the Board of Directors of
Muthoot Microfin Limited

Tirtharaj Khot
Partner
Membership No.: (F) 037457
Place: Pune

Thomas Muthoot
Managing Director
DIN: 00082099
Place: Kochi

Thomas John Muthoot
Non Executive Director
DIN: 00011618
Place: Kochi

Thomas George Muthoot
Non Executive Director
DIN: 00011552
Place: Kochi

Praveen T
Chief Financial Officer
Place: Kochi
Date : 25 November 2023

Neethu Ajay
Company Secretary
Place: Kochi
Date : 25 November 2023

Date: 25 November 2023

Muthoot Microfin Limited
Restated Statement of Changes in Equity
(All amounts in INR millions, unless stated otherwise)

A. Equity share capital

Particulars	As at 31st March,2020	Changes during the FY 2020-21	As at 31st March, 2021	Changes during the FY 2021-22	As at 31st March,2022	Changes during the period ended September 30, 2022	As at 30th September, 2022	As at 1st April,2022	Changes during FY 2022-23	As at 31st March, 2023	Changes during the period ended September 30, 2023	As at 30th September,2023
Equity shares of ₹ 10 each, issued, subscribed and fully paid up	1,141.71	-	1,141.71	0.00	1,141.71	26.67	1,168.38	1,141.71	26.67	1,168.38	-	1,168.38

B. Preference Share capital

Particulars	As at 31st March,2020	Changes during the FY 2020-21	As at 31st March, 2021	Changes during the FY 2021-22	As at 31st March,2022	Changes during the period ended September 30, 2022	As at 30th September, 2022	As at 1st April,2022	Changes during FY 2022-23	As at 31st March, 2023	Changes during the period ended September 30, 2023	As at 30th September,2023
Compulsorily Convertible Preference Shares of ₹ 10 each, issued, subscribed and fully paid up	-	-	-	191.62	191.62	41.98	233.60	191.62	41.98	233.60	-	233.60

C Other equity

Particulars	Reserves and surplus						Other Comprehensive Income	Total
	Securities premium	Reserve fund u/s 45-IC of RBI Act 1934	Treasury shares	General reserves	Employee stock options outstanding	Retained earnings	Loan assets through other comprehensive income	
Balance as at April 1, 2020	**4,988.74**	**683.81**	**(32.19)**	**-0.25**	**11.09**	**1,682.64**	**594.38**	**7,928.23**
Profit for the period/year	-	-	-	-	-	70.54	-	**70.54**
Transferred from retained earnings to reserve fund u/s 45-IC of RBI Act 1934	-	14.11	-	-	-	(14.11)	-	**-**
Changes during the year in employee stock options outstanding	-	-	-	-	3.65		-	**3.65**
Proceeds on transfer during the period/year	-	-	-	5.08	(5.08)	-	-	**-**
Adjustment on account of consolidation of ESOP trust	-	-	-	(1.58)	-	-	-	**(1.58)**
Other comprehensive income	-	-	-	-	-	(8.14)	(317.46)	**(325.60)**
Income tax relating to items of other comprehensive income	-	-	-	-	-	2.05	79.91	**81.96**
Balance as at March 31, 2021	**4,988.74**	**697.92**	**(32.19)**	**3.25**	**9.66**	**1,732.98**	**356.83**	**7,757.19**
Profit for the period/year	-	-	-	-	-	473.98	-	**473.98**
Transferred from retained earnings to reserve fund u/s 45-IC of RBI Act 1934	-	94.80	-	-	-	(94.80)	-	**-**
Provision for proposed dividend						(0.00)		**(0.00)**
Provision for tax on proposed dividend						(0.00)		**(0.00)**
Changes during the year in employee stock options outstanding	-	-	-	-	9.04	-	-	**9.04**
Proceeds on transfer during the period/year	-	-	6.79	6.47	(6.47)	-	-	**6.79**
Adjustment on account of consolidation of ESOP trust	-	-	-	(1.24)	-	-	-	**(1.24)**
Premium on issue of Equity shares	0.02	-	-	-	-	-	-	**0.02**
Premium on issue of Compulsorily Convertible Preference Shares	3,542.24	-	-	-	-	-	-	**3,542.24**
Share issue expenses	(78.86)	-	-	-	-	-	-	**(78.86)**
Other comprehensive income	-	-	-	-	-	(17.14)	449.13	**431.99**
Income tax relating to items of other comprehensive income	-	-	-	-	-	4.31	(113.05)	**(108.73)**
Balance as at March 31, 2022	**8,452.14**	**792.72**	**(25.40)**	**8.48**	**12.23**	**2,099.37**	**692.92**	**12,032.46**

Muthoot Microfin Limited
Restated Statement of Changes in Equity
(All amounts in INR millions, unless stated otherwise)

Particulars	Reserves and surplus						Other Comprehensive Income	Total
	Securities premium	Reserve fund u/s 45-IC of RBI Act 1934	Treasury shares	General reserves	Employee stock options outstanding	Retained earnings	Loan assets through other comprehensive income	
Balance as at April 1, 2022	**8,452.14**	**792.72**	**(25.40)**	**8.48**	**12.23**	**2,099.37**	**692.92**	**12,032.46**
Profit for the period/year	-	-	-	-	-	124.66	-	**124.66**
Transferred from retained earnings to reserve fund u/s 45-IC of RBI Act 1934	-	24.93	-	-	-	(24.93)	-	**-**
Provision for proposed dividend	-	-	-	-	-	-	-	**-**
Provision for tax on proposed dividend	-	-	-	-	-	-	-	**-**
Transfer during the period/year	-	-	-	-	-	-	-	**-**
Changes during the year in employee stock options outstanding	-	-	-	-	9.19	-	-	**9.19**
Proceeds on transfer during the period/year	-	-	(272.16)	-	-	-	-	**(272.16)**
Premium on issue of Equity shares	245.49	-	-	-	-	-	-	**245.49**
Premium on issue of Compulsorily Convertible Preference Shares	776.14	-	-	-	-	-	-	**776.14**
Adjustment on account of consolidation of ESOP trust	-	-	-	(0.60)	-	-	-	**(0.60)**
Other comprehensive income	-	-	-	-	-	(11.56)	210.24	**198.68**
Income tax to items of other comprehensive income	-	-	-	-	-	2.91	(52.92)	**(50.01)**
Balance as at September 30, 2022	**9,473.77**	**817.65**	**(297.56)**	**7.88**	**21.42**	**2,190.45**	**850.24**	**13,063.86**
Balance as at April 1, 2022	**8,452.14**	**792.72**	**(25.40)**	**8.48**	**12.23**	**2,099.37**	**692.92**	**12,032.46**
Profit for the period/year	-	-	-	-	-	1,638.89	-	**1,638.89**
Transferred from retained earnings to reserve fund u/s 45-IC of RBI Act 1934	-	327.78	-	-	-	(327.78)	-	**-**
Provision for proposed dividend	-	-	-	-	-	-	-	**-**
Provision for tax on proposed dividend	-	-	-	-	-	-	-	**-**
Transfer during the period/year	-	-	-	-	-	-	-	**-**
Changes during the year in employee stock options outstanding	-	-	-	-	42.11	-	-	**42.11**
Proceeds on transfer during the period/year	-	-	(272.16)	-	-	-	-	**(272.16)**
Premium on issue of Equity shares	245.49	-	-	-	-	-	-	**245.49**
Premium on issue of Compulsorily Convertible Preference Shares	776.14	-	-	-	-	-	-	**776.14**
Adjustment on account of consolidation of ESOP trust	-	-	-	(0.60)	-	-	-	**(0.60)**
Other comprehensive income	-	-	-	-	-	(22.09)	548.84	**526.75**
Income tax to items of other comprehensive income	-	-	-	-	-	5.56	(138.14)	**(132.58)**
Balance as at March 31, 2023	**9,473.77**	**1,120.50**	**(297.56)**	**7.89**	**54.34**	**3,393.95**	**1,103.62**	**14,856.51**

Muthoot Microfin Limited
Restated Statement of Changes in Equity
(All amounts in INR millions, unless stated otherwise)

Particulars	Reserves and surplus						Other Comprehensive Income	Total
	Securities premium	Reserve fund u/s 45-IC of RBI Act 1934	Treasury shares	General reserves	Employee stock options outstanding	Retained earnings	Loan assets through other comprehensive income	
Balance as at April 1, 2023	**9,473.77**	**1,120.50**	**(297.56)**	**7.89**	**54.34**	**3,393.95**	**1,103.62**	**14,856.51**
Profit for the period/year	-	-	-	-	-	2,052.57	-	**2,052.57**
Transferred from retained earnings to reserve fund u/s 45-IC of RBI Act 1934	-	410.51	-	-	-	(410.51)	-	**-**
Provision for proposed dividend	-	-	-	-	-	-	-	**-**
Provision for tax on proposed dividend	-	-	-	-	-	-	-	**-**
Changes during the year in employee stock options outstanding	-	-	-	-	50.64	-	-	**50.64**
Proceeds on transfer during the period/year	-	-	-	-	-	-	-	**-**
Premium on issue of Equity shares	-	-	-	-	-	-	-	**-**
Premium on issue of Compulsorily Convertible Preference Shares	-	-	-	-	-	-	-	**-**
Adjustment on account of consolidation of ESOP trust	-	-	-	-	-	-	-	**-**
Other comprehensive income	-	-	-	-	-	(23.59)	102.76	**79.17**
Income tax to items of other comprehensive income	-	-	-	-	-	5.94	(25.86)	**(19.92)**
Balance as at September 30, 2023	**9,473.77**	**1,531.01**	**(297.56)**	**7.89**	**104.98**	**5,018.36**	**1,180.52**	**17,018.97**

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No.: 109983W

For and on behalf of the Board of Directors of
Muthoot Microfin Limited

Tirtharaj Khot
Partner
Membership No.: (F) 037457
Place: Pune

Thomas Muthoot
Managing Director
DIN: 00082099
Place: Kochi

Thomas John Muthoot
Non Executive Director
DIN: 00011618
Place: Kochi

Thomas George Muthoot
Non Executive Director
DIN: 00011552
Place: Kochi

Praveen T
Chief Financial Officer
Place: Kochi
Date : 25 November 2023

Neethu Ajay
Company Secretary
Place: Kochi
Date : 25 November 2023

Date: 25 November 2023

Muthoot Microfin Limited
Notes forming part of Restated Financial Statements
(All amounts in INR millions, unless stated other wise)

Summary of significant accounting policies and other explanatory information

1.Company overview

Muthoot Microfin Limited (the 'Company') was incorporated as a private limited company on 06-04-1992 under the erstwhile Companies Act, 1956. Effective 18 March 1998, the Company was registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') and is registered as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with the Reserve Bank of India ("RBI"), w.e.f. 25 March 2015. The Company's non-convertible debentures are listed on the BSE Limited ('BSE').
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 is primarily engaged in providing financial assistance through micro loans to women engaged in small income generating activities.

2. Basis of preparation of Restated Financial Statements

i) Statement of Compliance with Indian Accounting Standards (Ind AS)

The Restated Financial Information comprises of Restated Statement of Assets and Liabilities as at September 30,2023 , September 30,2022 ,March 31,2023, March 31,2022,March 31,2021 , the Restated Statement of Profit and Loss including Other comprehensive Income (OCI) , the Restated Statement of Cash flows, the Restated Statement of Changes in Equity for the six month period ended September 30,2023, September 30,2022 and for financial years ended March 31,2023, March 31,2022 and March 31,2021, the Statement of Significant Accounting policies and other explanatory notes. (collectively the 'Restated Financial information ' or 'Financial Information') have been prepared specifically for inclusion in the draft red herring prospectus, red herring prospectus and prospectus (collectively , the 'Offer Documents') to be filled by the Company with the Registrar of Companies, Mumbai and Securities and Exchange Board of India ("SEBI"), BSE limited and National Stock Exchange of India Limited in connection with the proposed Initial public offer of equity shares of Rs.10 each of the Company (the "Offering")

These Restated Financial Information have been prepared to comply in all material respects with the requirements of :
a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (" The Act")
b) The Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations ,2018 as amended (" the SEBI ICDR Regulations") and
c) The Guidance note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI") (the " Guidance Note").

The Restated Financial Information have been compiled from the
i) Audited Financial Statements of the Company as at and for the six months period ended September 30,2023,September 30,2022 and Financial years ended March 31,2023, March 31,2022 ,March 31,2021 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with relevant rules issued thereunder, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 25 November 2023 & 06 May 2023, 10 may 2022 , 03 June ,2021 respectively.
ii) The Restated Financial Information have been prepared :
• have been prepared after incorporating adjustments for the changes in accounting policies , material errors and regrouping/reclassifications retrospectively for the six month period ended September 30,2023 ,September 30,2022 and for financial year ended March 31,2023 , March 31,2022 and March 31,2021 to reflect the same accounting treatment
• do not require any adjustment for modification as there is no modification in the underlying audit reports.

ii)Presentation of Restated Financial Information

The historical Audited Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) read with the Companies (Indian Accounting Standards)Rules ,2015 as amended from time to time and notified under Section 133 of the Act along with other provisions of the Act , the Master Direction-Non Banking Financial Company- Systematically 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 and RBI/2020-21/15 DOR(NBFC).CC.PD.No.116/22.10.106/2020-21 dated 24 July 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI. The Restated Financial Statements are presented in Indian Rupee (INR) which is also the functional currency of the Company.The Resated Financial Statements have been prepared on a historical cost basis,except for certain financial instruments that are measured at fair value. The Restated 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 forseeable future and no material uncertainity exists that may cast significant doubt on the going concern assumption.In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability , cash flows and capital resources.

The Restated Statement of Assets and liabilities, Restated Statement of Profit and Loss, Restated Statement of Changes in Equity are presented in the format prescribed under Division III of Schedule III of the Companies Act,2013 as amended from time to time , for Non Banking Financial Companies ('NBFC') that are required to comply with Ind AS. The Statement of Cash flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.
The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented separately. Financial Asset and Financial Liabilities are generally reported gross in the Balance sheet. They are only offset and reported net when,in addition to having an unconditional legally enforceable righ to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances :

- The Normal course of Business
- The Event of Default
- The Event of Insolvency or bankruptcy of the company and /or its counterparts

3. Summary of Significant Accounting policies

The Restated financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the Restated financial statements, except where newly issued accounting standard is initially adopted.

i. Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in Restated statement of profit and loss.

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the straight-line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.
Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.
The residual values, useful lives and method of depreciation are reviewed at the end of each financial year/period.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the Restated statement of profit and loss, when the asset is derecognised.

Capital work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses acquire property, plant and equipment. Assets which are not ready to intended use are also shown under capital work-in-progress.

ii. Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation method, useful lives and residual value)

Intangible assets are amortised on a straight line basis over the expected useful life from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year/peirod and the amortisation period is revised to reflect the changed pattern, if any.

iii. Revenue recognition

Interest and processing fee income on loans

Interest and processing fee income is recorded on accrual basis using the effective interest rate (EIR) method. Additional interest/overdue interest/penal charges, if any, are recognised only when it is reasonable certain that the ultimate collection will be made.

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.

Commission income

Income from business correspondent services is recognised as and when the services are rendered as per agreed terms and conditions of the contract. A receivable is recognised when the services are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

Dividend income

Dividend income is recognised at the time when the right to receive is established by the reporting date.

Miscellaneous income

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

iv. Borrowing costs

All borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method. Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended use/sale, are capitalised. Borrowing costs consists of interest and other cost that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

v.Taxation

Tax expense recognized in Restated Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current 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 assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Restated Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside Restated Statement of profit or loss (either in other comprehensive income or in equity.

vi. Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined Contribution plans

The Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the Restated Statement of Profit and Loss.

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees, where in the benefit employee will receive on retirement is defined by reference to employee's length of service and last drawn salary. Under the defined benefit plan, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

Other long-term employee benefits

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to availed after one year from the Balance Sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Restated Statement of Profit and Loss in the year in which such gains or losses are determined.

vii.Share based payments

The Company has formulated an Employees Stock Option Schemes to be administered through a Trust. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

viii.Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Restated Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Compensation for impairment

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are recognised in statement of profit and loss when the compensation becomes receivable.

ix. **Impairment of financial assets**

Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised as below:

a) Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.

b) Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.

c) Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) – LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.
Exposure at Default (EAD) – EAD is based on the amounts the Company expects to be owed at the time of default. For a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Adjustment in Stages due to COVID19 Impact effective from April 1,2020:
The RBI allowed lending instituitions to offer moratorium to its borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020 vide RBI Circulars DOR. No. BP.BC.47/21.04.048/2019-20 dated March 27,2020 and DOR.No. BP.BC.71/21.04.048/2019-20 (COVID-19 - Regulatory package) dated May 23, 2020.
Further, pursuant to the clarification issued by RBI vide Circular DOR. No. BP.BC.63/21.04.048/2019-20 dated. April 17,2020, RBI also allowed to exclude the moratorium period from the number of days past due in respect of accounts classified as standard as on February 29, 2020, for the purpose of asset classification under the IRACP norms.
Accordingly, the Company offered moratorium to its customers in accordance with the above said circulars of RBI and for such accounts, where the moratorium was granted, the asset / stage-wise classification remained stand still during the moratorium period. (i.e., the number of days past due excluded the moratorium period for the purposes of asset / stage-wise classification).

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Trade receivables
In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs
Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on Restated Statement of profit and loss.

x. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments (certificate of deposits and commercial paper) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents includes bank overdrafts, if that are repayable on demand and form an integral part of the Company's cash management

xi. Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.
Contingent liability is disclosed for:
a) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
b) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

xii.Leases

Company as a lessee

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, the lease term, in exchange for consideration. The Company assesses whether a contract is, or contains, a lease on inception.

The lease term is either the non-cancellable period of the lease and any additional periods when there is an enforceable option to extend the lease and it is reasonably certain that the Company will extend the term, or a lease period in which it is reasonably certain that the Company will not exercise a right to terminate. The lease term is reassessed if there is a significant change in circumstances.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the total lease payments due on the commencement date, discounted using either the interest rate implicit in the lease, if readily determinable, or more usually, an estimate of the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

a) fixed payments, including payments which are substantively fixed;

b) variable lease payments that depend on a rate, initially measured using the rate as at the commencement.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in a rate, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

As permitted by Ind AS 116, the Company does not recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. Payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

xiii.Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortised cost –** a financial asset is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the 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, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account 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 Restated Statement of Profit and Loss.

ii.**Financial assets carried at fair value through other comprehensive income –** a financial asset is measured at fair value, with changes in fair value being carried to other comprehensive income, if both the following conditions are met:

a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Other financial liabilities - Subsequent measurement
Subsequent to initial recognition, all non-derivative financial liabilities, except compulsorily convertible preference shares, are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When 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 the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Restated Statement of Profit and Loss.

First loss default guarantee
First loss default guarantee contracts are contracts that require the Company to make specified payments to reimburse the bank and financial institution for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks and financial institutions, for whom the Company acts as 'Business Correspondent'.
These contracts are initially measured at fair value and subsequently measure at higher of:
a) The amount of loss allowance (calculated as described in policy for impairment of financial assets)
b) Maximum amount payable as on the reporting date to the respective bank/financial institution which is based on the amount of loans overdue for more than 90 days.
Further, the maximum liability is restricted to the cash outflow agreed in the contract.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

xiv.Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.
For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xv. Segment reporting

The Company identifies segments on the basis of the internal organization and management structure. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship with the operating activities of the segment.

xvi. Foreign currency

Functional and presentation currency
Items included in the Restated financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Restated financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Restated Statement of Profit and Loss in the year in which they arise.

xvii.Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's Restated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Business model assessment - The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets 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.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Expected credit loss ('ECL') – The measurement of expected credit loss allowance for financial assets requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while assessing expected credit loss:

a) Determining criteria for significant increase in credit risk;
b) Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
c) Establishing groups of similar financial assets for the purposes of measuring ECL.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

xviii.Implementation of Indian Accounting Standards by RBI

The RBI issued Circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dt. March 13,2020, which require Non-Banking Financial Companies (NBFCs) covered by Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 to comply with the respective circular while preparing the Restated financial statements from financial year 2019-20 onwards.

xix.Standards issued and effective from April 1, 2021

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

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(All amounts in INR millions, unless stated other wise)

4 Cash and cash equivalents

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Cash in hand	26.78	46.91	17.34	46.81	0.47
Balances with banks in current account	3,487.27	3,897.89	2,713.55	4,891.79	3,051.76
Balance with cash collection agents	26.74	80.03	58.01	48.59	37.28
Term deposits for original maturity of 3 months or less with scheduled banks	2,038.36	2,486.12	4,805.65	2,071.08	2,101.25
	5,579.15	**6,510.95**	**7,594.55**	**7,058.27**	**5,190.76**

(i) There are no repatriation restrictions with respect to cash and cash equivalents as at the end of the reporting period and prior years.
(ii) Short-term deposits are made for varying periods of between seven days and three months, depending on the immediate cash requirements of the company, and to earn interest at the respective short-term deposit rates.
(iii) The company has not taken bank overdraft, therefore the cash and cash equivalents for cash flow statement is same as for cash and cash equivalents.

5 Bank balances other than cash and cash equivalents

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Term deposits with bank					
Deposits of Maturity less than 12 months for other borrowing arrangement	1,315.34	1,477.28	1,164.30	1,419.73	1,088.85
Deposits of Maturity more than 12 months for other borrowing arrangement	1,688.99	841.43	1,286.93	487.00	776.00
Margin money with Financial institutions for securitisation arrangement	1,937.58	1,305.99	1,458.35	1,034.16	394.18
	4,941.92	**3,624.70**	**3,909.58**	**2,940.89**	**2,259.03**

(i) There are no repatriation restrictions with respect to bank balances other than cash and cash equivalents as at the end of the reporting period and prior years.

(ii) The Company earns a fixed rate of interest on these term deposits.

(iii) Term deposits amouting to INR 4,940.29 million (September 30,2022 : 3,623.15 million March 31, 2023 : 3,908.44 million, March 31, 2022 : 2,911.19 million ,March 31, 2021: INR 2,245.45 millions) are held as pledged against borrowings and other commitments.

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(All amounts in INR millions, unless stated other wise)

6 Other Receivables

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	1,230.82	485.90	722.10	167.73	92.91
	1,230.82	**485.90**	**722.10**	**167.73**	**92.91**

Note : No other Receivable is due from Director either severally or jointly with any other person.

Trade Receivables or other Receivables Ageing Schedule

As at 30 September 2023

Particulars	Outstanding from the due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 year	2-3 years	More than 3 years	
i) Undisputed- considered Good	1,165.82	25.08	14.68	10.23	15.01	**1,230.82**
ii)Undisuputed-which have significant increase in credit risk						
iii)Undisuputed-credit impaired						
iv)Disputed-considered good						
v) Disputed-considered good-which have significant increase in credit risk						
vi)Disputed-credit impaired						
Total	**1,165.82**	**25.08**	**14.68**	**10.23**	**15.01**	**1,230.82**

As at 30 September 2022

Particulars	Outstanding from the due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 year	2-3 years	More than 3 years	
i) Undisputed- considered Good	442.06	15.46	10.29	17.48	0.61	**485.90**
ii)Undisuputed-which have significant increase in credit risk						
iii)Undisuputed-credit impaired						
iv)Disputed-considered good						
v) Disputed-considered good-which have significant increase in credit risk						
vi)Disputed-credit impaired						
Total	**442.06**	**15.46**	**10.29**	**17.48**	**0.61**	**485.90**

As at 31 March 2023

Particulars	Outstanding from the due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 year	2-3 years	More than 3 years	
i) Undisputed- considered Good	700.99	2.64	13.40	0.98	4.09	**722.10**
ii)Undisuputed-which have significant increase in credit risk						
iii)Undisuputed-credit impaired						
iv)Disputed-considered good						
v) Disputed-considered good-which have significant increase in credit risk						
vi)Disputed-credit impaired						
Total	**700.99**	**2.64**	**13.40**	**0.98**	**4.09**	**722.10**

Muthoot Microfin Limited
Notes to Restated Financial Statements
(All amounts in INR millions, unless stated other wise)

As at 31 March 2022

Particulars	Outstanding from the due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 year	2-3 years	More than 3 years	
i) Undisputed- considered Good	135.95	8.22	19.62	3.29	0.66	**167.73**
ii)Undisuputed-which have significant increase in credit risk						**-**
iii)Undisuputed-credit impaired						**-**
iv)Disputed-considered good						**-**
v) Disputed-considered good- which have significant increase in credit risk						**-**
vi)Disputed-credit impaired						**-**
Total	**135.95**	**8.22**	**19.62**	**3.29**	**0.66**	**167.73**

As at 31 March 2021

Particulars	Outstanding from the due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 year	2-3 years	More than 3 years	
i) Undisputed- considered Good	91.95	-	0.08	0.12	0.77	**92.91**
ii)Undisuputed-which have significant increase in credit risk						**-**
iii)Undisuputed-credit impaired						**-**
iv)Disputed-considered good						**-**
v) Disputed-considered good- which have significant increase in credit risk						**-**
vi)Disputed-credit impaired						**-**
Total	**91.95**	**-**	**0.08**	**0.12**	**0.77**	**92.91**

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(All amounts in INR millions, unless stated other wise)

7 Loans

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
At amortised cost					
Term loans (refer note 7.1)	57,678.82	38,279.49	48,829.08	23,290.80	23,091.57
Employee loans (refer note 7.3)	0.94	0.86	1.10	0.90	14.15
	57,679.76	**38,280.35**	**48,830.18**	**23,291.70**	**23,105.72**
At fair value through other comprehensive income					
Term loans (refer note 7.2)	27,819.47	16,186.02	21,436.67	20,689.41	9,834.60
	27,819.47	**16,186.02**	**21,436.67**	**20,689.41**	**9,834.60**
	85,499.23	**54,466.37**	**70,266.85**	**43,981.11**	**32,940.32**

7.1 Term loans (at amortised cost)

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Term loans					
(i) Joint Liability Group Loans	58,306.36	38,979.04	49,702.55	24,473.99	24,554.35
(ii) Individual Loans	893.92	478.37	568.43	472.02	343.12
(iii) Corporate Loans	107.42	31.26	164.45	45.08	12.85
Total (gross)	**59,307.70**	**39,488.67**	**50,435.43**	**24,991.09**	**24,910.32**
Less: Allowance for impairment loss for loan assets	1,628.87	1,209.18	1,606.35	1,700.29	1,818.75
Total (net)	**57,678.83**	**38,279.49**	**48,829.08**	**23,290.80**	**23,091.57**
Secured by tangible assets	218.36	187.45	310.00	262.94	343.12
Unsecured	59,089.34	39,301.21	50,125.43	24,728.15	24,567.20
Total (gross)	**59,307.70**	**39,488.67**	**50,435.43**	**24,991.09**	**24,910.32**
Less: Allowance for impairment loss for loan assets	1,628.87	1,209.18	1,606.35	1,700.29	1,818.75
Total (net)	**57,678.83**	**38,279.49**	**48,829.08**	**23,290.80**	**23,091.57**
Loans in India					
Public sector	-		-	-	-
Individuals	59,200.27	39,457.41	50,270.98	24,946.01	24,897.47
Corporate loans	107.42	31.26	164.45	45.08	12.85
Total (gross)	**59,307.69**	**39,488.67**	**50,435.43**	**24,991.09**	**24,910.32**
Less: Allowance for impairment loss for loan assets	1,628.87	1,209.18	1,606.35	1,700.29	1,818.75
Total (net)	**57,678.82**	**38,279.49**	**48,829.08**	**23,290.80**	**23,091.57**

7.2 Term loans (at fair value through other comprehensive income)

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Term loans	27,980.12	16,317.54	21,550.49	21,205.27	10,121.31
Total (gross)	**27,980.12**	**16,317.54**	**21,550.49**	**21,205.27**	**10,121.31**
Less: Allowance for impairment loss for loan assets	160.65	131.52	113.82	515.86	286.71
Total (net)	**27,819.47**	**16,186.02**	**21,436.67**	**20,689.41**	**9,834.60**
Secured by tangible assets	-		-	-	-
Unsecured	27,980.12	16,317.54	21,550.49	21,205.27	10,121.31
Total (gross)	**27,980.12**	**16,317.54**	**21,550.49**	**21,205.27**	**10,121.31**
Less: Allowance for impairment loss for loan assets	160.65	131.52	113.82	515.86	286.71
Total (net)	**27,819.47**	**16,186.02**	**21,436.67**	**20,689.41**	**9,834.60**
Loans in India					
Public sector	-	-	-	-	-
Individuals	27,980.12	16,317.54	21,550.49	21,205.27	10,121.31
Total (gross)	**27,980.12**	**16,317.54**	**21,550.49**	**21,205.27**	**10,121.31**
Less: Allowance for impairment loss for loan assets	160.65	131.52	113.82	515.86	286.71
Total (net)	**27,819.47**	**16,186.02**	**21,436.67**	**20,689.41**	**9,834.60**

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(All amounts in INR millions, unless stated other wise)

7.3 Employee loans (at amortised cost)

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Employee loans	0.94	0.86	1.10	0.90	14.15
Total (gross)	0.94	0.86	1.10	0.90	14.15
Less: Allowance for impairment loss for loan assets			-	-	-
Total (net)	**0.94**	**0.86**	**1.10**	**0.90**	**14.15**
(i) Key Managerial Personnel			-	-	-
(ii) Other Employees	0.94	0.86	1.10	0.90	14.15
Total (gross)	**0.94**	**0.86**	**1.10**	**0.90**	**14.15**
Less: Allowance for impairment loss for loan assets	-	-	-	-	-
Total (net)	**0.94**	**0.86**	**1.10**	**0.90**	**14.15**

(i) Refer Note 49(A.6) for expected credit loss disclosures on loan assets
(ii) All loans given to employees are without any security of assets or guarantee
(iii) Refer Note 51 for loans pledged as security

The following table further explains changes in the gross carrying amount of the Loan portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

Portfolio Movement-at Gross for the year ended 31st March 2021

Particulars	Stage 1 12 months ECL	Stage 2 life time ECL	Stage 3 life time ECL	Total
Balance as at April 1, 2020	**25,133.94**	**313.47**	**2,079.04**	**27,526.45**
New assets originated	26,415.67	68.89	11.99	**26,496.55**
Assets derecognised or repaid (excluding write offs)	(17,318.68)	(63.56)	(294.21)	**(17,676.45)**
Transfers to Stage 1	6.78	(6.69)	(0.09)	**(0.00)**
Transfers to Stage 2	(1,547.03)	1,547.58	(0.55)	**(0.00)**
Transfers to Stage 3	(1,482.82)	(293.18)	1,776.00	**-**
Amounts written off	-	-	(983.09)	**(983.09)**
Change in fair value of loan assets	(317.68)	-	-	**(317.68)**
Balance as at March 31, 2021	**30,890.18**	**1,566.51**	**2,589.09**	**35,045.78**

Portfolio Movement-at Gross for the year ended 31st March 2022

Particulars	Stage 1 12 months ECL	Stage 2 life time ECL	Stage 3 life time ECL	Total
Balance as at April 1, 2021	**30,890.18**	**1,566.51**	**2,589.09**	**35,045.78**
New assets originated	45,796.29	238.04	54.45	**46,088.78**
Assets derecognised or repaid (excluding write offs)	(33,308.97)	(668.49)	(671.18)	**(34,648.64)**
Transfers to Stage 1	466.06	(461.51)	(4.55)	**0.00**
Transfers to Stage 2	(2,566.96)	2,570.84	(3.87)	**0.00**
Transfers to Stage 3	(1,060.71)	(603.15)	1,663.87	**-**
Amounts written off	-	-	(737.80)	**(737.80)**
Change in fair value of loan assets	449.13	-	-	**449.13**
Balance as at March 31, 2022	**40,665.01**	**2,642.24**	**2,890.01**	**46,197.26**

Portfolio Movement-at Gross for the period ended 30th September 2022

Particulars	Stage 1 12 months ECL	Stage 2 life time ECL	Stage 3 life time ECL	Total
Balance as at April 1, 2022	**40,665.01**	**2,642.24**	**2,890.01**	**46,197.26**
New assets originated	34.033.01	21.30	1.16	**34.055.48**
Assets derecognised or repaid (excluding write offs)	(20,817.23)	(829.32)	(1,606.53)	**(23,253.08)**
Transfers to Stage 1	72.73	(71.57)	(1.15)	**-**
Transfers to Stage 2	(730.94)	734.16	(3.22)	**-**
Transfers to Stage 3	(604.59)	(1,336.46)	1,941.05	**-**
Amounts written off	-	-	(1,402.81)	**(1,402.81)**
Change in fair value of loan assets	210.23	-	-	**210.23**
Balance as at September 30, 2022	**52,828.22**	**1,160.35**	**1,818.51**	**55,807.08**

(All amounts in INR millions, unless stated other wise)

Portfolio Movement-at Gross for the year ended 31st March 2023

Particulars	Stage 1 12 months ECL	Stage 2 life time ECL	Stage 3 life time ECL	Total
Balance as at April 1, 2022	**40,665.01**	**2,642.24**	**2,890.01**	**46,197.26**
New assets originated	79,078.08	127.33	34.87	**79,240.28**
Assets derecognised or repaid (excluding write offs)	(49,957.94)	(2,624.50)	(14.10)	**(52,596.54)**
Transfers to Stage 1	29.36	(29.04)	(0.32)	**-**
Transfers to Stage 2	(378.93)	379.29	(0.37)	**-**
Transfers to Stage 3	(575.60)	(58.65)	634.25	**-**
Amounts written off	-	-	(1,402.81)	**(1,402.81)**
Change in fair value of loan assets	548.84	-	-	**548.84**
Balance as at March 31, 2023	**69,408.82**	**436.67**	**2,141.53**	**71,987.02**

Portfolio Movement-at Gross for the period ended 30th September 2023

Particulars	Stage 1 12 months ECL	Stage 2 life time ECL	Stage 3 life time ECL	Total
Balance as at April 1, 2023	**69,408.82**	**436.67**	**2,141.53**	**71,987.02**
New assets originated	52,057.14	32.35	0.86	**52,090.35**
Assets derecognised or repaid (excluding write offs)	(36,145.32)	(138.91)	(284.45)	**(36,568.68)**
Transfers to Stage 1	14.90	(14.77)	(0.13)	**-**
Transfers to Stage 2	(485.81)	486.32	(0.51)	**-**
Transfers to Stage 3	(277.84)	(258.24)	536.09	**-**
Amounts written off	-	-	(322.70)	**(322.70)**
Change in fair value of loan assets	102.76	-	-	**102.76**
Balance as at September 30, 2023	**84,674.65**	**543.41**	**2,070.69**	**87,288.75**

Reconciliation of Loss Allowance from beginning to end of Reporting period/year

Loss Allowance Movement-at Gross for the year ended 31st March 2021

Particulars	Stage 1 12 months ECL	Stage 2 life time ECL	Stage 3 life time ECL	Total
Balance as at April 1, 2020	**576.03**	**7.12**	**737.92**	**1,321.07**
New assets originated	373.65	1.60	1.51	**376.76**
Assets derecognised or repaid (excluding write offs)	(231.26)	(7.63)	(28.42)	**(267.31)**
Transfers to Stage 1	0.10	(0.23)	(0.06)	**(0.18)**
Transfers to Stage 2	(34.89)	35.67	(0.43)	**0.35**
Transfers to Stage 3	(33.69)	(5.16)	676.56	**637.70**
Change in fair value of loan assets	(98.54)	(0.10)	85.11	**(13.52)**
Amounts written off	-	-	(336.48)	**(336.48)**
Balance as at March 31, 2021	**551.40**	**31.27**	**1,135.71**	**1,718.38**
Additional Credit loss provided by Management	-	-	387.08	**387.08**
Provision as per Books	**551.40**	**31.27**	**1,522.79**	**2,105.46**

Loss Allowance Movement-at Gross for the year ended 31st March 2022

Particulars	Stage 1 12 months ECL	Stage 2 life time ECL	Stage 3 life time ECL	Total
Balance as at April 1, 2021	**551.40**	**31.27**	**1,135.71**	**1,718.38**
New assets originated	452.73	3.10	16.66	**472.49**
Assets derecognised or repaid (excluding write offs)	(206.17)	(0.01)	(132.34)	**(338.53)**
Transfers to Stage 1	3.50	(7.78)	(1.09)	**(5.37)**
Transfers to Stage 2	(46.91)	27.17	(0.80)	**(20.54)**
Transfers to Stage 3	(17.93)	(15.64)	435.11	**401.54**
Changes to models and inputs used for ECL calculation	(155.67)	9.37	99.30	**(47.00)**
Amounts written off	-	-	(350.95)	**(350.95)**
Balance as at March 31, 2022	**580.94**	**47.49**	**1,201.60**	**1,830.03**
Additional Credit loss provided by Management	-	-	386.12	**386.12**
Provision as per Books	**580.94**	**47.49**	**1,587.71**	**2,216.15**

(All amounts in INR millions, unless stated other wise)

Loss Allowance Movement-at Gross for the period ended 30th September 2022

Particulars	Stage 1 12 months ECL	Stage 2 life time ECL	Stage 3 life time ECL	Total
Balance as at April 1, 2022	**580.94**	**47.49**	**1,201.60**	**1,830.03**
New assets originated	275.48	0.39	0.49	**276.36**
Assets derecognised or repaid (excluding write offs)	(170.00)	(17.89)	(716.50)	**(904.38)**
Transfers to Stage 1	0.25	(1.95)	(1.01)	**(2.69)**
Transfers to Stage 2	(11.57)	6.28	(2.12)	**(7.41)**
Transfers to Stage 3	(3.00)	(8.94)	340.72	**328.78**
Changes to models and inputs used for ECL calculation	(228.36)	(15.78)	84.30	**(159.84)**
Amounts written off	(0.02)	(0.56)	(50.75)	**(51.35)**
Balance as at September 30, 2022	**443.73**	**9.04**	**856.73**	**1,309.50**
Additional Credit loss provided by Management	-	-	31.21	**31.21**
Provision as per Books	**443.73**	**9.04**	**887.94**	**1,340.71**

Loss Allowance Movement-at Gross for the year ended 31st March 2023

Particulars	Stage 1 12 months ECL	Stage 2 life time ECL	Stage 3 life time ECL	Total
Balance as at April 1, 2022	**580.94**	**47.49**	**1,201.60**	**1,830.02**
New assets originated	295.19	1.61	39.06	**335.86**
Assets derecognised or repaid (excluding write offs)	(242.62)	(23.50)	(768.39)	**(1,034.51)**
Transfers to Stage 1	0.14	(1.07)	(0.23)	**(1.16)**
Transfers to Stage 2	(10.48)	54.36	(0.46)	**43.41**
Transfers to Stage 3	(13.26)	(11.32)	614.25	**589.68**
Changes to models and inputs used for ECL calculation	(226.76)	(13.73)	157.16	**(83.34)**
Amounts written off	-	-	(44.74)	**(44.74)**
Balance as at March 31, 2023	**383.14**	**53.84**	**1,198.24**	**1,635.21**
Additional Credit loss provided by Management	-	-	84.94	**84.94**
Provision as per Books	**383.14**	**53.84**	**1,283.18**	**1,720.16**

Loss Allowance Movement-at Gross for the period ended 30th September 2023

Particulars	Stage 1 12 months ECL	Stage 2 life time ECL	Stage 3 life time ECL	Total
Balance as at April 1, 2023	**383.14**	**53.84**	**1,198.24**	**1,635.21**
New assets originated	272.80	0.56	0.41	**273.77**
Assets derecognised or repaid (excluding write offs)	(110.45)	(18.94)	(95.14)	**(224.53)**
Transfers to Stage 1	0.26	(2.90)	(0.36)	**(3.00)**
Transfers to Stage 2	(4.97)	12.88	(0.41)	**7.50**
Transfers to Stage 3	(2.50)	(32.40)	201.04	**166.14**
Changes to models and inputs used for ECL calculation	(78.88)	4.30	52.16	**(22.42)**
Amounts written off	-	-	(185.25)	**(185.25)**
Balance as at September 30, 2023	**459.40**	**17.34**	**1,170.69**	**1,647.43**
Additional Credit loss provided by Management	-	-	142.09	**142.09**
Provision as per Books	**459.40**	**17.34**	**1,312.78**	**1,789.52**

Muthoot Microfin Limited
Notes to Restated Financial Statements
(All amounts in INR millions, unless stated other wise)

8 Investments

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Investments at Amortised Cost					
Investment in Associate Concern	0.45	0.45	0.45	0.45	0.45
Investements in ARC Trust *	513.21	765.00	633.14	-	-
Investments designated at Fair value though Profit or Loss					
Current Investment	-	2,001.42	-	-	-
Total (gross)	**513.66**	**2,766.87**	**633.59**	**0.45**	**0.45**
Less: Allowance for impairment loss	-	-	-	-	-
Total (net)	**513.66**	**2,766.87**	**633.59**	**0.45**	**0.45**
Investments in India	513.66	2,766.87	633.59	0.45	0.45
Investments outside India	-	-	-	-	-
Total (net)	**513.66**	**2,766.87**	**633.59**	**0.45**	**0.45**

* Investments in Security Receipts are those issued on account of assignment of loans to ARC Trust

9 Other Financial Assets

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Security deposits (unsecured, considered good)	44.31	34.83	38.14	30.46	23.46
Employee advances	8.35	7.13	2.47	3.22	0.39
	52.66	**41.96**	**40.61**	**33.68**	**23.85**

10 Current Tax Assets/(Liability)(Net)

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Advance income tax (net)	128.85	624.15	104.60	395.45	94.15
	128.85	**624.15**	**104.60**	**395.45**	**94.15**

11 Deferred Tax Asset (Net)

A. Deferred Tax Asset

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provision for expected credit loss	598.60	504.25	562.81	498.92	464.57
Adoption of EIR for loan assets	169.03	103.07	132.33	81.04	57.54
Adoption of Ind AS 116	58.19	40.85	50.88	33.78	22.67
Others	136.30	80.02	100.67	60.30	27.47
Total Deferred Tax Asset (a)	**962.12**	**728.19**	**846.69**	**674.04**	**572.25**

B. Deferred Tax Liabilities

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Direct assignment transactions	(791.24)	(564.06)	(702.43)	(566.69)	(446.92)
Adoption of EIR for borrowing cost	(97.47)	(87.28)	(86.51)	(59.60)	(24.98)
Total Deferred Tax Liabilities(b)	**(888.71)**	**(651.33)**	**(788.93)**	**(626.29)**	**(471.90)**
Net Deferred Tax Asset (a-b)	**73.41**	**76.86**	**57.75**	**47.75**	**100.35**

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(All amounts in INR millions, unless stated other wise)

C. Movement in Deferred Tax Asset

Particulars	As at April 1, 2022	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2023	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at September 30, 2023
Tax effect of items constituting deferred tax assets / (liabilities)							
Provision for expected credit loss	498.92	63.89	-	562.81	35.78	-	598.60
Adoption of EIR for loan assets	81.04	51.29	-	132.33	36.70	-	169.03
Direct assignment transactions	(566.69)	2.41	(138.14)	(702.43)	(62.95)	(25.86)	(791.24)
Adoption of EIR for borrowing cost	(59.60)	(26.91)	-	(86.51)	(10.96)	-	(97.47)
Adoption of Ind AS 116	33.78	17.10	-	50.88	7.31	-	58.19
Others	60.30	34.81	5.56	100.67	29.69	5.94	136.30
Total	**47.75**	**142.60**	**(132.58)**	**57.75**	**35.58**	**(19.93)**	**73.41**

Particulars	As at April 1, 2021	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2022	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at September 30, 2022
Tax effect of items constituting deferred tax assets / (liabilities)							
Provision for expected credit loss	464.57	34.35	-	498.92	5.33	-	504.25
Adoption of EIR for loan assets	57.54	23.50	-	81.04	22.03	-	103.07
Direct assignment transactions	(446.92)	(6.73)	(113.05)	(566.69)	55.55	(52.92)	(564.06)
Adoption of EIR for borrowing cost	(24.98)	(34.61)	-	(59.60)	(27.68)	-	(87.28)
Adoption of Ind AS 116	22.67	11.11	-	33.78	7.07	-	40.85
Others	27.47	28.52	4.31	60.30	16.82	2.91	80.02
Total	**100.34**	**56.13**	**(108.73)**	**47.75**	**79.12**	**(50.01)**	**76.86**

Particulars	As at April 1, 2021	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2022	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2023
Tax effect of items constituting deferred tax assets / (liabilities)							
Provision for expected credit loss	464.57	34.35	-	498.92	63.89	-	562.80
Adoption of EIR for loan assets	57.54	23.50	-	81.04	51.29	-	132.33
Direct assignment transactions	(446.92)	(6.73)	(113.05)	(566.69)	2.41	(138.14)	(702.43)
Adoption of EIR for borrowing cost	(24.98)	(34.61)	-	(59.60)	(26.91)	-	(86.51)
Adoption of Ind AS 116	22.67	11.11	-	33.78	17.10	-	50.88
Others	27.47	28.52	4.31	60.30	34.81	5.56	100.67
Total	**100.35**	**56.14**	**(108.74)**	**47.75**	**142.59**	**(132.58)**	**57.75**

Particulars	As at April 1, 2020	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2021	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2022
Tax effect of items constituting deferred tax assets / (liabilities)							
Provision for expected credit loss	422.06	42.51	-	464.57	34.35	-	498.92
Adoption of EIR for loan assets	49.47	8.07	-	57.54	23.50	-	81.04
Direct assignment transactions	(771.35)	244.52	79.91	(446.92)	(6.73)	(113.05)	(566.69)
Adoption of EIR for borrowing cost	(25.41)	0.43	-	(24.98)	(34.61)	-	(59.60)
Adoption of Ind AS 116	12.23	10.44	-	22.67	11.11	-	33.78
Others	13.68	11.74	2.05	27.47	28.52	4.31	60.30
Total	**(299.32)**	**317.70**	**81.96**	**100.35**	**56.14**	**(108.74)**	**47.75**

Particulars	As at April 1, 2019	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2020	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2021
Tax effect of items constituting deferred tax assets / (liabilities)							
Provision for expected credit loss	78.64	343.42		422.06	42.51	-	464.57
Adoption of EIR for loan assets	59.45	-9.98		49.47	8.07	-	57.54
Direct assignment transactions	(583.30)	-173.11	(14.94)	(771.35)	244.52	79.91	(446.92)
Adoption of EIR for borrowing cost	(19.89)	-5.52		(25.41)	0.43	-	(24.98)
Adoption of Ind AS 116	-	12.23		12.23	10.44	-	22.67
Others	4.18	2.51	6.99	13.68	11.74	2.05	27.47
Total	**(460.93)**	**169.55**	**(7.95)**	**(299.32)**	**317.70**	**81.96**	**100.35**

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Muthoot Microfin Limited
Notes to Restated Financial Statements
(All amounts in INR millions, unless stated other wise)

12 . Property, Plant and Equipment

Particulars	Gross carrying amount (at cost)				Accumulated depreciation				Net carrying Amount
	As at April 1,2023	Additions	Disposal	As at 30th September, 2023	As at April 1,2023	For the period	Disposal	As at 30th September, 2023	As at 30th September, 2023
Computer and Accessories	132.64	18.74	(0.05)	151.33	87.00	10.32	(0.02)	97.30	54.03
Furniture and Fixtures	423.09	48.16	(0.09)	471.16	123.99	21.27	(0.07)	145.19	325.97
Office Equipments	331.81	21.60	(2.87)	350.54	140.65	29.98	(2.72)	167.91	182.63
Vehicles	0.77	-	-	0.77	0.62	0.05	-	0.67	0.10
Electrical fittings	66.45	27.32	(0.09)	93.68	8.13	3.75	(0.07)	11.81	81.87
Total	**954.76**	**115.82**	**(3.10)**	**1,067.48**	**360.39**	**65.35**	**(2.88)**	**422.88**	**644.62**

Particulars	Gross carrying amount (at cost)				Accumulated depreciation				Net carrying Amount
	As at April 1,2022	Additions	Disposal	As at 30th September, 2022	As at April 1,2022	For the period	Disposal	As at 30th September, 2022	As at 30th September, 2022
Computer and Accessories	97.59	19.77	(0.03)	117.33	69.13	8.79	(0.02)	77.89	39.43
Furniture and Fixtures	323.20	43.95	(0.00)	367.15	89.41	16.32	(0.00)	105.73	261.42
Office Equipments	245.88	13.68	(1.76)	257.80	96.55	22.30	(1.59)	117.26	140.54
Vehicles	0.77	-	-	0.77	0.52	0.05	-	0.57	0.19
Electrical fittings	13.65	25.68	(0.20)	39.13	5.01	1.17	(0.12)	6.06	33.07
Total	**681.08**	**103.08**	**(1.99)**	**782.18**	**260.63**	**48.63**	**(1.74)**	**307.51**	**474.67**

Particulars	Gross carrying amount (at cost)				Accumulated depreciation				Net carrying Amount
	As at April 1,2022	Additions	Disposal	As at 31st March, 2023	As at April 1,2022	For the period	Disposal	As at 31st March, 2023	As at 31st March, 2023
Computer and Accessories	97.59	35.30	(0.25)	132.64	69.13	18.05	(0.18)	87.00	45.64
Furniture and Fixtures	323.20	100.08	(0.19)	423.09	89.41	34.73	(0.15)	123.99	299.10
Office Equipments	245.88	90.71	(4.78)	331.81	96.55	48.45	(4.35)	140.65	191.16
Vehicles	0.77	-	-	0.77	0.52	0.10	-	0.62	0.15
Electrical fittings	13.65	53.16	(0.36)	66.45	5.01	3.52	(0.40)	8.13	58.32
Total	**681.08**	**279.25**	**(5.57)**	**954.76**	**260.63**	**104.85**	**(5.08)**	**360.39**	**594.37**

Muthoot Microfin Limited
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(All amounts in INR millions, unless stated other wise)

Particulars	Gross carrying amount (at cost)				Accumulated depreciation				Net carrying Amount
	As at April 1,2021	Additions	Disposal	As at 31st March, 2022	As at April 1,2021	For the period	Disposal	As at 31st March, 2022	As at 31st March, 2022
Computer and Accessories	77.91	19.89	(0.21)	97.59	53.49	15.82	(0.18)	69.13	28.46
Furniture and Fixtures	283.31	39.89	-	323.20	61.07	28.34	-	89.41	233.79
Office Equipments	202.32	45.70	(2.14)	245.88	59.19	39.21	(1.85)	96.55	149.33
Vehicles	0.77	-	-	0.77	0.43	0.09	-	0.52	0.24
Electrical fittings	12.41	1.87	(0.62)	13.65	4.10	1.24	(0.33)	5.01	8.64
Total	**576.72**	**107.34**	**(2.98)**	**681.08**	**178.28**	**84.71**	**(2.37)**	**260.63**	**420.45**

Particulars	Gross carrying amount (at cost)				Accumulated depreciation				Net carrying Amount
	As at April 1,2020	Additions	Disposal	As at 31st March, 2021	As at April 1,2020	For the period	Disposal	As at 31st March, 2021	As at 31st March ,2021
Computer and Accessories	75.65	3.02	(0.76)	77.91	35.91	17.99	(0.41)	53.49	24.42
Furniture and Fixtures	233.70	49.63	(0.02)	283.31	36.67	24.42	(0.02)	61.07	222.24
Office Equipments	147.68	55.99	(1.35)	202.32	25.70	34.71	(1.22)	59.19	143.13
Vehicles	0.77	-	-	0.77	0.34	0.09	-	0.43	0.33
Electrical fittings	12.57	0.37	(0.53)	12.41	3.08	1.26	(0.24)	4.09	8.31
Total	**470.36**	**109.02**	**(2.66)**	**576.72**	**101.70**	**78.47**	**(1.89)**	**178.28**	**398.44**

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(All amounts in INR millions, unless stated other wise)

13 Right-of-use assets and lease liabilities

(i) Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment owned	644.62	474.67	594.38	420.45	398.44
Right-of-use assets	1,249.68	924.89	1,121.72	791.19	700.16
	1,894.30	**1,399.56**	**1,716.10**	**1,211.64**	**1,098.60**

(ii) Carrying value of right of use of assets at the end of the reporting period by class

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of period/year	1121.72	791.19	791.19	700.16	720.50
Additions	234.39	210.74	504.59	239.91	103.17
Deletions	(21.74)	(10.80)	(29.82)	(45.43)	(14.22)
Deletion of Accumulated Depreciation	14.25	7.06	16.77	19.26	-
Depreciation charge for the period/year	(98.94)	(73.30)	(161.01)	(122.71)	(109.29)
Balance as at end of period/ year	**1249.68**	**924.89**	**1121.72**	**791.19**	**700.16**

(iii) Movement in lease liabilities

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of period/year	**1,299.40**	**913.96**	**913.96**	**779.89**	**758.18**
Additions	230.66	207.65	497.32	235.55	101.19
Deletions	(9.79)	(7.55)	(15.51)	(30.67)	(15.78)
Interest on lease liabilities	75.05	62.01	128.93	96.74	80.82
Payment of lease liabilities	(140.70)	(101.82)	(225.30)	(167.56)	(144.52)
Balance as at end of period/ year	**1,454.62**	**1,074.25**	**1,299.40**	**913.96**	**779.89**

(iv) Maturity analysis of lease liabilities

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Less than one year	308.93	227.22	272.74	195.58	155.92
One to five years	1,151.77	867.09	1,031.32	762.17	628.26
More than five years	656.32	458.62	592.53	374.74	353.04
Total undiscounted lease liabilities as at September 30, 2023	**2,117.02**	**1,552.93**	**1,896.59**	**1,332.49**	**1,137.22**
Current	293.28	215.69	258.88	741.18	148.02
Non Current	1,161.34	858.55	1,040.52	172.78	631.87
Lease liabilities included in the statement of financial position	**1,454.62**	**1,074.25**	**1,299.40**	**913.96**	**779.89**

(v) Amounts recognised in profit and loss

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Interest on lease liabilities (refer note 31)	75.05	62.01	128.93	96.74	80.82
Depreciation of right-of-use assets (refer note 35)	98.94	73.30	161.01	122.71	109.29
	173.99	**135.31**	**289.94**	**219.45**	**190.11**

(vi) Amounts recognised in the statement of cash flows

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Total cash outflow for leases	**140.70**	**101.82**	**225.30**	**167.56**	**144.52**

14 Capital work in Progress

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Capital work in Progress	-	0.05	-	-	-
	-	**0.05**	**-**	**-**	**-**

(All amounts in INR millions, unless stated other wise)

15 Intangible Assets

Particulars	Gross carrying amount (at cost)				Accumulated depreciation				Net carrying Amount
	As at April 1,2023	Additions	Disposal	As at 30th September ,2023	As at April 1,2023	For the period	Disposal	As at 30th September ,2023	As at 30th September ,2023
Software	5.69	0.15	-	5.84	2.77	0.42	-	3.19	2.65
Total	**5.69**	**0.15**	**-**	**5.84**	**2.77**	**0.42**	**-**	**3.19**	**2.65**

Particulars	Gross carrying amount (at cost)				Accumulated depreciation				Net carrying Amount
	As at April 1,2022	Additions	Disposal	As at 30th September ,2022	As at April 1,2022	For the period	Disposal	As at 30th September ,2022	As at 30th September ,2022
Software	3.13	0.57	-	3.70	2.29	0.20	-	2.49	1.21
Total	**3.13**	**0.57**	**-**	**3.70**	**2.29**	**0.20**	**-**	**2.49**	**1.21**

Particulars	Gross carrying amount (at cost)				Accumulated depreciation				Net carrying Amount
	As at April 1,2022	Additions	Disposal	As at 31st March ,2023	As at April 1,2022	For the period	Disposal	As at 31st March ,2023	As at 31st March ,2023
Software	3.13	2.56	-	5.69	2.29	0.48	-	2.77	2.92
Total	**3.13**	**2.56**	**-**	**5.69**	**2.29**	**0.48**	**-**	**2.77**	**2.92**

Particulars	Gross carrying amount (at cost)				Accumulated depreciation				Net carrying Amount
	As at April 1,2021	Additions	Disposal	As at 31st March ,2022	As at April 1,2021	For the period	Disposal	As at 31st March ,2022	As at 31st March ,2022
Software	3.13	-	-	3.13	1.88	0.41	-	2.29	0.84
Total	**3.13**	**-**	**-**	**3.13**	**1.88**	**0.41**	**-**	**2.29**	**0.84**

Particulars	Gross carrying amount (at cost)				Accumulated depreciation				Net carrying Amount
	As at April 1,2020	Additions	Disposal	As at 31st March ,2021	As at April 1,2020	For the period	Disposal	As at 31st March ,2021	As at 31st March ,2021
Software	3.13	-	-	3.13	1.31	0.57	-	1.88	1.25
Total	**3.13**	**-**	**-**	**3.13**	**1.31**	**0.57**	**-**	**1.88**	**1.25**

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(All amounts in INR millions, unless stated other wise)

16 Other Non Financial Assets

Particulars	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good					
Capital advances	10.04	26.46	9.96	9.23	1.69
Balance with government authorities	54.19	40.99	42.18	32.68	18.01
Prepaid expenses	215.43	94.16	186.36	18.53	12.84
Advances	116.68	30.67	4.85	16.33	4.27
Total	**396.34**	**192.28**	**243.35**	**76.77**	**36.81**

17 Other payables

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Dues to micro, small and medium enterprises (refer note (i) below)	3.40	-	-	-	-
Dues to Creditors other than micro, small and medium enterprises	146.23	131.67	119.27	75.34	29.19
	149.63	**131.67**	**119.27**	**75.34**	**29.19**

(i) Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments.The disclosure as required by section 22 of MSMED Act has been given below:

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
i) Principal amount remaining unpaid (but within due date as per the Micro, Small and Medium Enterprises Development Act, 2006)	-	-	-	-	-
ii) Interest due thereon remaining unpaid	-	-	-	-	-
iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-	-	-	-
iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-	-	-
v) Interest accrued and remaining unpaid	-	-	-	-	-
vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-	-	-	-

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(ii) Ageing of trade payables schedule as on 30th September 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 year	
(i) MSME	3.40	-	-	-	**3.40**
(ii) Others	145.70	0.13	0.07	0.33	**146.23**
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-

(ii) Ageing of trade payables schedule as on 30th September 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 year	
(i) MSME	-	-	-	-	-
(ii) Others	129.66	2.01	-	-	**131.67**
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-

(ii) Ageing of trade payables schedule as on 31st March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 year	
(i) MSME	-	-	-	-	-
(ii) Others	119.27	-	-	-	**119.27**
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-

(ii) Ageing of trade payables schedule as on 31st March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 year	
(i) MSME	-	-	-	-	-
(ii) Others	75.34	-	-	-	**75.34**
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-

(ii) Ageing of trade payables schedule as on 31st March 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 year	
(i) MSME	-	-	-	-	-
(ii) Others	29.19	-	-	-	**29.19**
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-

(All amounts in INR millions, unless stated other wise)

18 Debt securities

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Secured (at amortised cost)					
Redeemable non-convertible debentures (refer note 18A)	14,356.23	10,958.64	13,216.67	6,249.44	4,234.19
	14,356.23	**10,958.64**	**13,216.67**	**6,249.44**	**4,234.19**
Unsecured (at amortised cost)					
Commercial paper (refer note 18A)	-	-	484.84	496.83	290.50
	-	**-**	**484.84**	**496.83**	290.50
	14,356.23	**10,958.64**	**13,701.51**	**6,746.27**	**4,524.69**
Borrowings in India	14,356.23	10,958.64	13,701.51	6,746.27	4,524.69
Borrowings outside India	-	-	-	-	-
	14,356.23	**10,958.64**	**13,701.51**	**6,746.27**	**4,524.69**

i) Refer Note 18A and 51 for Interest Rates, Repayment and nature of security of debt securities

19 Borrowings (other than debt securities)

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Borrowings carried at amortised cost					
<u>Term loans (Secured)</u>					
- From banks (refer note 19A)	31,734.75	23,408.32	29,200.07	16,481.93	11,848.61
- From financial institutions (refer note 19A)	15,176.72	10,244.38	11,678.52	11,687.60	8,196.14
- Borrowings under securitisation arrangement (refer note 19A)	12,405.75	7,378.87	8,230.63	4,121.09	4,458.92
- From Financial Institutions in foreign Currency(ECB) (refer note 19A)	2,869.42	-	2,047.76	-	-
<u>Term loans (Unsecured)</u>					
- From banks	-	-	-	-	-
- From financial institutions	918.23	316.94	73.27	679.23	878.59
	63,104.87	**41,348.51**	**51,230.25**	**32,969.85**	**25,382.26**
Borrowings in India	60,235.45	41,348.51	49,182.49	32,969.85	25,382.26
Borrowings outside India	2,869.42	-	2,047.76	-	-
	63,104.87	**41,348.51**	**51,230.25**	**32,969.85**	**25,382.26**

i)Refer note 19A for interest rates, repayment terms and nature of security of borrowings.
ii)Refer note 51 for details of assets pledged.

20 Subordinated liabilities

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
At amortised cost					
Unsecured term loan					
-From financial institutions (refer note 20A)	-	-	-	249.97	249.63
	-	**-**	**-**	**249.97**	**249.63**
Subordinated liabilities in India	-	-	-	249.97	249.63
Subordinated liabilities outside India	-	-	-	-	-
	-	**-**	**-**	**249.97**	**249.63**

(All amounts in INR millions, unless stated otherwise)

18A Details of terms & conditions of debt securities

Debt securities		Interest commencement month	Principal repayment month	Interest rate p.a	Nature of the security	Outstanding as at				
S No.	Repayment terms					September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
1	Principal: Bullet repayment, Interest: Half-yearly	Apr-17	Oct-21	12.30%	Exclusive charge over book debts equivalent to 100% of loan and interest amount.	-	-	-	-	699.26
2	Principal: Bullet repayment, Interest: Half-yearly	Mar-18	Sep-23	11.90%	Exclusive charge over book debts equivalent to 100% of loan and interest amount.	-	749.60	749.81	749.39	748.98
3	Principal: Bullet repayment, Interest: Half-yearly	May-20	Nov-24	12.06%	Exclusive charge over book debts equivalent to 100% of loan and interest amount.	699.59	699.25	699.42	699.07	698.72
4	Principal: Bullet repayment, Interest: Half-yearly	Feb-21	Feb-22	9.50%	Exclusive charge over book debts equivalent to 115% of loan and interest amount.	-	-	-	-	993.70
5	Principal: Bullet repayment, Interest: Half-yearly	Feb-21	Feb-22	9.50%	Exclusive charge over book debts equivalent to 115% of loan and interest amount.	-	-	-	-	246.00
6	Principal: Bullet repayment, Interest: Half-yearly	May-21	Nov'23 and May'24	12.06%	Exclusive charge over book debts equivalent to 100% of loan and interest amount.	450.00	450.00	450.00	450.00	450.00
7	Principal: Bullet repayment, Interest: Half-yearly	May-21	May-22	10.50%	Exclusive charge over book debts equivalent to 110% of loan and interest amount.	-	-	-	399.72	397.53
8	Principal: Bullet repayment, Interest: Bullet repayment	Jul-21	Jul-21	9.95%	Unsecured	-	-	-	-	290.50
9	Principal: Bullet repayment, Interest: Bullet repayment	Dec-22	Dec-22	10.25%	Exclusive charge over book debts equivalent to 110% of loan and interest amount.	-	746.30	-	737.27	-
10	Principal: Bullet repayment, Interest: Bullet repayment	Jul-23	Jul-23	10.50%	Exclusive charge over book debts equivalent to 110% of loan and interest amount.	-	493.56	497.64	489.45	-
11	Principal: Bullet repayment, Interest: Bullet repayment	Mar-24	Mar-24	10.60%	Exclusive charge over book debts equivalent to 110% of loan and interest amount.	1,145.75	1,129.21	1,137.46	1,120.91	-
12	Principal: Bullet repayment, Interest: Bullet repayment	Oct-23	Oct-23	10.40%	Exclusive charge over book debts equivalent to 110% of loan and interest amount.	999.51	981.50	990.48	972.47	-
13	Principal: Bullet repayment, Interest: Bullet repayment	Sep-23	Sep-23	10.10%	Exclusive charge over book debts equivalent to 110% of loan and interest amount.	-	637.52	643.85	631.16	-
14	Principal: Bullet repayment, Interest: Bullet repayment	Apr-22	Apr-22	9.95%	Unsecured	-	-	-	248.64	-
15	Principal: Bullet repayment, Interest: Bullet repayment	Apr-22	Apr-22	9.95%	Unsecured	-	-	-	248.19	-
16	Principal: Bullet repayment, Interest: Half-yearly	Nov-22	May-25	11.46%	Exclusive charge over book debts equivalent to 105%	379.50	379.20	379.35	-	-
17	Principal: Bullet repayment, Interest: Half-yearly	Dec-22	Jun-25	11.55%	Exclusive charge over book debts equivalent to 105%	1,119.49	1,118.94	1,119.34	-	-
18	Principal: Half-yearly, Interest: Quarterly	Sep-22	Dec'24, Jun'25 and Dec'25	9.90%	Exclusive charge over book debts equivalent to 100%	930.20	929.20	929.70	-	-
19	Principal: Bullet repayment, Interest: Bullet repayment	Jan-24	Jan-24	10.45%	Exclusive charge over book debts equivalent to 110%	993.87	975.16	984.37	-	-
20	Principal: Bullet repayment, Interest: Bullet repayment	Apr-24	Apr-24	10.60%	Exclusive charge over book debts equivalent to 110%	692.77	680.74	686.50	-	-
21	Principal: Bullet repayment, Interest: Bullet repayment	Jan-24	Jan-24	10.45%	Exclusive charge over book debts equivalent to 110%	993.04	988.47	982.25	-	-
22	Principal: Bullet repayment, Interest: Bullet repayment	Jun-24	Jun-24	10.00%	Exclusive charge over book debts equivalent to 110%	990.57	-	984.06	-	-
23	Principal: Half-yearly, Interest: Monthly	Feb-23	Jan'24, Jul'24, Jan'25, Jul'25, Jan'26	11.00%	Exclusive charge over book debts equivalent to 110%	1,987.25	-	1,982.45	-	-
24	Principal: Bullet repayment, Interest: Bullet repayment	Jul-23	Jul-23	9.65%	Unsecured	-	-	484.84	-	-
25	Principal: Half-yearly, Interest: Monthly	Jun-23	May'24, Nov'24, May'25, Nov'25, Jun'26	11.00%	Exclusive charge over book debts equivalent to 110% of loan amount	1,487.47	-	-	-	-
26	Principal: Quarterly, Interest: Monthly	Jul-23	Sep'24, Dec'24, Mar'25, Jun'25, Sep'25, Dec'25, Mar'26, Jul'26	10.75%	Exclusive charge over book debts equivalent to 110% of loan amount	743.71	-	-	-	-
27	Principal: Quarterly, Interest: Monthly	Aug-23	Oct'24, Jan'25, Apr'25, Jul'25, Oct'25, Jan'26, Apr'26, Aug'26	10.75%	Exclusive charge over book debts equivalent to 110% of loan amount	743.49	-	-	-	-

Muthoot Microfin Limited
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(All amounts in INR millions, unless stated otherwise)

19A Details of terms & conditions of Borrowings (Other than Debt Securities)

Borrowings (other than debt securities) - from banks (Secured)								Outstanding as at				
S No.	Repayment terms	No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
1	Quarterly	8	43.75	Dec-18	Variable	MCLR + 2.75%	Exclusive charge over book debts equivalent to 110% of loan amountCash margin of 5%.	-	-	-	-	87.34
2	Quarterly	8	62.50	Jun-20	Variable	MCLR + 3.00.%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	-	-	-	-	249.13
3	Monthly	22	31.82	Sep-22	Variable	MCLR03 + 3.45%	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%.	285.79	664.91	475.63	-	-
4	Monthly	22	2.27	Oct-22	Variable	MCLR03 + 3.45%	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%.	22.67	49.73	36.22	-	-
5	Monthly	22	28.64	Apr-23	Variable	MCLR03 + 1.85%	Exclusive charge over book debts equivalent to 110% of loan .	456.17	-	626.23	-	-
6	Quarterly	7	228.57	Aug-19	Fixed	11%	Exclusive charge over book debts equivalent to 110%	-	-	-	-	228.51
7	Quarterly	7	285.71	Jun-23	Variable	EBR+Spread	Exclusive charge over book debts equivalent to 105% of loan amount	1,711.52	-	1,995.55	-	-
8	Quarterly	12	29.00	May-21	Variable	MCLR + 4.00.%	Cash margin of 5%, Exclusive charge over book debts equivalent to 117%	59.96	175.57	117.81	233.24	348.27
9	Quarterly	8	25.00	Oct-22	Variable	MCLR + 300 bps	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%.	99.79	199.11	149.51	-	-
10	Monthly	30	50.00	Mar-20	Variable	MCLR+2.35%	Exclusive charge over book debts equivalent to 115% of loan amount and Cash margin of 5%.	-	49.98	-	349.41	946.01
11	Monthly	36	6.90	Oct-17	Variable	MCLR + 2.50%	Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 5%.	-	-	-	-	11.82
12	Monthly	33	7.23	Oct-18	Variable	MCLR + 1.40%	Exclusive charge over book debts equivalent to 100% of loan amount.	-	-	-	-	57.83
13	Monthly	24	16.67	Nov-19	Variable	MCLR+1.91%	Exclusive charge over book debts equivalent to 100% of loan amount.	-	-	-	-	199.81
14	Monthly	36	8.06	May-19	Variable	MCLR + 155 bps	Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 5%.			-	8.06	104.42
15	Monthly	24	20.83	Dec-22	Variable	3M MCLR+Spread	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%.	289.54	492.93	412.41	-	-
16	Monthly	24	20.83	Feb-23	Variable	3M MCLR+Spread	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%.	331.34		454.63	-	-
17	Monthly	21	4.76	Mar-21	Fixed	9.75%	Exclusive charge over book debts equivalent to 105% of loan amount.	-	9.52	-	38.06	95.05
18	Monthly	22	45.45	Nov-19	Variable	MCLR+2.60%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 3%.	-	-	-	-	272.27
19	Monthly	22	22.73	Jun-20	Variable	MCLR+2.60%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 3%.	-	-	-	-	271.75
20	Quarterly	9	277.78	Dec-22	Variable	I MCLR-3M+ Spread	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%.	1,384.93	2,487.61	1,936.84	-	-
21	Quarterly	9	61.11	Jul-23	Variable	I-MCLR- 1Y + Spread	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%.	485.55	-	544.67	-	-
22	Monthly	24	125.00	Jan-20	Variable	MCLR+2.55%	Exclusive charge over book debts equivalent to 111% of loan amount and Cash margin of 5%.	-	-	-	-	999.16
23	Monthly	24	83.33	Mar-20	Variable	MCLR+2.65%	Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 5%.	-	-	-	-	915.63
24	Quarterly	12	58.33	Dec-22	Variable	3M MCLR+300bps	Exclusive charge over book debts equivalent to 120% of loan amount,Cash margin of 10%.	462.30	690.48	576.63	-	-
25	Monthly	24	23.30	May-21	Fixed	11%	Exclusive charge over book debts equivalent to 110%	-0.00	128.96	19.06	232.45	495.99
26	Half Yearly	5	100.00	Dec-21	Variable	MCLR + 0.60%	Exclusive charge over book debts equivalent to 110%	99.60	298.25	199.09	397.25	494.05
27	Monthly	24	25.00	Apr-19	Variable	MCLR + Spread	Exclusive charge over book debts equivalent to 110% of loan amount	-	-	-	-	24.99
28	Monthly	24	20.83	Dec-19	Variable	MCLR + Spread	Exclusive charge over book debts equivalent to 110% of loan amount	-	-	-	-	166.57
29	Monthly	24	29.17	Mar-21	Fixed	10.50%	Exclusive charge over book debts equivalent to 110% of loan amount		145.72	-	320.38	668.97
30	Monthly	36	27.78	Apr-18	Variable	MCLR + 1.75%	Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 5%.	-	-	-	-	142.95
31	Monthly	24	0.84	May-19	Variable	MCLR + 2.25%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	-	-	-	-	67.94
32	Monthly	24	0.72	Dec-19	Variable	MCLR + 2.20%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	-	-	-	-	1,149.92

(All amounts in INR millions, unless stated otherwise)

Borrowings (other than debt securities) - from banks (Secured)

S No.	Repayment terms	No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	Outstanding as at September 30, 2023	Outstanding as at September 30, 2022	Outstanding as at March 31, 2023	Outstanding as at March 31, 2022	Outstanding as at March 31, 2021
33	Quarterly	12	166.70	Apr-21	Variable	MCLR + 3%	Exclusive charge over book debts equivalent to 133% of loan amount and Cash margin of 5%.	332.32	995.34	664.36	1,325.07	1,981.20
34	Quarterly	11	272.73	Feb-23	Variable	6M MCLR +255 bps	Exclusive charge over book debts equivalent to 125% of loan amount,Cash margin of 5%.	2,164.51	2,965.89	2,702.14	-	-
35	Monthly	30	8.33	Apr-20	Variable	MCLR+2.75%	Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 5%.	-	-	-	49.95	141.30
36	Monthly	30	16.67	Jul-20	Variable	MCLR+2.75%	Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 5%.	-	49.97	-	149.81	332.34
37	Monthly	33	30.30	Dec-22	Variable	MCLR +2.25%	Exclusive charge over book debts equivalent to 111% of loan amount,Cash margin of 10%.	689.78	989.12	867.45	-	-
38	Quarterly	12	83.33	Dec-22	Variable	MCLR+2.50%	Exclusive charge over book debts equivalent to 111% of loan amount,Cash margin of 5%.	659.27	-	822.00	-	-
39	Monthly	36	9.44	Dec-18	Variable	MCLR + 1.75%	Exclusive charge over book debts equivalent to 105% of loan amount	-	-	-	-	75.45
40	Monthly	60	0.01	Jul-16	Variable	Base Rate+0.00%	Hypothecation of motor car.	-	-	-	-	0.03
41	Quarterly	8	62.50	Mar-23	Variable	MCLR+0.75%	Exclusive charge over book debts equivalent to 110% of loan amount.	309.67	-	432.21	-	-
42	Quarterly	4	125.00	Aug-20	Variable	MCLR + Applicable margin	Cash margin of 5%.	-	-	-	-	124.87
43	Quarterly	4	62.50	Jun-21	Variable	MCLR + Applicable margin	Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 5%.	-	-	-	-	248.77
44	Yearly	1	200.00	Oct-21	Variable	MCLR + Applicable margin	Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 5%.	-	-	-	-	200.00
45	Yearly	1	175.00	Nov-21	Variable	MCLR + Applicable margin	Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 5%.	-	-	-	-	175.00
46	Yearly	1	125.00	Dec-21	Variable	MCLR + Applicable margin	Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 5%.	-	-	-	-	125.00
47	Yearly	1	375.00	Mar-22	Variable	MCLR + Applicable margin	Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 5%.	-	-	-	-	375.00
48	Monthly	24	20.83	Oct-22	Variable	Repo rate+ Spread	Exclusive charge over book debts equivalent to 110% of loan amount	263.68	496.21	383.27	-	-
49	Monthly	21	7.14	May-20	Variable	Base rate + 4.90%	Exclusive charge over book debts equivalent to 110% of loan amount	-	-	-	-	71.27
50	Bullet payment	1	-	Jun-22	Variable	9.75%	Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 5%.	-	-	-	187.50	-
51	Monthly	24	10.42	Jul-21	Variable	10.75%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash	-	93.49	31.22	155.54	-
52	Monthly	24	10.42	Jul-22	Variable	T Bill Rate + Spread	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%.	93.66	218.25	155.99	-	-
53	Monthly	36	12.44	Sep-21	Variable	EBMR + 7.4%	Exclusive charge over book debts equivalent to 100% of loan amount	120.06	255.64	194.80	313.68	-
54	Monthly	24	27.92	Jan-23	Variable	EBLR+Spread	Exclusive charge over book debts equivalent to 110% of loan amount	387.77		580.00	-	-
55	Monthly	32	15.63	Jan-22	Variable	MCLR + 1%	Exclusive charge over book debts equivalent to 100% of loan amount and Cash Margin of 5%	171.37	357.16	264.41	449.60	-
56	Monthly	36	27.80	Oct-21	Variable	MCLR + 1.25%	Exclusive charge over book debts equivalent to 110% of loan amount	331.61	660.69	496.54	824.21	-
57	Monthly	24	11.67	Oct-21	Variable	MCLR + 2.1%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	- 0.00	138.67	69.66	207.04	-
58	Monthly	33	60.61	Jan-22	Variable	MCLR + 1.2%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash Margin 5%	-	1,447.39	-	1,807.40	-
59	Monthly	36	27.78	Oct-21	Variable	MCLR + 2%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash Margin 5%	332.69	664.18	498.58	829.48	-
60	Monthly	35	42.86	Oct-22	Variable	MCLR +Spread	Exclusive charge over book debts equivalent to 117% of loan amount,Cash margin of 5%.	978.54	983.62	1,231.54	-	-
61	Bullet payment	1	62.50	Oct-22	Variable	9.75%	Exclusive charge over book debts equivalent to 105% of loan amount and Cash Margin 5%	-	62.50	-	62.50	-
62	Quarterly	8	100.00	Feb-22	Variable	8.75%	Exclusive charge over book debts equivalent to 105% of loan amount and Cash Margin 5%	99.98	499.29	299.75	698.58	-

Muthoot Microfin Limited
Notes to Restated Financial Statements
(All amounts in INR millions, unless stated otherwise)

Borrowings (other than debt securities) - from banks (Secured)								Outstanding as at				
S No.	Repayment terms	No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
63	Bullet payment	1	200.00	Nov-22	Variable	9.75%	Exclusive charge over book debts equivalent to 105% of loan amount and Cash Margin 5%	-	200.00	-	200.00	-
64	Monthly	24	12.92	Jan-22	Variable	MCLR +2.1%	Exclusive charge over book debts equivalent to 110% of loan amount.	25.77	191.67	102.62	267.09	-
65	Monthly	24	20.83	Feb-23	Variable	MCLR+ 1.00%	Exclusive charge over book debts equivalent to 110% of loan amount.	329.30		450.69	-	-
66	Quarterly	7	178.57	Jul-22	Variable	BB-EBR + 2.56%	Exclusive charge over book debts equivalent to 105% of loan amount	356.80	1,078.02	534.42	1,244.67	-
67	Quarterly	7	107.14	Sep-22	Variable	BB-EBR + 2.56%	Exclusive charge over book debts equivalent to 105% of loan amount	213.97	646.47	427.59	746.30	-
68	Monthly	22	68.18	Mar-22	Variable	MCLR +3.50%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash Margin 5%	204.38	1,018.93	612.25	1,424.41	-
69	Monthly	24	20.90	Feb-22	Variable	Repo rate + 6.25%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash Margin 5%	81.91	331.16	206.78	455.05	-
70	Half Yearly	5	100.00	Nov-22	Variable	MCLR + 0.85%	Exclusive charge over book debts equivalent to 110% of loan amount	299.46	498.67	399.14	498.08	-
71	Quarterly	10	25.00	Jan-23	Variable	Repo rate + 5.85%	Exclusive charge over book debts equivalent to 111% of loan amount,Cash margin of 5%.	174.29	248.20	223.80	-	-
72	Quarterly	8	87.50	Feb-24	Fixed	10.10%	Exclusive charge over book debts equivalent to 105% of loan amount,Cash margin of 5%.	690.89	-	687.30	-	-
73	Monthly	24	20.83	Mar-22	Variable	MCLR + Spread	Exclusive charge over book debts equivalent to 100% of loan amount	103.75	352.27	228.22	475.89	-
74	Monthly	24	16.67	Mar-23	Variable	3M MCLR +Spread	Exclusive charge over book debts equivalent to 100% of loan amount	281.85	-	380.75	-	-
75	Bullet payment	1	412.50	Jan-23	Variable	9.75%	Exclusive charge over book debts equivalent to 105% of loan amount and Cash Margin 5%	-	412.50	-	412.50	-
76	Monthly	24	20.83	Jul-22	Variable	RRLR + 350 bps	Exclusive charge over book debts equivalent to 110% of loan amount	187.36	436.72	312.08	498.61	-
77	Monthly	30	50.00	Sep-22	Variable	9.50%	Exclusive charge over book debts equivalent to 111% of loan amount and Cash margin of 5%.	298.36	496.58	397.35	497.05	-
78	Monthly	21	119.05	Jul-23	Variable	MCLR+120bps spread	Exclusive charge over book debts equivalent to 110% of loan amount	2,117.66	-	2,500.00	-	-
79	Monthly	23	31.25	Jun-22	Fixed	10.50%	Exclusive charge over book debts equivalent to 110% of loan amount	249.81	623.91	436.94	748.06	-
80	Monthly	24	16.67	Feb-23	Fixed	11.10%	Exclusive charge over book debts equivalent to 110% of loan amount	266.25	-	365.89	-	-
81	Monthly	24	4.17	May-23	Fixed	11.50%	Exclusive charge over book debts equivalent to 110% of loan amount	79.17	-	100.00	-	-
82	Bullet payment	1	375.00	Apr-22	Variable	9.75%	Exclusive charge over book debts equivalent to 105% of loan amount and Cash Margin 5%	-	375.00	-	375.00	-
83	Quarterly	8	237.50	May-23	Fixed	10.60%	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%.	1,422.36	-	1,895.33	-	-
84	Bullet Payment	1	300.00	Feb-24	Fixed	10.50%	Exclusive charge over book debts equivalent to 105% of loan amount,Cash margin of 5%.	299.68	-	299.27	-	-
85	Monthly	36	27.78	Apr-23	Variable	1Y MCLR + 2.50%	Exclusive charge over book debts equivalent to 111% of loan amount,Cash margin of 10%.	830.07	-	997.28	-	-
86	Quarterly	8	31.25	Nov-23	Variable	Repo Rate +3.7%	Exclusive charge over book debts equivalent to 111% of loan amount,Cash margin of 5%.	248.50	-	-	-	-
87	Monthly	22	16.82	Aug-23	Variable	MCLR03+1.85%	Exclusive charge over book debts equivalent to 110% of loan amount	334.54	-	-	-	-
88	Quarterly	8	29.69	Aug-23	Variable	3M NIBOR+ 3.74% Spread	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%.	207.54	-	-	-	-
89	Quarterly	9	31.11	Oct-23	Variable	I-MCLR- 1Y + Spread 2.10% p.a	Exclusive charge over book debts equivalent to 105% of loan amount,Cash margin of 5%.	278.21	-	-	-	-
90	Monthly	24	20.83	Jul-23	Fixed	10.50%	Exclusive charge over book debts equivalent to 110% of loan amount	434.38	-	-	-	-

(All amounts in INR millions, unless stated otherwise)

Borrowings (other than debt securities) - from banks (Secured)								**Outstanding as at**				
S No.	**Repayment terms**	**No of instalments**	**Amount per instalment**	**Repayment commencement month**	**Interest Type**	**Interest Rate terms**	**Nature of the security**	**September 30, 2023**	**September 30, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
91	Quarterly	8	50.00	Sep-23	Variable	MCLR+200bps	Exclusive charge over book debts equivalent to 110% of loan amount	348.31	-	-	-	-
92	Monthly	24	10.42	Aug-22	Variable	3M T Bill +4.85%	Exclusive charge over book debts equivalent to 105% of loan amount,Cash margin of 5%.	103.82	228.02	166.05	-	-
93	Monthly	24	10.42	Mar-23	Variable	3M T Bill +4.85%	Exclusive charge over book debts equivalent to 105% of loan amount,Cash margin of 5%.	176.13	-	238.12	-	-
94	Monthly	24	31.25	Oct-25	Variable	MCLR + 225 Bps	Exclusive charge over book debts equivalent to 110% of loan amount, Cash margin of 5%	746.48	-	-	-	-
95	Monthly	24	41.67	Oct-25	Variable	MCLR+Spread	Exclusive charge over book debts equivalent to 110% of loan amount, Cash margin of 5%	983.89	-	-	-	-
96	Monthly	24	20.83	Aug-25	Variable	MCLR+Spread	Exclusive charge over book debts equivalent to 105% of loan amount, Cash margin of 5%	455.18	-	-	-	-
97	Monthly	24	20.83	Aug-25	Variable	MCLR+Spread	Exclusive charge over book debts equivalent to 105% of loan amount, Cash margin of 5%	455.18	-	-	-	-
98	Monthly	24	16.67	Sep-25	Variable	EBLR + 3% Spread	Exclusive charge over book debts equivalent to 110% of loan amount	379.22	-	-	-	-
99	Quarterly	8	29.69	Aug-25	Variable	MCLR + Spread	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%.	237.14	-	-	-	-
100	Quarterly	11	363.64	Aug-26	Variable	MCLR + 225 Bps	Exclusive charge over book debts equivalent to 125% of loan amount, Cash margin of 5%	3,947.92	-	-	-	-
101	Monthly	20	20.00	Jun-25	Variable	Linked to 91 days T-Bill	Exclusive charge over book debts equivalent to 100% of loan amount	397.01	-	-	-	-
102	Quarterly	9	18.89	Dec-25	Variable	MCLR + 2.10% Spread	Exclusive charge over book debts equivalent to 105% of loan amount, Cash margin of 5%	168.66	-	-	-	-
103	Monthly	24	8.33	Sep-25	Variable	MCLR + Spread	Exclusive charge over book debts equivalent to 105% of loan amount, Cash margin of 5%	198.95	-	-	-	-
104	Quarterly	8	62.50	Dec-25	Variable	MCLR + Spread	Exclusive charge over book debts equivalent to 110% of loan amount	496.53	-	-	-	-

Borrowings (other than debt securities) - from financial institutions (Secured)								**Outstanding as at**				
S No.	**Repayment terms**	**No of instalments**	**Amount per instalment**	**Repayment commencement month**	**Interest Type**	**Interest Rate terms**	**Nature of the security**	**September 30, 2023**	**September 30, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
105	Quarterly	12	33.34	Jun-21	Fixed	11%	Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 5%.	66.56	199.67	133.14	266.14	398.92
106	Monthly	24	20.83	Jan-21	Variable	MAS PLR - 4.7%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	-	62.41	-	186.74	433.51
107	Monthly	24	12.50	Jan-23	Variable	MAS PLR-5.60%	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%.	187.37	-	262.25	-	-
108	Monthly	24	8.33	Feb-23	Variable	MAS PLR-5.60%	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%.	133.24	-	183.16	-	-
109	Monthly	33	30.30	Jan-19	Variable	Interest + Spread	Cash margin of 10%.	-	-	-	-	181.50
110	Monthly	28	35.72/35.56	Mar-20	Variable	Interest + Spread	Exclusive charge over book debts equivalent to 100% of loan amount	-	-	-	106.91	533.11
111	Monthly	11	750.00	Jan-19	Variable	As per RBI norms	Exclusive charge over book debts equivalent to 111% of loan amount	99.97	299.74	199.88	399.55	1,248.79
112	Half Yearly	11	375.00	Jul-19	Variable	As per RBI norms	Exclusive charge over book debts equivalent to 111% of loan amount	99.95	199.83	149.90	249.73	999.18
113	Half Yearly	11	7.50	Jan-20	Variable	As per RBI norms	Exclusive charge over book debts equivalent to 113% of loan amount	66.00	110.00	88.00	275.00	605.00
114	Yearly	2	1,190.00	Dec-21	Fixed	7.05%	Exclusive charge over book debts equivalent to 112% of loan amount and Cash Margin of 10%	-	-	-	510.00	1,700.00
115	Monthly	30	33.33	Jan-19	Fixed	12%	Cash margin of 2.50%.	-	-	-	-	99.96
116	Monthly	30	66.66	Sep-20	Fixed	12%	Cash margin of 10.00%.	-	333.23	-	732.81	1,531.01
117	Monthly	24	9.31	May-21	Fixed	10.75%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%	-0.00	63.68	10.12	114.25	198.91

(All amounts in INR millions, unless stated otherwise)

Borrowings (other than debt securities) - from financial institutions (Secured)								Outstanding as at				
S No.	**Repayment terms**	**No of instalments**	**Amount per instalment**	**Repayment commencement month**	**Interest Type**	**Interest Rate terms**	**Nature of the security**	**September 30, 2023**	**September 30, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
118	Quarterly	12	12.50	Jun-21	Fixed	12%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	24.92	74.86	49.89	99.78	149.61
119	Annually	36	35.00	Jun-19	Fixed	12%	Exclusive charge over book debts equivalent to 105% of loan amount	-	-	-	-	116.64
120	Monthly	24	10.42	Sep-21	Variable	CGCL LTRR +/- applicable margin	Exclusive charge over book debts equivalent to 115% of loan amount	-	114.43	52.05	176.71	-
121	Annually	2	1400 & 600	Jul-22	Fixed	7% & 9.25%	Exclusive charge over book debts equivalent to 113% of loan amount and Cash margin of 10%.	-	600.00	-	2,000.00	-
122	Quarterly	11	272.73	Jun-23	Fixed	10.95%	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%.	2,429.65	-	2,999.49	-	-
123	Quarterly	8	43.75	Feb-22	Fixed	11.50%	Exclusive charge over book debts equivalent to 110% of loan amount	0.00	218.06	131.00	304.90	-
124	Monthly	24	16.67	Feb-22	Variable	MAS PLR - 5.15%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	66.61	265.82	166.33	365.08	-
125	Monthly	36	4.26	May-22	Fixed	11.10%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	73.81	114.01	94.47	129.38	-
126	Monthly	36	4.92	May-22	Fixed	11.10%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	85.17	131.56	109.00	149.28	-
127	Monthly	36	0.66	May-22	Fixed	11.10%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	11.35	17.54	14.53	19.90	-
128	Monthly	10	100.00	May-22	Variable	Repo Rate + 2%	Exclusive charge over book debts equivalent to 110% of loan amount	-	500.00	-	999.02	-
129	Monthly	30	33.33	Aug-22	Variable	Repo Rate + 6%	Exclusive charge over book debts equivalent to 100% of loan amount and Cash Margin 10%	533.16	932.86	733.01	1,000.00	-
130	Monthly	33	60.60	Jun-22	Fixed	5.15%	Exclusive charge over book debts equivalent to 100% of loan amount	1,025.60	1,745.57	1,385.16	1,979.83	-
131	Quarterly	8	18.75	May-22	Fixed	11.50%	Exclusive charge over book debts equivalent to 110% of loan amount	0.00	112.09	74.81	149.23	-
132	Quarterly	8	43.75	Dec-22	Fixed	11.50%	Exclusive charge over book debts equivalent to 111% of loan amount	174.49	348.10	261.40	-	-
133	Quarterly	12	25.00	Jun-22	Fixed	11.40%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	149.80	251.64	201.38	299.22	-
134	Quarterly	11	45.45	May-23	Fixed	11.50%	Exclusive charge over book debts equivalent to 110% of loan amount	408.35	-	498.90	-	-
135	Monthly	12	88.62	May-22	Fixed	11.50%	Exclusive charge over book debts equivalent to 110% of loan amount	-	513.10	-	995.07	-
136	Quarterly	12	25.00	Jun-22	Fixed	11.00%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	57.46	146.16	103.00	179.07	-
137	Monthly	21	9.52	Aug-22	Fixed	10.75%	Exclusive charge over book debts equivalent to 110% of loan amount	66.42	179.08	122.90	-	-
138	Monthly	21	14.29	Sep-22	Fixed	10.75%	Exclusive charge over book debts equivalent to 110% of loan amount	114.21	285.16	199.73	-	-
139	Monthly	21	23.81	May-23	Variable	PLR-925 bps	Exclusive charge over book debts equivalent to 110% of loan amount	379.83	-	497.83	-	-
140	Monthly	24	25.00	Aug-22	Variable	FFR+Spread	Exclusive charge over book debts equivalent to 118% of loan amount	265.84	550.54	412.15	-	-
141	Monthly	24	18.33	Jul-22	Variable	LTLR-8.80%	Exclusive charge over book debts equivalent to 110% of loan amount	164.32	381.21	273.08	-	-
142	Monthly	24	12.50	Oct-22	Fixed	11.75%	Exclusive charge over book debts equivalent to 110% of loan amount	158.58	300.00	231.07	-	-
143	Monthly	24	31.25	Apr-23	Fixed	11.00%	Exclusive charge over book debts equivalent to 110% of loan amount	577.61	-	750.00	-	-
144	Monthly	24	8.33	Oct-22	Variable	MAS PLR-5.60%	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%.	99.86	199.46	149.69	-	-
145	Monthly	24	12.50	Feb-23	Variable	LTRR-Spread	Exclusive charge over book debts equivalent to 110% of loan amount	283.07	-	373.23	-	-
146	Monthly	24	41.67	Oct-22	Variable	3M MCLR+Spread	Exclusive charge over book debts equivalent to 110% of loan amount	527.83	994.59	767.95	-	-

Muthoot Microfin Limited
Notes to Restated Financial Statements
(All amounts in INR millions, unless stated otherwise)

Borrowings (other than debt securities) - from financial institutions (Secured)								Outstanding as at				
S No.	Repayment terms	No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
147	Monthly	20	50.00	Jul-23	Variable	10.95%	Exclusive charge over book debts equivalent to 110% of loan amount	810.85	-	-	-	-
148	Monthly	24	41.67	Jul-23	Variable	MCLR+2.40% spread	Exclusive charge over book debts equivalent to 110% of loan amount	844.90	-	-	-	-
149	Monthly	30	12.40	Jul-26	Fixed	11.30%	Exclusive charge over book debts equivalent to 110% of loan amount	371.01	-	-	-	-
150	Monthly	30	3.10	Jul-26	Fixed	11.30%	Exclusive charge over book debts equivalent to 110% of loan amount	92.75	-	-	-	-
151	Monthly	24	20.83	Aug-25	Fixed	10.75%	Exclusive charge over book debts equivalent to 118% of loan amount	478.35	-	-	-	-
152	Quarterly	8	62.50	Aug-25	Variable	MCLR + 2.20% Spread	Exclusive charge over book debts equivalent to 110% of loan amount	498.03	-	-	-	-
153	Quarterly	8	35.00	Aug-25	Variable	MCLR + 2.20% Spread	Exclusive charge over book debts equivalent to 110% of loan amount	278.89	-	-	-	-
154	Quarterly	8	5.00	Aug-25	Variable	MCLR + 2.20% Spread	Exclusive charge over book debts equivalent to 110% of loan amount	39.83	-	-	-	-
155	Monthly	24	18.75	Sep-25	Variable	HBLR - 1.10%	Exclusive charge over book debts equivalent to 110% of loan amount	450.00	-	-	-	-
156	Monthly	31	80.65	Sep-26	Variable	MCLR + 205 Bps	Exclusive charge over book debts equivalent to 100% of loan amount, Cash margin of 5%	2,486.46	-	-	-	-
157	Monthly	36	13.89	Sep-26	Variable	LTLR - 11.25% Spread	Exclusive charge over book debts equivalent to 110% of loan amount	494.58	-	-	-	-

Borrowings (other than debt securities) - from financial institutions (Unsecured)								Outstanding as at				
S No.	Repayment terms	No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
158	Monthly	24	18.923	Aug-21	Variable	FBLR - 1.3%	Unsecured	-	179.22	73.27	276.42	-
159	Monthly	24	47.31	Jan-21	Variable	FBLR - 1.3%	Unsecured	-	137.72	-	402.81	878.59
160	Monthly	24	41.67	Jul-25	Variable	FBLR + 3.80%	Unsecured	918.23	-	-	-	-

Borrowings (other than debt securities) - under securitisation arrangements								Outstanding as at				
S No.	Repayment terms	No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
161	Monthly	18	Based on Actual collection	Jan-21	Fixed	9.75%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 8%.	-	-	-	107.60	764.15
162	Monthly	24	Based on Actual collection	Jan-21	Fixed	9.25% and 12%	Exclusive charge over book debts equivalent to 108.30% of loan amount and Cash margin of 10%.	-	-	-	34.51	366.70
163	Monthly	15	Based on Actual collection	Apr-21	Fixed	9.00%	Exclusive charge over book debts equivalent to 108.0% of loan amount and Cash margin of 10%.	-	-	-	103.96	511.67
164	Monthly	15	Based on Actual collection	Apr-21	Fixed	8.75% and 12%	Exclusive charge over book debts equivalent to 108.0% of loan amount and Cash margin of 8%.	-	-	-	77.82	520.08
165	Monthly	17	Based on Actual collection	Apr-21	Fixed	9.25%	Exclusive charge over book debts equivalent to 110.0% of loan amount and Cash margin of 7.25%.	-	-	-	536.16	2,296.32

(All amounts in INR millions, unless stated otherwise)

Borrowings (other than debt securities) - under securitisation arrangements								Outstanding as at				
S No.	**Repayment terms**	**No of instalments**	**Amount per instalment**	**Repayment commencement month**	**Interest Type**	**Interest Rate terms**	**Nature of the security**	**September 30, 2023**	**September 30, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
166	Monthly	17	Based on Actual collection	Jul-21	Fixed	9.15%	Exclusive charge over book debts equivalent to 108.70% of loan amount and Cash margin of 12%.	-	20.01	-	235.94	-
167	Monthly	21	Based on Actual collection	Sep-21	Fixed	9.60%	Exclusive charge over book debts equivalent to 111.11% of loan amount and Cash margin of 10%.	-	219.07	-	666.26	-
168	Monthly	18	Based on Actual collection	Nov-21	Fixed	9.15%	Exclusive charge over book debts equivalent to 108.68% of loan amount and Cash margin of 12%.	-	124.54	-	295.97	-
169	Monthly	17	Based on Actual collection	Nov-21	Fixed	9.20%	Exclusive charge over book debts equivalent to 111.21% of loan amount and Cash margin of 10%.	-	122.62	-	355.83	-
170	Monthly	19	Based on Actual collection	Jan-22	Fixed	9.15%	Exclusive charge over book debts equivalent to 108.70% of loan amount and Cash margin of 12%.	0.00	177.94	25.44	335.76	-
171	Monthly	20	Based on Actual collection	Jan-22	Fixed	9.15%	Exclusive charge over book debts equivalent to 108.70% of loan amount and Cash margin of 12%.	-	232.75	-	504.71	-
172	Monthly	18	Based on Actual collection	Feb-22	Fixed	9.50%	Exclusive charge over book debts equivalent to 111.12% of loan amount and Cash margin of 10%.	0.00	448.50	69.14	866.58	-
173	Monthly	18	Based on Actual collection	Jun-22	Fixed	9.25%	Exclusive charge over book debts equivalent to 111% of loan amount,Cash margin of 10%.	10.51	567.70	209.69	-	-
174	Monthly	18	Based on Actual collection	Jul-22	Fixed	9.50%	Exclusive charge over book debts equivalent to 111% of loan amount,Cash margin of 10%.	43.06	655.20	266.38	-	-
175	Monthly	18	Based on Actual collection	Aug-22	Fixed	9.50%	Exclusive charge over book debts equivalent to 111% of loan amount,Cash margin of 10%.	77.10	635.30	290.79	-	-
176	Monthly	17	Based on Actual collection	Aug-22	Fixed	9.50%	Exclusive charge over book debts equivalent to 114% of loan amount,Cash margin of 8%.	34.31	510.91	211.62	-	-
177	Monthly	17	Based on Actual collection	Oct-22	Fixed	9.75%	Exclusive charge over book debts equivalent to 111% of loan amount,Cash margin of 12.50%.	102.64	756.34	338.62	-	-
178	Monthly	17	Based on Actual collection	Sep-22	Fixed	9.25%	Exclusive charge over book debts equivalent to 114% of loan amount,Cash margin of 10%.	177.45	1,140.71	554.04	-	-
179	Monthly	17	Based on Actual collection	Oct-22	Fixed	9.60%	Exclusive charge over book debts equivalent to 114% of loan amount,Cash margin of 7.4%.	371.44	1,767.29	940.72	-	-
180	Monthly	15	Based on Actual collection	Dec-22	Fixed	9.85%	Exclusive charge over book debts equivalent to 114% of loan amount,Cash margin of 9.5%.	192.67	-	575.73	-	-
181	Monthly	17	Based on Actual collection	Jan-23	Fixed	9.25%	Exclusive charge over book debts equivalent to 114% of loan amount,Cash margin of 7.5%.	373.96	-	729.28	-	-
182	Monthly	18	Based on Actual collection	Mar-23	Fixed	9.25%	Exclusive charge over book debts equivalent to 114% of loan amount,Cash margin of 5.5%.	1,666.63	-	2,751.96	-	-
183	Monthly	17	Based on Actual collection	Apr-23	Fixed	9.25%	Exclusive charge over book debts equivalent to 114% of loan amount,Cash margin of 5.5%.	728.34	-	1,267.23	-	-

Muthoot Microfin Limited
Notes to Restated Financial Statements
(All amounts in INR millions, unless stated otherwise)

Borrowings (other than debt securities) - under securitisation arrangements								Outstanding as at				
S No.	Repayment terms	No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
184	Monthly	16	Based on Actual collection	Jul-23	Fixed	9.25%	Exclusive charge over book debts equivalent to 114% of loan amount,Cash margin of 7.5%.	1,104.91	-	-	-	-
185	Monthly	17	Based on Actual collection	Jun-23	Fixed	Series 1 - 9.15%,Series 2 - 12%	Exclusive charge over book debts equivalent to 116% of loan amount,Cash margin of 5.5%.	841.26	-	-	-	-
186	Monthly	17	Based on Actual collection	Jul-23	Fixed	9.25%	Exclusive charge over book debts equivalent to 115% of loan amount,Cash margin of 5.5%.	1,232.54	-	-	-	-
187	Monthly	18	Based on Actual collection	Aug-23	Fixed	9.25%	Exclusive charge over book debts equivalent to 115% of loan amount,Cash margin of 5.5%.	1,858.67	-	-	-	-
188	Monthly	17	Based on Actual collection	Aug-23	Fixed	9.25%	Exclusive charge over book debts equivalent to 116% of loan amount,Cash margin of 5.5%.	796.22	-	-	-	-
189	Monthly	16	Based on Actual collection	Aug-23	Fixed	9.25%	Exclusive charge over book debts equivalent to 116% of loan amount,Cash margin of 5.5%.	1,254.15	-	-	-	-
190	Monthly	17	Based on Actual collection	Oct-23	Fixed	9.25%	Exclusive charge over book debts equivalent to 116% of loan amount,Cash margin of 5.5%.	1,539.89	-	-	-	-
								60,235.45	**41,348.51**	**49,182.48**	**32,969.85**	**25,382.26**

External Commercial Borrowing						Outstanding as at				
S No.	Repayment terms	Interest commencement month	Principal repayment month	Interest rate p.a	Nature of the security	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
1	Principal: Yearly, Interest: Half-yearly	Apr-23	Oct'24, Oct'25 and Oct'26	SOFR plus 500 bps	Exclusive charge over book debts equivalent to 110%	1,232.94	-	1,232.10	-	-
2	Principal: Yearly, Interest: Half-yearly	May-23	Nov'24, Nov'25 and Nov'26	SOFR plus 500 bps	Exclusive charge over book debts equivalent to 110%	816.20	-	815.66	-	-
3	Principal: Bullet repayment, Interest: Half-yearly	Oct-23	Apr-28	12.25%	Exclusive charge over book debts equivalent to 105% of loan amount	820.28	-	-	-	-
						2,869.42	**-**	**2,047.76**	**-**	**-**

20A Details of terms & conditions of Sub ordinated Liabilities

Subordinated liabilities						Outstanding as at				
S No.	Repayment terms	Interest commencement month	Principal repayment month	Interest rate p.a	Nature of the security	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
1	Principal: Bullet repaymentInterest: Monthly	Aug-16	Apr-22	13.75%	Unsecured	-	-	-	249.97	249.63
						-	**-**	**-**	**249.97**	**249.63**

(All amounts in INR millions, unless stated other wise)

21 Other financial Liabilities

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	1,197.12	635.66	946.80	299.75	255.97
Employee related payable	161.03	131.37	211.77	152.41	108.66
Payables towards securitisation/assignment transactions	709.39	644.30	907.17	109.62	1,142.95
Others	597.19	675.17	516.96	931.02	381.03
Total	**2,664.73**	**2,086.50**	**2,582.70**	**1,492.80**	**1,888.61**

22 Provisions

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits					
Gratuity (refer note 46)	70.63	59.76	34.00	37.42	30.33
Compensated absences (refer note 46)	(5.73)	7.89	2.13	11.96	16.05
Total	**64.90**	**67.65**	**36.13**	**49.38**	**46.38**

23 Other Non Financial Liabilities

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	97.06	57.80	64.24	51.22	38.93
Total	**97.06**	**57.80**	**64.24**	**51.22**	**38.93**

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(All amounts in INR millions, unless stated other wise)

24 Equity share capital

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Authorised share capital					
200,000,000 Equity shares of ₹ 10 each (September 30, 2022 : 150,000,000 , March 31, 2023 : 150,000,000 ,March 31,2022 : 150,000,000, March 31, 2021: 150,000,000)	2,000.00	1,500.00	1,500.00	1,500.00	1,500.00
50,000,000 Compulsorily convertible preference shares of ₹ 10 each (September 30, 2022 : 50,000,000 ,March 31, 2023 : 50,000,000,March 31, 2022: 50,000,000,March 31, 2021: 50,000,000)	500.00	500.00	500.00	500.00	500.00
	2,500.00	**2,000.00**	**2,000.00**	**2,000.00**	**2,000.00**
Issued, subscribed and fully paid up share capital					
116,837,249 Equity shares of ₹ 10 each (September 30, 2022 : 114,170,602, March 31, 2023 : 116,837,249, March 31, 2022: 114,170,602,March 31, 2021: 114,170,502)	1,168.38	1,168.38	1,168.38	1,141.71	1,141.71
23,360,260 Compulsorily Convertible Preference Shares of ₹ 10 each (September 30,2022 : 23,360,260, March 31, 2023 : 23,360,260,March 31, 2022: 19,161,733, March 31, 2021: Nil)	233.60	233.60	233.60	191.62	-
	1,401.98	**1,401.98**	**1,401.98**	**1,333.33**	**1,141.71**

(i) Rights, preferences and restrictions attached to equity shares:

The company has equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors in any financial year is subject to the approval of the shareholders in the ensuing annual general meeting, except interim dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The equity shares shall be transferable subject to the provisions contained in the articles of association and in the agreements entered / to be entered into with the investors / shareholders from time to time.

(ii) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As at September 30, 2023		As at September 30, 2022		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity share capital of Rs. 10 each fully paid up										
Balance at the beginning of the period/year	11,68,37,249	1,168.38	11,41,70,602	1,141.71	11,41,70,602	1,141.71	11,41,70,502	1,141.71	11,41,70,502	1,141.71
Add: Issued during the period/year	-	-	26,66,647	26.67	26,66,647	26.67	100	0.00	-	-
Balance at the end of the period/year	**11,68,37,249**	**1,168.38**	**11,68,37,249**	**1,168.38**	**11,68,37,249**	**1,168.38**	**11,41,70,602**	**1,141.71**	**11,41,70,502**	**1,141.71**

(iii) Rights, preferences and restrictions attached to compulsorily convertible preference shares:

The company has issued Compulsorily Convertible Preference Shares (CCPS) having a par value of ₹ 10 per share. Each holder of CCPS is entitled to one vote per Equity Share on an As Converted Basis (with the Share Capital being calculated on an As Converted Basis). The holders of the CCPS shall be entitled to receive on their respective CCPS, a cumulative dividend at the rate of 0.001% (zero point zero zero one per-cent) of the face value of each CCPS per annum. The Company shall convert all the CCPS into Equity Shares if at any time the Company proposes to undertake a Qualified IPO.

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(All amounts in INR millions, unless stated other wise)

(iv) Reconciliation of compulsorily convertible preference shares outstanding at the beginning and at the end of the year

	As at September 30, 2023		As at September 30, 2022		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Preference share capital of Rs. 10 each fully paid up										
Balance at the beginning of the period/year	2,33,60,260	233.60	1,91,61,733	191.62	1,91,61,733	191.62	-	-	-	-
Add: Issued during the period/year	-	-	41,98,527	41.98	41,98,527	41.98	1,91,61,733	191.62	-	-
Balance at the end of the period/year	**2,33,60,260**	**233.60**	**2,33,60,260**	**233.60**	**2,33,60,260**	**233.60**	**1,91,61,733**	**191.62**	**-**	**-**

(v) Shares held by the holding company

	As at September 30, 2023		As at September 30, 2022		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Muthoot Fincorp Limited	8,45,44,263	72.36%	7,26,25,449	62.16%	8,45,44,263	72.36%	7,26,25,449	63.61%	7,26,25,449	63.61%

(vi) Shareholders holding more than 5% of shares of the Company as at balance sheet date:

Equity shares of Rs.10 each	As at September 30, 2023		As at September 30, 2022		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Muthoot Fincorp Limited	8,45,44,263	72.36%	7,26,25,449	62.16%	8,45,44,263	72.36%	7,26,25,449	63.61%	7,26,25,449	63.61%
Creation Investments India LLC	1,30,06,778	11.13%	1,30,06,778	11.13%	1,30,06,778	11.13%	1,30,06,778	11.39%	1,30,06,778	11.39%
Thomas Muthoot	35,56,959	3.04%	63,50,459	5.44%	35,56,959	3.04%	63,50,459	5.56%	63,50,459	5.56%
Thomas George Muthoot	35,43,909	3.03%	63,27,160	5.42%	35,43,909	3.03%	63,27,160	5.54%	63,27,160	5.54%
Thomas John Muthoot	35,44,831	3.03%	63,28,806	5.42%	35,44,831	3.03%	63,28,806	5.54%	63,28,806	5.54%
Compulsorily Convertible Preference Shares of Rs.10 each										
Greater Pacific Capital WIV Ltd.	2,33,60,260	100.00%	2,33,60,260	100.00%	2,33,60,260	100.00%	1,91,61,833	100.00%	-	0.00%

(vii) Equity Shareholding of promoters as at balance sheet date:

	As at September 30, 2023			As at September 30, 2022			As at March 31, 2023			As at March 31, 2022			As at March 31, 2021		
	No. of shares	% of Total Shares	% Change during the reporting period	No. of shares	% of Total Shares	% Change during the reporting period	No. of shares	% of Total Shares	% Change during the reporting period	No. of shares	% of Total Shares	% Change during the reporting period	No. of shares	% of Total Shares	No. of shares
Muthoot Fincorp Ltd	8,45,44,263	72.36%	0.00%	7,26,25,449	62.16%	-1.45%	8,45,44,263	72.36%	8.75%	7,26,25,449	63.61%	-9.15%	7,26,25,449	63.61%	0.00%
Thomas John Muthoot	35,44,831	3.03%	0.00%	63,28,806	5.42%	-0.13%	35,44,831	3.03%	-2.51%	63,28,806	5.54%	-0.79%	63,28,806	5.56%	0.00%
Thomas George Muthoot	35,43,909	3.03%	0.00%	63,27,160	5.42%	-0.13%	35,43,909	3.03%	-2.51%	63,27,160	5.54%	-0.79%	63,27,160	5.54%	0.00%
Thomas Muthoot	35,56,959	3.04%	0.00%	63,50,459	5.44%	-0.13%	35,56,959	3.04%	-2.52%	63,50,459	5.56%	-0.80%	63,50,459	5.54%	0.00%
Preethi John	15,13,904	1.30%	0.00%	27,02,867	2.31%	-0.05%	15,13,904	1.30%	-1.07%	27,02,867	2.37%	-0.34%	27,02,867	2.37%	0.00%
Nina George	15,14,826	1.30%	0.00%	27,04,513	2.31%	-0.05%	15,14,826	1.30%	-1.07%	27,04,513	2.37%	-0.34%	27,04,513	2.37%	0.00%
Remmy Thomas	15,01,776	1.29%	0.00%	26,81,214	2.29%	-0.05%	15,01,776	1.29%	-1.06%	26,81,214	2.35%	-0.34%	26,81,214	2.35%	0.00%
	9,97,20,468	**85.35%**	**0.00%**	**9,97,20,468**	**85.35%**	**-1.99%**	**9,97,20,468**	**85.35%**	**-1.99%**	**9,97,20,468**	**87.34%**	**-12.55%**	**9,97,20,468**	**87.34%**	**0.00%**

(All amounts in INR millions, unless stated other wise)

Note: The Company has issued 26,66,647 equity shares and 41,98,527 Compulsory Convertible Preference Shares (CCPS) (Both fully Paid up) during the Financial Year 2022-23, 100 equity shares and 191,61,733 Compulsory Convertible Preference Shares (CCPS) (Both fully Paid up) during the Financial Year 2021-22 and no equity or preference shares have been issued by the Company during the Financial Year 2020-21.

(viii) The Company has neither allotted any shares fully paid up pursuant to any contract without payment being received in cash, nor issued any fully paid up bonus shares and there has been no buy-back of shares in the current period/year and five years immediately preceding the balance sheet date

(ix) Company has implemented Employee stock option plan from 2016 and Employee stock option plan 2022 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. Company grants the ESOP options to the employees through MML Employee Welfare Trust in which MML issues the designated number of options to ESOP trust which is borrowing for Trust and from theron based on the conditions of vesting and exercise, once the employee exercises the amount payable will be routed through Trust. At the end of Reporting period, balances of MML employee Welfare trust are consolidated to books of the Muthoot Microfin Ltd.

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Options held by ESOP Trust as on the reporting date	34,68,511	34,68,511	34,68,511	8,01,864	10,16,364

(x) Refer note 50 for disclosures related to capital management of the company.

25 **Other equity**	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Securities premium	9,473.77	9,473.77	9,473.77	8,452.14	4,988.74
Reserve fund u/s 45-IC of RBI Act 1934	1,531.01	817.65	1,120.50	792.72	697.92
Employee stock options outstanding	104.98	21.42	54.34	12.23	9.66
Loan assets through other comprehensive income	1,180.52	850.24	1,103.62	692.92	356.83
Retained earnings	5,018.36	2,190.45	3,393.95	2,099.37	1,732.98
Treasury shares	(297.56)	(297.56)	(297.56)	(25.40)	(32.19)
General reserve	7.89	7.88	7.89	8.48	3.25
	17,018.97	**13,063.86**	**14,856.51**	**12,032.46**	**7,757.19**

Nature and purpose of reserves

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Opening Balance	9,473.77	8,452.14	8,452.14	4,988.74	4,988.74
Premium on issue of equity shares during the period	-	245.49	245.49	0.02	-
Premium on issue of compulsory convertible preference shares during the period	-	776.14	776.14	3,542.24	-
Less : Utilised during the year for share issue expenses	-	-	-	(78.86)	-
Closing Balance	**9,473.77**	**9,473.77**	**9,473.77**	**8,452.14**	**4,988.74**

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(All amounts in INR millions, unless stated other wise)

Reserve fund u/s 45-IC of RBI Act 1934

The company creates a reserve fund in accordance with the provisions of section 45-IC of the Reserve Bank of India Act, 1934 and transfers therein an amount of equal to/more than twenty per cent of its net profit of the year, before declaration of dividend. Accordingly, during the three month period, the Company has transferred an amount of INR 410.51 Million (September 30, 2022 : 24.93 million, March 31,2023 : 327.78 million,March 31,2022 : INR 94.80 million, March 31, 2021: INR 14.11 million).

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Opening Balance	1,120.50	792.72	792.72	697.92	683.81
Amount transferred from surplus in Profit and Loss Account	410.51	24.93	327.78	94.80	14.11
Closing Balance	**1,531.01**	**817.65**	**1,120.50**	**792.72**	**697.92**

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.

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Opening Balance	54.34	12.23	12.23	9.66	11.09
Changes during the year in employee stock outstanding	50.64	9.19	42.11	9.04	3.65
Proceeds on transfer during the period/year	-	-	-	(6.47)	(5.08)
Closing Balance	**104.98**	**21.42**	**54.34**	**12.23**	**9.66**

Loan assets through other comprehensive income

The Company recognises changes in the fair value of loan assets held with business objective of collect and sell in other comprehensive income. These changes are accumulated within the FVOCI debt investments reserve within equity. The company transfers amounts from this reserve to the statement of profit and loss when the loan assets are sold. Any impairment loss on such loans are reclassified immediately to the statement of profit and loss.

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Opening Balance	1,103.62	692.92	692.92	356.83	594.38
Other Comprehensive Income	102.76	210.24	548.84	449.13	(317.46)
Income Tax relating to items of other comprehensive income	(25.86)	(52.92)	(138.14)	(113.05)	79.91
Closing Balance	**1,180.52**	**850.24**	**1,103.62**	**692.92**	**356.83**

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(All amounts in INR millions, unless stated other wise)

Retained earnings

All the profits or losses made by the company are transferred to retained earnings from statement of profit and loss.

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Opening Balance	3,393.95	2,099.37	2,099.37	1,732.98	1,682.64
Profit for the year	2,052.57	124.66	1,638.89	473.98	70.54
Transfer to Reserve Fund u/s 45-IC of RBI Act 1934	(410.51)	(24.93)	(327.78)	(94.80)	(14.11)
Provision for proposed dividend	-	-	-	(0.00)	-
Provision for tax on proposed dividend	-	-	-	(0.00)	
Other comprehensive income	(23.59)	(11.56)	(22.09)	(17.14)	(8.14)
Income Tax related to items of other Comprehensive Income	5.94	2.91	5.56	4.31	2.05
Closing Balance	**5,018.36**	**2,190.45**	**3,393.95**	**2,099.37**	**1,732.98**

Treasury shares

Treasury shares represents company's own equity shares held by employee welfare trust.

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Opening Balance	(297.56)	(25.40)	(25.40)	(32.19)	(32.19)
Proceeds on Transfer during the period/year	-	-272.16	(272.16)	6.79	-
Closing Balance	**(297.56)**	**(297.56)**	**(297.56)**	**(25.40)**	**(32.19)**

General reserve

Represents the profits or losses made by the employee welfare trust on account of issue or sale of treasury stock.

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Opening Balance	7.89	8.48	8.48	3.25	(0.25)
Proceeds on Transfer during the period/year	-	-	-	6.47	5.08
Adjustment on consolidation of ESOP Trust	-	(0.60)	(0.60)	(1.24)	(1.58)
Closing Balance	**7.89**	**7.88**	**7.89**	**8.48**	**3.25**

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(All amounts in INR millions, unless stated other wise)

26 Interest Income

	For the Six month period Ended September 30, 2023	For the Six month period Ended September 30, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
On financial Asset measured at amortised cost					
Interest on loan portfolio	6,080.24	5,052.42	10,313.32	6,399.18	5,660.28
Interest on deposits from Banks	126.29	70.80	178.51	125.97	153.98
On financial assets measured at fair value through other comprehensive income					
Interest on loan assets	2,929.23	500.92	2,414.62	761.08	413.58
	9,135.76	**5,624.14**	**12,906.45**	**7,286.23**	**6,227.84**

27 Fees and Commission Income

	For the Six month period Ended September 30, 2023	For the Six month period Ended September 30, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Facilitation Fees	125.70	54.07	148.23	53.12	5.62
Income from business correspondence services	34.29	6.01	25.00	8.46	26.49
	159.99	**60.08**	**173.22**	**61.59**	**32.11**

28 Net gain on Fair value changes

	For the Six month period Ended September 30, 2023	For the Six month period Ended September 30, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Gain on sale of loan assets recognised through Profit and Loss Account	1,084.06	321.00	1,115.37	910.31	409.25
	1,084.06	**321.00**	**1,115.37**	**910.31**	**409.25**

29 Income from Investments

	For the Six month period Ended September 30, 2023	For the Six month period Ended September 30, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Income from Investments	38.11	35.18	83.35	58.29	169.95
Realised	38.11	35.18	83.35	58.29	169.95
Unrealised	-	-	-	-	-
			-	-	-
	38.11	**35.18**	**83.35**	**58.29**	**169.95**

30 Other Income

	For the Six month period Ended September 30, 2023	For the Six month period Ended September 30, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Interest income on security deposits	1.96	1.58	3.31	3.23	2.15
Bad debt recovered	29.88	96.41	143.59	71.17	101.27
Miscellaneous income	17.27	4.20	28.90	29.95	17.72
	49.11	**102.19**	**175.80**	**104.35**	**121.14**

31 Finance costs

	For the Six month period Ended September 30, 2023	For the Six month period Ended September 30, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
On financial liabilities measured at amortised cost					
Interest on borrowings (other than debt securities)	3,101.36	1,676.53	4,063.02	2,639.77	2,498.05
Interest on debt securities	976.84	519.27	1,295.20	630.41	379.78
Interest on subordinated liabilities	-	2.95	2.95	34.63	34.63
Interest cost on lease liabilities (Refer Note 13)	75.05	62.01	128.93	96.74	80.82
	4,153.25	**2,260.76**	**5,490.10**	**3,401.55**	**2,993.28**

32 Fees and commission expenses

	For the Six month period Ended September 30, 2023	For the Six month period Ended September 30, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Fees and commission expenses	132.52	135.62	275.41	178.49	97.36
	132.52	**135.62**	**275.41**	**178.49**	**97.36**

(All amounts in INR millions, unless stated other wise)

33 Impairment on financial instruments

	For the Six month period Ended September 30, 2023	For the Six month period Ended September 30, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Loans					
Write off	322.70	1,402.81	1,402.81	737.80	983.09
Waive off	235.41	256.10	476.59	263.04	128.28
Provision for impairment on loan assets	69.35	(25.68)	353.78	110.69	210.87
	627.46	**1,633.23**	**2,233.18**	**1,111.53**	**1,322.24**

34 Employee benefits expenses

	For the Six month period Ended September 30, 2023	For the Six month period Ended September 30, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Salaries and wages	1,855.67	1,326.21	2,876.80	2,115.03	1,661.33
Contribution to provident and other funds	142.11	109.46	234.01	186.28	147.97
Share based payments	50.64	9.19	42.11	9.04	3.65
Gratuity and compensated absence	10.18	6.70	17.67	36.93	38.26
Staff welfare expenses	36.92	20.75	54.99	23.53	19.69
	2,095.52	**1,472.31**	**3,225.58**	**2,370.81**	**1,870.90**

35 Depreciation and amortisation

	For the Six month period Ended September 30, 2023	For the Six month period Ended September 30, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Depreciation (refer note 12)	65.22	48.61	104.57	84.72	78.47
Depreciation on right-of-use assets (refer note 13)	98.94	73.30	161.01	122.71	109.29
Amortisation (refer note 15)	0.42	0.20	0.48	0.41	0.57
	164.58	**122.11**	**266.06**	**207.84**	**188.33**

36 Other expenses

	For the Six month period Ended September 30, 2023	For the Six month period Ended September 30, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Rent	8.25	4.06	23.52	10.21	11.28
Rates and taxes	3.24	3.34	6.04	5.53	3.75
Repairs and maintenance - others	3.13	4.20	14.69	6.81	3.93
Communication expenses	39.51	33.07	70.83	47.50	33.58
Printing and stationery	12.24	16.94	31.77	20.55	12.36
Marketing expenses	14.74	6.96	13.54	10.24	11.92
Auditors' remuneration					
Statutory audit	2.18	2.18	4.36	4.36	3.82
Limited review	1.14	1.14	2.29	1.53	1.31
Tax audit	0.27	0.27	0.55	0.55	0.44
Other certifications	0.16	0.16	0.33	0.33	0.33
Reimbursement of expenses	0.11	0.11	0.22	0.22	0.11
Legal and professional charges	129.05	47.94	149.18	57.23	74.49
Traveling and conveyance	208.78	161.66	347.76	217.35	101.49
Software support charges	39.34	21.43	45.78	40.92	54.66
Power and fuel	18.65	13.05	28.32	17.86	16.74
Office expenses	22.82	16.56	37.82	25.36	19.48
Corporate social responsibility expenses*	9.55	3.13	6.23	19.95	26.95
Miscellaneous expenses	39.78	21.74	61.18	25.48	23.51
	552.94	**357.94**	**844.41**	**511.98**	**400.15**

Details of Corporate social Responsibility expenditure

	For the Six month period Ended September 30, 2023	For the Six month period Ended September 30, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
36A. a) Gross Amount of Expenditure required to be spent for the financial period	9.55	3.13	6.23	19.95	26.95
b)Amount approved by the Board to be spent during the period	9.55	3.13	6.23	19.95	26.95
c) Amount spent during the period/year	-	-	6.23	19.95	26.95
d) Shortfall/excess at the end of the period/year	-	-	-	-	-
e)Total of previous years shortfall	-	-	-	-	11.54
f) Related Party Transactions	-	-	6.23	19.95	38.49

(All amounts in INR millions, unless stated other wise)

Nature of CSR Activities carried out

Nature of Activity	For the Six month period Ended September 30, 2023	For the Six month period Ended September 30, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
a) Promoting health care including preventive health care	-	-	4.00	4.71	4.00
b) Disaster Management, including Relief , Rehabilitation and Reconstruction Activities	-	-	-	0.22	0.26
c) Promoting Education among Children	-	-	-	0.03	
d) Training to promote rural sports, nationally recognised sports, paraolympic sports and olympic sports	-	-	0.48	15.00	30.73
e) Contribution towards Prime Minister's Citizens Assistance and Reilef in Emergency Situations Fund	-	-	-	-	3.50
f) Empowering woman/enhancing vocational skills among women	-	-	1.75	-	-

37 Tax expense

	For the Six month period Ended September 30, 2023	For the Six month period Ended September 30, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Current tax	729.12	122.10	679.91	224.05	347.29
Deferred tax	(35.58)	(79.12)	(142.59)	(56.14)	(317.72)
	693.54	**42.98**	**537.32**	**167.91**	**29.57**

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

Profit before tax	**2,746.11**	**167.64**	**2,128.70**	**647.21**	**90.55**
Statutory income tax rate	25.17%	25.17%	25.17%	25.17%	25.17%
Expected income tax expense	**691.14**	**42.19**	**535.75**	**162.89**	**22.80**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense					
Tax on expense not eligible for deduction	2.40	0.79	1.57	5.02	6.77
Tax effect of change in tax rate	-	-	-	-	-
Deferred tax liability relating to earlier years	-	-	-	-	-
Impact of different tax rate on certain items	-	-	-	-	-
Others	-	-	-	-	-
Total income tax expense	**693.54**	**42.98**	**537.32**	**167.91**	**29.57**

38 Earnings per share (basic and diluted)

	For the Six month period Ended September 30, 2023	For the Six month period Ended September 30, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Net profit for the year	**2,052.57**	**124.66**	**1,638.89**	**473.98**	**70.54**
Weighted-average number of equity shares for basic EPS	116.84	114.19	115.51	114.17	114.17
Weighted-average number of equity shares adjusted for the effect of dilution	**144.36**	**136.79**	**140.56**	**120.24**	**114.17**
Par value per share	10.00	10.00	10.00	10.00	10.00
Earnings per share - Basic	**17.57**	**1.09**	**14.19**	**4.15**	**0.62**
Earnings per share - Diluted	**14.22**	**0.91**	**11.66**	**3.94**	**0.62**

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Muthoot Microfin Limited
Notes to Restated Financial Statements
(INR in millions, unless stated other wise)

39 Transactions in Foreign currency, as restated

A.Expenditure in foreign currency, as restated

(USD in $)

Particulars	As at 30 September				As at 31 March					
	2023		2022		2023		2022		2021	
	Amount in USD	Amount in INR	Amount in USD	Amount in INR	Amount in USD	Amount in INR	Amount in USD	Amount in INR	Amount in USD	Amount in INR
Traveling and conveyance expenses	5,267	0.55	-	-	5,226	0.43	1,478	0.11	1,039	0.08
Legal and professional charges	3,35,442	27.64	-	-	40,000	3.31	-	-	-	-
software support charges	-	-	-	-	-	-	930	0.07	1,860	0.14
Software subscription	2,900	0.24	-	-						
Interest Payment	19,62,737	162.21	-	-						
Data management fees (included under miscellaneous expenses)	3,000	0.25	3,000	0.23	3,000	0.23	3,000	0.22	3,000	0.23

A.Income in foreign currency, as restated

Particulars	As at 30 September				As at 31 March					
	2023		2022		2023		2022		2021	
	Amount in USD	Amount in INR	Amount in USD	Amount in INR	Amount in USD	Amount in INR	Amount in USD	Amount in INR	Amount in USD	Amount in INR
Income from Sale of Carbon Free Credit	1,41,058	11.50	-	-	9,341	0.63	1,49,380	9.62	47,585	2.94

Note:
To be read together with significant accounting policies, impact of adjustments and notes to the restated financial information.

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Muthoot Microfin Limited
Notes to Restated Financial Statements
(All amounts in INR millions, unless stated other wise)

40 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:

	As at September 30, 2023			As at September 30, 2022			As at March 31, 2023			As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets															
Financial assets															
Cash and cash equivalents	5,579.15	-	**5,579.15**	6,510.95	-	**6,510.95**	7,594.55	-	**7,594.55**	7,058.27	-	**7,058.27**	5,190.76	-	**5,190.76**
Bank balances other than cash and cash equivalents	2,359.77	2,582.15	**4,941.92**	1,885.46	1,739.24	**3,624.70**	1,596.94	2,312.64	**3,909.58**	1,865.40	1,075.49	**2,940.89**	1,088.84	1,170.19	**2,259.03**
Other receivables	1,195.61	35.21	**1,230.82**	459.57	26.33	**485.90**	707.28	14.82	**722.10**	133.88	33.85	**167.73**	92.91	-	**92.91**
Loans	53,486.74	32,012.49	**85,499.23**	33,798.68	20,667.69	**54,466.37**	43,459.47	26,807.38	**70,266.85**	28,601.19	15,379.92	**43,981.11**	21,908.45	11,031.87	**32,940.32**
Investments	-	513.66	**513.66**	2,253.21	513.66	**2,766.87**	-	633.59	**633.59**	-	0.45	**0.45**	-	0.45	**0.45**
Other financial assets	14.12	38.54	**52.66**	9.52	32.44	**41.96**	6.07	34.54	**40.61**	5.79	27.89	**33.68**	0.85	23.00	**23.85**
Non-financial assets															
Current tax assets (net)	-	128.85	**128.85**	-	624.15	**624.15**	-	104.60	**104.60**	-	395.45	**395.45**	-	94.15	**94.15**
Deferred tax asset (net)	-	73.41	**73.41**	-	76.86	**76.86**	-	57.75	**57.75**	-	47.75	**47.75**	-	100.35	**100.35**
Property, plant and equipment	-	644.62	**644.62**	-	474.67	**474.67**	-	594.37	**594.37**	-	420.45	**420.45**	-	398.44	**398.44**
Right of use assets	200.55	1,049.13	**1,249.68**	149.93	774.96	**924.89**	178.37	943.35	**1,121.72**	656.64	134.55	**791.19**	-	700.16	**700.16**
Capital work in progress	-	-	**-**	0.05	-	**0.05**	-	-	**-**	-	-	**-**	-	-	**-**
Other intangible assets	-	2.65	**2.65**	-	1.21	**1.21**	-	2.92	**2.92**	-	0.84	**0.84**	-	1.25	**1.25**
Other non-financial assets	353.10	43.24	**396.34**	186.59	5.69	**192.28**	242.68	0.67	**243.35**	76.77	-	**76.77**	36.81	-	**36.81**
Total	**63,189.03**	**37,123.96**	**1,00,312.99**	**45,253.95**	**24,936.90**	**70,190.86**	**53,785.36**	**31,506.63**	**85,291.99**	**38,397.94**	**17,516.64**	**55,914.58**	**28,318.62**	**13,519.86**	**41,838.48**
Liabilities															
Financial liabilities															
Payables															
Other payables															
total outstanding dues to micro enterprises and small enterprises	3.40	-	**3.40**	-	-	**-**	-	-	**-**	-	-	**-**	-	-	**-**
total outstanding dues to creditors other than micro enterprises and small enterprises	146.23	-	**146.23**	131.04	0.63	**131.67**	119.27	-	**119.27**	75.34	-	**75.34**	29.19	-	**29.19**
Debt securities	7,435.60	6,920.63	**14,356.23**	2,538.87	8,419.77	**10,958.64**	7,058.89	6,642.62	**13,701.51**	2,074.44	4,671.83	**6,746.27**	2,226.51	2,298.18	**4,524.69**
Borrowings (other than debt securities)	38,703.72	24,401.14	**63,104.87**	24,493.59	16,854.92	**41,348.51**	30,222.93	21,007.32	**51,230.25**	20,694.74	12,275.11	**32,969.85**	18,052.63	7,329.63	**25,382.26**
Subordinated liabilities	293.28	1,161.34	**1,454.62**	-	-	**-**	-	-	**-**	249.97	-	**249.97**	-	249.63	**249.63**
Lease liability	-	-	**-**	215.70	858.55	**1,074.25**	258.88	1,040.52	**1,299.40**	741.18	172.78	**913.96**	148.02	631.87	**779.89**
Other financial liabilities	2,664.58	0.15	**2,664.73**	1,888.14	198.36	**2,086.50**	2,507.54	75.16	**2,582.70**	1,492.80	-	**1,492.80**	1,888.61	-	**1,888.61**
Non financial liabilities															
Provisions	-	64.90	**64.90**	-	67.65	**67.65**	-	36.13	**36.13**	-	49.38	**49.38**	-	46.38	**46.38**
Other non financial liabilities	97.06	-	**97.06**	57.80	-	**57.80**	64.24	-	**64.24**	51.22	-	**51.22**	38.93	-	**38.93**
Total	**49,343.87**	**32,548.16**	**81,892.03**	**29,325.13**	**26,399.87**	**55,725.02**	**40,231.75**	**28,801.75**	**69,033.50**	**25,379.71**	**17,169.09**	**42,548.79**	**22,383.89**	**10,555.69**	**32,939.58**

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(All amounts in INR millions, unless stated other wise)

41 Reconciliation of liabilities from financing activities

		Cash flow		Non-cash				
	As at April 1, 2023	**Additions**	**Payment**	**Interest Expense**	**Additions to lease liabilities**	**Deletions to lease liabilities**	**Upfront fees and amortisation**	**As at September 30, 2023**
Debt securities	13,701.51	3,000.00	(2,384.84)	-	-	-	39.56	14,356.22
Borrowings (other than debt securities)	51,230.25	29,994.30	(18,036.57)	-	-	-	(83.12)	63,104.87
Subordinated liabilities	0.00	-	-	-	-	-	-	0.00
Lease liabilities	1,299.40	-	(140.70)	75.05	230.66	(9.79)	-	1,454.62
Total liabilities from financial activities	**66,231.16**	**32,994.30**	**(20,562.11)**	**75.05**	**230.66**	**(9.79)**	**(43.56)**	**78,915.71**

		Cash flow		Non-cash				
	As at April 1, 2022	**Additions**	**Payment**	**Interest Expense**	**Additions to lease liabilities**	**Deletions to lease liabilities**	**Upfront fees and amortisation**	**As at September 30,2022**
Debt securities	6,746.27	5,629.39	(1,378.57)	-	-	-	(38.45)	10,958.64
Borrowings (other than debt securities)	32,969.84	20,903.58	(12,453.36)	-	-	-	(71.54)	41,348.51
Subordinated liabilities	249.98	-	(250.00)	-	-	-	0.02	(0.00)
Lease liabilities	913.96	-	(101.82)	62.01	207.65	(7.55)	-	1,074.25
Total liabilities from financial activities	**40,880.05**	**26,532.97**	**(14,183.76)**	**62.01**	**207.65**	**(7.55)**	**(109.97)**	**53,381.41**

		Cash flow		Non-cash				
	As at April 1, 2022	**Additions**	**Payment**	**Interest Expense**	**Additions to lease liabilities**	**Deletions to lease liabilities**	**Upfront fees and amortisation**	**As at March 31, 2023**
Debt securities	6,746.27	9,091.27	(2,121.26)	-	-	-	(14.77)	13,701.51
Borrowings (other than debt securities)	32,969.84	49,487.43	(31,134.86)	-	-	-	(92.16)	51,230.25
Subordinated liabilities	249.98	-	(250.00)	-	-	-	0.03	0.00
Lease liabilities	913.96	-	(225.30)	128.93	497.32	(15.51)	-	1,299.40
Total liabilities from financial activities	**40,880.05**	**58,578.70**	**(33,731.44)**	**128.93**	**497.32**	**(15.51)**	**(106.91)**	**66,231.16**

		Cash flow		Non-cash				
	As at April 1, 2021	**Additions**	**Payment**	**Interest Expense**	**Additions to lease liabilities**	**Deletions to lease liabilities**	**Upfront fees and amortisation**	**As at March 31, 2022**
Debt securities	4,524.69	5,019.44	(2,709.11)	-	-	-	(88.75)	6,746.27
Borrowings (other than debt securities)	25,382.26	28,694.72	(21,058.00)	-	-	-	(49.13)	32,969.84
Subordinated liabilities	249.63	-	-	-	-	-	0.35	249.98
Lease liabilities	779.89	-	(167.56)	96.74	235.55	(30.67)	-	913.96
Total liabilities from financial activities	**30,936.47**	**33,714.16**	**(23,934.68)**	**96.74**	**235.55**	**(30.67)**	**(137.53)**	**40,880.05**

		Cash flow		Non-cash				
	As at April 1, 2020	**Additions**	**Payment**	**Interest Expense**	**Additions to lease liabilities**	**Deletions to lease liabilities**	**Upfront fees and amortisation**	**As at March 31, 2021**
Debt securities	2,144.91	2,390.50	-	-	-	-	(10.72)	4,524.69
Borrowings (other than debt securities)	26,819.31	14,075.00	(15,524.08)	-	-	-	12.03	25,382.26
Subordinated liabilities	249.28	-	-	-	-	-	0.35	249.63
Lease liabilities	758.18	-	(144.52)	80.82	101.19	(15.78)	-	779.89
Total liabilities from financial activities	**29,971.68**	**16,465.50**	**(15,668.59)**	**80.82**	**101.19**	**(15.78)**	**1.66**	**30,936.47**

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(All amounts in INR millions, unless stated other wise)

42 Additional Regulatory information as per MCA notification dated March 24, 2021

(i) The Company doen't have any immovable property whose title deeds are not held in the name of the Company.
(ii) Investments made by the Company are carried at amortized cost & fair value through profit or loss in the financials
(iii) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) during the Six months period ended September 30,2023 and September 30,2022 and also for previous three financial years ended 31st March.
(iv) The Company has not revalued its intangible assets during the Six months period ended September 30,2023 and September 30,2022 and also for previous three financial years ended 31st March.

(v) The Company has not given any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are a) repayable on demand; or b) without specifying any terms or period of repayment.

(vi) Capital Work in Progress amounting to 0.05 millions for the six months period ended September 30,2022 and NIL for the preivous periods & Intangible Assets under Development are nil for current period & Previous periods.

(vii) The company doen't 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 pending against the company for the same.

(viii) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions in commection with the borrowings from them are in agreement with the books of accounts.
(ix) 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.
(x) The company doen't have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
(xi) There is no charges or satisfaction to be registered with ROC beyond the statutory period.
(xii) 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.
(xiii) Company has not traded/invested in crypto currency or virtual currency for the current financial year and previous years.

(xiv) 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.

(xv) 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.

(xvi) Liquidity Coverage Ratio:-

	As at 30th September 2023		As at 30th Septemebr 2022		As at 31st March 2023		As at 31st March 2022		As at 31st March 2021	
	Unweighted value	Weighted Value	Unweighted value	Weighted Value	Unweighted value	Weighted Value	Unweighted value	Weighted Value	Unweighted value	Weighted Value
High Quality Liquid Assets										
Cash in hand	26.78	26.78	46.91	46.91	17.34	17.34	46.81	46.81	0.47	0.47
Balances with banks in current account	3,487.27	3,487.27	3,897.89	3,897.89	2,713.55	2,713.55	4,891.79	4,891.79	3,051.76	3,051.76
Balance with cash collection agents	26.74	26.74	80.03	80.03	58.01	58.01	48.59	48.59	37.28	37.28
Term deposits with residual maturity of 3 months or less with scheduled banks	2,038.36	2,038.36	2,486.12	2,486.12	4,805.65	4,805.65	2,071.08	2,071.08	2,101.25	2,101.25
	5,579.15	5,579.15	6,510.95	6,510.95	7,594.55	7,594.55	7,058.27	7,058.27	5,190.76	5,190.76

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Muthoot Microfin Limited
Notes to Restated Financial Statements
(All amounts in INR millions, unless stated other wise)

	As at 30th September 2023		As at 30th Septemebr 2022		As at 31st March 2023		As at 31st March 2022		As at 31st March 2021	
	Unweighted value	**Weighted Value**	**Unweighted value**	**Weighted Value**	**Unweighted value**	**Weighted Value**	**Unweighted value**	**Weighted Value**	**Unweighted value**	**Weighted Value**
High Quality Liquid Assets										
Cash and bank balance	2,277.72	2,277.72	1,861.97	1,861.97	7,594.55	7,594.55	7,058.27	7,058.27	5,190.76	5,190.76
	2,277.72	**2,277.72**	**1,861.97**	**1,861.97**	**7,594.55**	**7,594.55**	**7,058.27**	**7,058.27**	**5,190.76**	**5,190.76**
Cash Outflow										
Deposits	-	-	-	-	-	-	-	-	-	-
Unsecured retail funding	-	-	-	-	-	-	-	-	-	-
Secured retail funding	-	-	-	-	-	-	-	-	-	-
Additional requirements, of which										
i)Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-	-	-
ii)Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
iii)Credit and liquidity facilities	-	-	-	-	-	-	-	-	-	-
Other contractual funding obligations	4,823.20	5,546.69	2,876.99	3,308.54	8,203.57	9,434.10	4,424.07	5,087.68	3,088.78	3,552.10
Other contingent funding obligations	-	-			-	-	-	-	-	-
	4,823.20	5,546.69	2,876.99	3,308.54	8,203.57	9,434.10	4,424.07	5,087.68	3,088.78	3,552.10
Cash Inflows										
Unsecured Lending	-	-	-	-	-	-	-	-	-	-
Inflows from fully performing exposures	4,576.07	3,432.05	2,200.68	1,650.51	2,992.66	2,244.50	2,023.84	1,517.88	1,588.86	1,191.64
Other cash inflows	-	-	-	-	-	-	-	-	-	-
	4,576.07	3,432.05	2,200.68	1,650.51	2,992.66	2,244.50	2,023.84	1,517.88	1,588.86	1,191.64
75% of Stressed Outflows		4,160.01		2,481.41		7,075.58		3,815.76		2,664.07
Total Net Cash Outflows		2,114.64		1,658.03		7,189.60		3,569.80		2,360.45
Liquidity Coverage Ratio		**107.71%**		**112.30%**		**105.63%**		**197.72%**		**219.91%**

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(All amounts in INR millions, unless stated other wise)

43 Share based payments

The Company has implemented Employee Stock Option Plan under Muthoot Microfin Employee Stock Option Plan 2016 ("ESOP 2016") and Muthoot Microfin Limited Employee Stock Option Plan 2022 ("ESOP 2022"). The objective is 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.

Details of ESOP trust and plan:

Particulars	**ESOP 2016**		
	Grant – 1	**Grant – 2**	**Grant – 3**
Date of grant	December 5, 2016	February 22, 2018	November 9, 2021
Date of Board Meeting, where ESOP was approved	December 5, 2016		
Date of Committee Meeting where grant of options were approved	December 5, 2016	February 22, 2018	November 9, 2021
No. of options granted	15,14,864 options (Including 99,250 options lapsed/cancelled due to resignation of employees). Total ESOP 2016 is 1,415,614 shares.		
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 and such other conditions as mentioned in the ESOP Scheme.		
Vesting period	Option will be vested at the End of year 1: 25% from the grant of option End of year 2 : 25% from the grant of option End of year 3 : 25% from the grant of option End of year 4 : 25% from the grant of option		
Exercise period	Vested Options can be exercised by the employees by giving in writing on or prior to a Liquidity event (Liquidity event means (a) Strategic Sale (b) Listing of shares on on any recognized stock exchange in India; and (c) Any other event, which the Board may designate as a Liquidity Event		
Pricing Formula	The market price was in accordance with the valuation of a registered valuer.		

Particulars	**ESOP 2016**	**ESOP 2022**	
	Grant – 4	**Grant – 1**	**Grant – 2**
Date of grant	August 10, 2023	November 04, 2022	August 10, 2023
Date of Board Meeting, where ESOP was approved	December 5, 2016	November 04, 2022	
Date of Committee Meeting where grant of options were approved	December 5, 2016	November 04, 2022	August 10, 2023
No. of options granted	15,14,864 options (Including 99,250 options lapsed/cancelled due to resignation of employees). Total ESOP 2016 is 1,415,614 shares.	27,02,647 options (Including 36,000 options lapsed/cancelled due to resignation). Total ESOP 2022 is 26,66,647 shares.	
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 and such other conditions as mentioned in the ESOP Scheme.		
Vesting period	Option will be vested at the End of year 1: 25% from the grant of option End of year 2 : 25% from the grant of option End of year 3 : 25% from the grant of option End of year 4 : 25% from the grant of option		
Exercise period	Vested Options can be exercised by the employees by giving in writing on or prior to a Liquidity event (Liquidity event means (a) Strategic Sale (b) Listing of shares on on any recognized stock exchange in India; and (c) Any other event, which the Board may designate as a Liquidity Event		
Pricing Formula	The market price was in accordance with the valuation of a registered valuer.		

Details of grant and exercise of such options are as follows:

Particulars	**ESOP 2016**														
	Grant – 1					**Grant – 2**					**Grant – 3**				
No. of options granted	6,65,000					2,99,000					4,79,864				
Date of grant of options	December 5, 2016					February 22, 2018					November 9, 2021				
No. of employee to whom such options were granted	4					62					37				
Exercise Price*	14.00	14.00	14.00	14.00	14.00	67.00	67.00	67.00	67.00	67.00	77.20	77.20	77.20	77.20	77.20
Financial year	2023-24 H1	2022-23 H1	2022-23	2021-22	2020-21	2023-24 H1	2022-23 H1	2022-23	2021-22	2020-21	2023-24 H1	2022-23 H1	2022-23	2021-22	2020-21
No. of employees who have exercised the option	-		-	4	4	-		-	35	52	-		-	-	-
No. of options exercised	-		-	1,66,250	1,66,250	-		-	48,250	66,750	-		-	-	-

(All amounts in INR millions, unless stated other wise)

Details of grant and exercise of such options are as follows:

Particulars	**ESOP 2016**					**ESOP 2022**									
	Grant – 4					**Grant-1**					**Grant-2**				
No. of options granted	71,000					24,65,500					2,37,147				
Date of grant of options	August 10,2023					November 04,2022					August 10,2023				
No. of employee to whom such options were granted	13					106					13				
Exercise Price*	197.00	197.00	197.00	-	-	151.00	151.00	151.00	-	-	197.00	197.00	197.00	-	-
Financial year	2023-24 H1	2022-23 H1	2022-23	2021-22	2020-21	2023-24 H1	2022-23 H1	2022-23	2021-22	2020-21	2023-24 H1	2022-23 H1	2022-23	2021-22	2020-21
No. of employees who have exercised the option	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of options exercised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

*Based on the valuation of a registered valuer. As per ESOP 2016, exercise price shall be equal to the fair market value as on the date of grant of options.

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(All amounts in INR millions, unless stated other wise)

Summary of options granted under the plan:

Particulars	As at September 30, 2023		As at September 30, 2022		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	No. of options	**Weighted average exercise price (INR)**	**No. of options**	**Weighted average exercise price (INR)**	**No. of options**	**Weighted average exercise price (INR)**	**No. of options**	**Weighted average exercise price (INR)**	**No. of options**	**Weighted average exercise price (INR)**
Outstanding options at the beginning of the period/year	32,26,739	129.48	7,85,864	61.96	7,85,864	61.96	5,64,750	35.63	5,64,750	35.63
Granted during the period/year	3,08,147	197.00	-	-	24,65,500	151.00	4,79,864	77.20	-	-
Forfeited during the period/year	66,375	116.87	15,250.00	66.69	24,625	70.69	44,250	66.69	-	-
Exercised during the period/year	-	-	-	-	-	-	2,14,500	25.85	-	-
Expired/lapsed during the period/year	-	-	-	-	-	-	-	-	-	-
Outstanding options at the end of the period/year	34,68,511	136.14	7,70,614	61.87	32,26,739	129.48	7,85,864	61.96	5,64,750	35.63
Shares Not Granted Under ESOP Plan at the end of the period/year	-	-	26,97,897	-	2,41,772	-	16,000	-	4,51,614	-
Number of equity shares of INR 10 each fully paid up to be issued on exercise of option	34,68,511	-	34,68,511	-	34,68,511	-	8,01,864	-	######	-
Exercisable at the end of the period/year	3,34,996	-	2,90,750	-	4,01,341	-	3,06,000	-	4,61,750	-

Share options outstanding at the end of the year having the following expiry date and exercise price:

Grant Date	Grant date	Expiry date	Exercise price INR	Share options September 30, 2023	Share options September 30, 2022	Share options March 31, 2023	Share options March 31, 2022	Share options March 31, 2021
Grant-1 of ESOP 2016	05-12-2016	04-06-2021	14.00	1,66,250	1,66,250	1,66,250	1,66,250	3,32,500
Grant-2 of ESOP 2016	22-02-2018	22-02-2022	67.00	1,24,500	1,24,500	1,24,500	1,39,750	2,32,250
Grant-3 of ESOP 2016	09-11-2021	08-11-2025	77.20	4,70,489	4,79,864	4,70,489	4,79,864	-
Grant-4 of ESOP 2016	10-08-2023	09-08-2027	197.00	71,000	-	-	-	-
Grant-1 of ESOP 2022	04-11-2022	03-11-2026	151.00	24,29,500	-	24,65,500	-	-
Grant-2 of ESOP 2022	10-08-2023	09-08-2027	197.00	2,37,147	-	-	-	-
Total				**34,98,886**	**7,70,614**	**32,26,739**	**7,85,864**	**5,64,750**
Weighted average remaining contractual life of options outstanding at the end of the period/year (in years)				2.78	1.94	3.13	2.20	2.18

The Company has INR 312.11 millions (September 30, 2022 : 312.11 millions, March 31,2023 : 312.11 millions, March 31, 2022: INR 39.95 millions, March 31, 2021 : INR 39.95 million) recoverable from Muthoot Welfare Trust pursuant to ESOP schemes.

The fair value of the options was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	Grant 1 ESOP 2016	Grant 2 ESOP 2016	Grant 3 ESOP 2016	Grant 4 ESOP 2016	Grant 1 ESOP 2022	Grant 2 ESOP 2022
Vesting period	4 years	4 years	4 years	4 years	4 years	4 years
Exercise price	14.00	67.00	77.20	197.00	151.00	197.00
Expected volatility (%)*	56.49%	49.98%	50.53%	51.09%	52.28%	51.09%
Expected option life (in years)	6.25	6.25	5.00	5.01	5.00	5.01
Expiry date	June 4, 2021	February 22, 2022	November 8, 2025	August 09,2027	November 3, 2026	August 09,2027
Share price at grant date	18.50	66.69	77.20	196.7	150.96	196.7
Expected dividends yield	-	-	-	-	-	-
Risk free interest rate	6.29%	7.58%	5.67%	7.03%	7.34%	7.03%

*The expected volatility was determined based on historical volatility data of a comparable company whose shares are listed on the National Stock Exchange of India Limited.
Number of options granted during the period/year- 308,147 shares (September 30,2022- Nil , March 31,2023 -2,465,500 shares, March 31, 2022- 479,864 shares, March 31, 2021 - Nil)

44 Operating segments

The company is primarily engaged in business of micro finance and the business activity falls within one operating segment, as this is how the chief operating decision maker of the Company looks at the operations. All activities of the Company revolve around the main business. Hence the disclosure requirement of Indian Accounting Standard 108 of "Segment Reporting" is not considered applicable.

45 Transfer of financial assets

During the six month period ended September 30, 2023, the Company has sold some loans and advances measured at fair value through other comprehensive income as per assignment deals, as a source of finance. As per the terms of these deals, since substantial risks and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's balance sheet.
The Company has assessed the business model under Ind AS 109 "Financial Instruments" and consequently the financial assets are measured at fair value through other comprehensive income.
The gross carrying value of the loan assets derecognised during the six months period ended September 30, 2023 amounts to INR 12,265.77 millions (September 30, 2022 : 7,292.78 millions , March 31, 2023 : 18,322.48 millions , March 31, 2022: INR 16,391.08 millions, March 31, 2021 : 7,659.93 millions) and the gain from derecognition during the year ended September 30, 2023 amounts to INR 1,081.11 millions (September 30,2022 : 461.52 millions , March 31,2023 : 1,363.16 millions, March 31, 2022: INR 1,130.79 millions, March 31, 2021 : 427.33 millions)

Transferred financial assets that are not derecognised in their entirety

In the course of its micro finance or lending activity, the company makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

Securitisation	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Carrying value and fair value of securitised assets	11,106.87	6,773.13	8,233.01	3,849.71	4,100.35
Carrying value and fair value of associated liabilities	12,432.22	7,388.57	8,256.39	4,130.42	4,470.12

(All amounts in INR millions, unless stated otherwise)

46 Employee benefit obligations

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Defined benefit plans					
Gratuity	70.63	59.76	34.00	37.42	30.33
Compensated Absence	(5.73)	7.89	2.13	11.96	16.05

A. Gratuity

(i) The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days multiplied by the number of years of service.

(ii) Amount recognised in the statement of profit and loss

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Current service cost	11.80	9.62	24.97	23.28	20.14
Interest cost (net)	1.24	1.16	2.32	1.72	2.15
Actuarial loss/(gain) recognised during the period/year	23.59	11.56	22.09	17.14	8.14
Amount recognised in total comprehensive income	**36.64**	**22.34**	**49.38**	**42.14**	**30.43**

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation as at the beginning of the period/year	**178.46**	**140.22**	**140.22**	**102.25**	**76.92**
Current service cost	11.80	9.62	24.97	23.28	20.14
Interest cost	6.51	4.34	8.68	5.88	4.35
Benefits paid	(10.69)	(7.80)	(18.21)	(8.80)	(7.68)
Actuarial loss/ (gain)	22.14	11.51	22.80	17.61	8.52
Present value of defined benefit obligation as at the end of the period/year	**208.22**	**157.89**	**178.46**	**140.22**	**102.25**

(iv) Movement in the plan assets recognised in the balance sheet

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets at the beginning of the period/year	144.46	102.80	102.80	71.92	38.78
Expected return on plan assets	5.27	3.18	6.36	4.16	2.20
Contributions by employer	-	-	52.80	35.05	38.24
Benefits paid	(10.69)	(7.80)	(18.21)	(8.80)	(7.68)
Actuarial (loss)/gain	(1.45)	(0.05)	0.71	0.47	0.38
Fair value of plan assets at the end of the period/year	**137.59**	**98.13**	**144.46**	**102.80**	**71.92**

(v) Reconciliation of present value of defined benefit obligation and the fair value of assets:

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Present value of funded obligation as at the end of the period/year	208.22	157.89	178.46	140.22	102.25
Fair value of plan assets as at the end of the period funded status	137.59	98.13	144.46	102.80	71.92
Funded net liability recognized in balance sheet	**70.63**	**59.76**	**34.00**	**37.42**	**30.33**

(vi) Actuarial (gain)/loss recognised in other comprehensive income:

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Actuarial loss/(gain) on assets	**1.45**	**0.05**	**(0.71)**	**(0.47)**	**(0.38)**
Actuarial (gain)/loss on liabilities					
Actuarial (gain)/loss from change in demographic assumption	(7.35)	(11.51)	(4.56)	(3.60)	7.17
Actuarial (gain)/loss from change in financial assumption	(0.29)	(2.98)	(2.32)	(2.15)	(0.44)
Actuarial (gain)/loss from experience adjustment	29.78	26.00	29.68	23.36	1.79
Total Actuarial (gain)/loss on liabilities	**22.14**	**11.51**	**22.80**	**17.61**	**8.52**
Total actuarial (gain)/loss	**23.59**	**11.56**	**22.09**	**17.14**	**8.14**

(All amounts in INR millions, unless stated otherwise)

(vii) Actuarial assumptions used for determination of the liability of the Company:

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Discount rate	7.36%	7.45%	7.30%	6.19%	5.79%
Rate of increase in compensation levels	7.75%	7.75%	7.75%	7.00%	7.00%
Attrition rate					
Field employees	45.51%	47.07%	37.05%	33.58%	29.28%
Other than field employees	36.90%	34.87%	29.59%	21.49%	19.80%
Retirement age	60 years	60 years	60 years	60 years	60 years
Expected average remaining working lives of employees (in years)	32.75	32.80	32.76	32.86	33.08

Notes to actuarial assumptions:

(a) Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age.

(b) These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(c) The discount rate is based on the prevailing market yield of Government of India bonds as at the balance sheet date for the estimated terms of obligations.

(d) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(viii) Sensitivity analysis for gratuity liability

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Present value of obligation at the end of the period/year	**208.22**	**157.89**	**178.46**	**140.22**	**102.25**
a) Impact of change in discount rate					
- Impact due to increase of 0.50%	(1.68)	(1.35)	(1.99)	(2.25)	(1.93)
- Impact due to decrease of 0.50%	1.72	1.39	2.05	2.34	2.01
b) Impact of change in salary increase					
- Impact due to increase of 1%	3.28	2.68	3.94	4.50	3.89
- Impact due to decrease of 1%	(3.19)	(2.61)	(3.81)	(4.28)	(3.67)
c) Impact of change in attrition rate					
- Impact due to increase of 5%	(3.92)	(3.62)	(4.20)	(4.83)	(5.12)
- Impact due to decrease of 5%	4.37	3.97	4.69	5.49	6.03

The above sensitivity analysis is based on a change an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

(ix) Maturity profile of defined benefit obligation

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Within next 12 months	71.21	51.01	46.93	26.20	15.29
Between 1-5 years	134.50	104.06	117.09	86.10	59.91
Beyond 5 years	32.92	27.91	52.07	65.31	57.22
	238.63	**182.98**	**216.08**	**177.61**	**132.43**

(x) Category of plan assets

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Fund managed by insurer	137.59	98.13	144.46	102.80	71.92

(xi) The Company expects to contribute INR 40.76 millions (September 30, 2022 : 32.48 millions, March 31, 2023 :39.93 milllions ,March 31,2022 : INR 33.59 millions ,March 31, 2021 :INR 27.42 millions) to its gratuity plan for the next year.

(All amounts in INR millions, unless stated otherwise)

B. Compensated absence

(i) The Company provides encashment of compensated absence based on the approved Company policy. Employees whose service is permanent will be eligible for privilege of compensated absence on calendar year basis, and it is mandatory that a minimum of 5 leaves need to be taken in an year.

(ii) Amount recognised in the statement of profit and loss

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Current service cost	3.67	2.15	6.17	9.62	9.28
Interest cost (net)	0.07	0.20	0.57	1.01	0.82
Actuarial (gain)/loss recognised during the period/year	(6.62)	(6.42)	(16.40)	1.27	5.87
Amount recognised in total comprehensive income	**(2.87)**	**(4.07)**	**(9.66)**	**11.90**	**15.97**

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation as at the beginning of the period/year	**56.29**	**64.21**	**64.21**	**50.60**	**33.99**
Current service cost	3.67	2.15	6.17	9.62	9.28
Interest cost	2.05	1.06	3.08	3.16	2.18
Benefits paid	(0.45)	(0.76)	(1.77)	(0.53)	(0.72)
Actuarial (gain)/loss	(7.58)	(6.31)	(15.40)	1.36	5.87
Present value of defined benefit obligation as at the end of the period/year	**53.98**	**60.35**	**56.29**	**64.21**	**50.60**

(iv) Movement in the plan assets recognised in the balance sheet

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets at the beginning of the period/year	54.15	52.25	52.25	34.55	21.24
Expected return on plan assets	1.98	0.87	2.51	2.15	1.36
Contributions by employer	5.00	-	0.18	15.97	12.67
Benefits paid	(0.45)	(0.76)	(1.77)	(0.53)	(0.72)
Actuarial gain/(loss)	(0.97)	0.11	1.00	0.09	0.00
Fair value of plan assets at the end of the period/year	**59.71**	**52.46**	**54.15**	**52.25**	**34.55**

(v) Reconciliation of present value of defined benefit obligation and the fair value of assets:

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Present value of funded obligation as at the end of the period/year	53.98	60.35	56.29	64.21	50.60
Fair value of plan assets as at the end of the period funded status	59.71	52.46	54.15	52.25	34.55
Funded net liability recognized in balance sheet	**(5.73)**	**7.89**	**2.14**	**11.96**	**16.05**

(vi) Actuarial (gain)/loss recognised in the statement of profit and loss

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Actuarial (gain)/loss on assets	**0.97**	**(0.11)**	**(1.00)**	**(0.09)**	**(0.00)**
Actuarial (gain) / loss on liabilities					
Actuarial (gain)/loss from change in demographic assumption	(1.38)	(7.40)	(1.80)	(2.09)	2.55
Actuarial (gain)/loss from change in financial assumption	(0.06)	(0.04)	(0.19)	(0.48)	0.13
Actuarial (gain)/loss from experience adjustment	(6.15)	1.12	(13.41)	3.92	3.19
Total Actuarial (gain)/loss on liabilities	**(7.58)**	**(6.31)**	**(15.40)**	**1.36**	**5.87**
Total	**(6.62)**	**(6.42)**	**(16.40)**	**1.27**	**5.87**

(vii) Actuarial assumptions used for determination of the liability of the Company:

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Discount rate	7.36%	7.41%	7.30%	6.63%	6.25%
Rate of increase in compensation levels	7.75%	7.75%	7.75%	7.00%	7.00%
Attrition rate					
Field employees	45.51%	47.07%	37.05%	35.58%	29.28%
Other than field employees	36.90%	34.87%	29.59%	21.49%	19.80%
Retirement age	60 years	60 years	60 years	60 years	60 years
Expected average remaining working lives of employees (in years)	31.24	31.45	31.41	31.68	32.28

Notes to actuarial assumptions:

(a) Encashment of compensated absence is payable to the employees on death or resignation or on retirement at the attainment of superannuation age, and it is not applicable on termination and unserved notice period of an employee.

(b) These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(c) The discount rate is based on the prevailing market yield of Government of India bonds as at the balance sheet date for the estimated terms of obligations.

(d) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(viii) Sensitivity analysis for Compensated Absence liability

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
a) Impact of change in discount rate					
Present value of obligation at the end of the period/year	53.98	60.35	56.29	64.21	50.60
- Impact due to increase of 0.50 %	(0.41)	(0.39)	(0.42)	(0.56)	(0.47)
- Impact due to decrease of 0.50 %	0.42	0.40	0.43	0.57	0.48
b) Impact of change in salary increase					
Present value of obligation at the end of the period/year					
- Impact due to increase of 1 %	0.84	0.79	0.86	1.14	0.96
- Impact due to decrease of 1 %	(0.82)	(0.78)	(0.84)	(1.11)	(0.94)
c) Impact of change in attrition rate					
Present value of obligation at the end of the period/year					
- Impact due to increase of 5 %	(0.69)	(2.04)	(1.20)	(3.16)	(2.81)
- Impact due to decrease of 5 %	0.84	2.37	1.42	3.83	3.43

(All amounts in INR millions, unless stated otherwise)

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

(ix) Maturity profile of defined benefit obligation

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Within next 12 months	26.03	33.12	27.46	28.23	20.97
Between 1-5 years	31.13	31.48	32.24	38.01	30.37
Beyond 5 years	4.02	2.45	3.87	6.76	6.19
Total	**61.18**	**67.05**	**63.57**	**73.00**	**57.54**

(x) Category of plan assets

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Fund managed by insurer	59.71	52.46	54.15	52.25	34.55

(xi) The Company expects to contribute INR 11.89 millions (September 30, 2022 : 13.74 millions ,March 31,2023 : 12.98 millions,March 31,2022 : INR 14.55 millions ,March 31, 2021 :INR 13.08 millions) to its Leave Encashment plan for the next year.

C. Reconciliation of Net Defined Liability / (Asset)

The following table shows a reconciliation from opening balances to the closing balances for the net defined liability/(asset) and its components:

<u>**Defined benefit obligation- Gratuity**</u>	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the period/year	**178.46**	**140.22**	**140.22**	**102.25**	**76.92**
Included in Restated Profit /loss					
Current Service cost	11.80	9.62	24.97	23.28	20.14
Interest cost	6.51	4.34	8.68	5.88	4.35
Total	**18.31**	**13.96**	**33.65**	**29.16**	**24.49**
Included in Restated other comprehensive income					
Remeasurements Loss /(Gain)					
- Actuarial (Gain) / loss arising from :					
- Demographic assumption	(7.35)	(11.51)	(4.56)	(3.60)	7.17
- Financial assumption	(0.29)	(2.98)	(2.32)	(2.15)	-0.44
- experience adjustment	29.78	26.00	29.68	23.36	1.79
Total	**22.14**	**11.51**	**22.80**	**17.61**	**8.52**
Other					
Benefits paid	(10.69)	(7.80)	(18.21)	(8.80)	**(7.68)**
Total	**(10.69)**	**(7.80)**	**(18.21)**	**(8.80)**	**(7.68)**
Balance at the end of the period/year	**208.22**	**157.89**	**178.46**	**140.22**	**102.25**

<u>**Defined benefit obligation- Leave encashment**</u>	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the period/year	**56.29**	**64.21**	**64.21**	**50.60**	**33.99**
Included in Restated Profit /loss					
Current Service cost	3.67	2.15	6.17	9.62	9.28
Interest cost	2.05	1.06	3.08	3.16	2.18
Total	**5.72**	**3.21**	**9.25**	**12.78**	**11.46**
Included in Restated other comprehensive income					
Remeasurements Loss /(Gain)					
- Actuarial (Gain) / loss arising from :					
- Demographic assumption	(1.38)	(7.40)	(1.80)	(2.09)	2.55
- Financial assumption	(0.06)	(0.04)	(0.19)	(0.48)	0.13
- experience adjustment	(6.15)	1.12	(13.41)	3.92	3.19
Total	**(7.58)**	**(6.31)**	**(15.40)**	**1.36**	**5.87**
Other					
Benefits paid	(0.45)	(0.76)	(1.77)	(0.53)	(0.72)
Total	**(0.45)**	**(0.76)**	**(1.77)**	**(0.53)**	**(0.72)**
Balance at the end of the period/year	**53.98**	**60.35**	**56.29**	**64.21**	**50.60**

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(All amounts in INR millions, unless stated other wise)

47 Related parties disclosures

Nature of Relationship	For the six month period Ended 30th September 2023	For the six month period Ended 30th September 2022	For the year Ended 31st March 2023	For the year Ended 31st March 2022	For the year Ended 31st March 2021
Holding Company	Muthoot Fincorp Limited	Muthoot Fincorp Limited	Muthoot Fincorp Limited	Muthoot Fincorp Limited	Muthoot Fincorp Limited
Entities in which KMP are able to exercise	Muthoot Exim Private Limited	Muthoot Exim Private Limited	Muthoot Exim Private Limited	Muthoot Exim Private Limited	Muthoot Exim Private Limited
control or have significant influence	Muthoot Pappachan Foundation	Muthoot Pappachan Foundation	Muthoot Pappachan Foundation	Muthoot Pappachan Foundation	Muthoot Pappachan Foundation
Fellow subsidiary	Muthoot Pappachan Technologies Limited	Muthoot Pappachan Technologies Limited	Muthoot Pappachan Technologies Limited	Muthoot Pappachan Technologies Limited	Muthoot Pappachan Technologies Limited
Common Directorship	The Thinking Machine Media Private Limited	The Thinking Machine Media Private Limited	The Thinking Machine Media Private Limited	The Thinking Machine Media Private Limited	The Thinking Machine Media Private Limited
	M-Liga Sports Excellence Private Limited	Thomas Muthoot , Managing Director	M-Liga Sports Excellence Private Limited	Thomas Muthoot , Managing Director	Thomas Muthoot , Managing Director
Key Management Personnel(KMP)	Thomas Muthoot , Managing Director	Thomas John Muthoot,Non Executive Director	Thomas Muthoot , Managing Director	Thomas John Muthoot, Non Executive Director	Thomas John Muthoot, Non Executive Director
	Thomas John Muthoot,Non Executive Director	Thomas George Muthoot, Non Executive Director	Thomas John Muthoot,Non Executive Director	Thomas George Muthoot, Non Executive Director	Thomas George Muthoot, Non Executive Director
	Thomas George Muthoot, Non Executive Director	Thomas Muthoot John, Non Executive Director	Thomas George Muthoot, Non Executive Director	Thomas Muthoot John, Director	Thomas Muthoot John, Director
	John Tyler Day, Non Executive Director	Kenneth Dan Vander Weele, Director	John Tyler Day, Non Executive Director	Kenneth Dan Vander Weele, Director	Kenneth Dan Vander Weele, Director
	T S Vijayan, Independent Director	T S Vijayan, Independent Director	T S Vijayan, Independent Director	T S Vijayan, Independent Director	T S Vijayan, Independent Director
	Alok Prasad, Independent Director	Alok Prasad, Independent Director	Alok Prasad, Independent Director	Alok Prasad, Independent Director	Alok Prasad, Independent Director
	Bhama Krishnamurthy, Independent Director	Bhama Krishnamurthy, Independent Director	Bhama Krishnamurthy, Independent Director	Bhama Krishnamurthy, Independent Director	Bhama Krishnamurthy, Independent Director
	Pushpy B Muricken, Independent Director	Pushpy B Muricken, Independent Director	Pushpy B Muricken, Independent Director	Pushpy B Muricken, Independent Director	Pushpy B Muricken, Independent Director
	Akshaya Prasad, Non Executive Director	Akshaya Prasad, Non Executive Director	Akshaya Prasad, Non Executive Director	Akshaya Prasad, Non Executive Director	Sadaf Sayeed, Chief Executive Officer
	R.Anand, Independent Director	Sadaf Sayeed, Chief Executive Officer	R.Anand, Independent Director	Sadaf Sayeed, Chief Executive Officer	Praveen.T, Chief Financial Officer
	Sadaf Sayeed, Chief Executive Officer	Praveen.T, Chief Financial Officer	Sadaf Sayeed, Chief Executive Officer	Praveen.T, Chief Financial Officer	Neethu Ajay, Company Secretary
	Praveen.T, Chief Financial Officer	Neethu Ajay, Company Secretary	Praveen.T, Chief Financial Officer	Neethu Ajay, Company Secretary	
	Neethu Ajay, Company Secretary		Neethu Ajay, Company Secretary		

Note : Mr.John Tyler Day (20.12.2022) and Mr.R.Anand (20.12.2022) were appointed during the year ended 31 March 2023 and Mr. kenneth Dan Vender Weele (21.11.2022) and Mr.Thomas Muthoot John (27.03.2023) resigned during the year ended 31 March 2023

Mr.Akshaya Prasad (06.12.2021) was appointed as Non-Executive director of the Company during the financial year ended 31 March 2022 .

Transactions with related parties

Name of the party	Nature	Six month period ended September 30, 2023	Six month period ended September 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Muthoot Fincorp Limited	Cash management charges*	26.42	25.94	50.16	34.11	20.28
	Commission income*	0.02	0.05	0.07	2.87	22.25
	Rent expenses*	1.08	1.22	2.31	3.15	3.62
	Rental deposits given/(refunded)	-	0.21	(0.25)	0.13	0.72
	Travel expenses	0.00	0.04	0.26	0.35	0.33
Muthoot Exim Private Limited	Commission income*	6.27	2.63	5.05	3.56	1.09
	Gold Auction	-	0.91	0.91	-	-
Muthoot Pappachan Technologies Limited	Software support charges*	6.00	6.00	12.15	12.88	30.24
M-Liga Sports Excellence Private Limited	Marketing Expenses *	-	-	5.00	-	-
Thomas Muthoot	Rent expenses*	1.55	1.42	2.90	2.69	2.55
	Trade mark Fees	-	-	0.03	0.20	-
Thomas George Muthoot	Rent expenses*	3.67	1.65	4.96	3.17	3.03
	Trade mark Fees	-	-	0.03	0.20	-
Thomas John Muthoot	Rent expenses*	0.88	0.61	1.29	1.16	1.11
	Trade mark Fees	-	-	0.03	0.20	-
Muthoot Pappachan Foundation	CSR expenditure	-	-	6.23	19.93	34.99
Pushpy B Muricken	Sitting fees	0.33	0.24	0.54	0.66	0.49
T S Vijayan	Sitting fees	0.36	0.27	0.66	0.63	0.46
Alok Prasad	Sitting fees	0.45	0.30	0.75	0.78	0.49
Bhama Krishnamurthy	Sitting fees	0.45	0.27	0.66	0.78	0.56
R.Anand	Sitting fees	0.39		0.09	-	-
Sadaf Sayeed	Remuneration	28.50	24.93	37.31	43.17	18.31
Praveen T	Remuneration	3.38	2.86	4.95	4.17	3.05
Neethu Ajay	Remuneration	1.32	1.06	1.92	1.62	1.22
The Thinking Machine Media Private Limited	Investment made in Equity Instruments	-	-	-	-	0.45

*excluding taxes

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Muthoot Microfin Limited
Notes to Restated Financial Statements
(All amounts in INR millions, unless stated other wise)

Balance at the end of the period

Name of the party	Nature	(Payable)/Receivable for the Six month period ended September 30, 2023	Six month period ended September 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Muthoot Fincorp Limited	Cash management charges and Commission payable	(4.41)	(4.25)	(4.03)	(3.69)	(1.29)
	Other receivable (commission income)	0.01	(0.00)	0.00	0.03	2.89
	Rent payable	(0.20)	(0.22)	(0.19)	(0.29)	(0.29)
	Rental deposit	0.54	0.59	0.54	0.79	0.82
	Travel charges payable	-	(0.00)	(0.10)	-	(0.12)
Muthoot Exim Private Limited	Other receivable (commission income)	3.28	0.57	0.23	0.47	0.27
Thomas Muthoot	Rent payable	(0.28)	(0.26)	(0.27)	(0.25)	(0.24)
	Rental deposit	0.18	0.18	0.18	0.18	0.18
	Trade mark Fee payable	-	-	(0.04)	(0.04)	-
Thomas George Muthoot	Rent payable	(0.66)	(0.31)	(0.66)	(0.29)	(0.29)
	Rental deposit	0.10	0.10	0.10	0.10	0.10
	Trade mark Fee payable	-	-	(0.04)	(0.04)	-
Thomas John Muthoot	Rent payable	(0.17)	(0.12)	(0.14)	(0.10)	(0.10)
	Rental deposit	0.08	0.08	0.08	0.08	0.08
	Trade mark Fee payable	-	-	(0.04)	(0.04)	-
The Thinking Machine Media Private Limited	Investment in equity instruments	0.45	0.45	0.45	0.45	0.45
Alok Prasad	Sitting Fee payable	-	-	(0.02)	-	-
Bhama Krishnamuruthy	Sitting Fee payable	-	-	(0.03)	-	-
Pushpy Muricken	Sitting Fee payable	-	-	(0.03)	-	-
T S Vijayan	Sitting Fee payable	-	-	(0.03)	-	-
R Anand	Sitting Fee payable	-	-	(0.03)	-	-

Key management personnel remuneration includes the following expenses:

Nature	Six month period ended September 30, 2023	Six month period ended September 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits (current)	32.66	28.30	44.10	48.29	22.54
Post-employment benefits	0.54	0.55	0.08	0.67	0.04
Total	**33.20**	**28.85**	**44.18**	**48.95**	**22.58**

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(All amounts in INR millions, unless stated other wise)

48 Financial Instruments -Fair Value Disclosures

A.Following table shows the carrying amounts of financial instruments

Particulars	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Financial assets measured at fair value					
Loans	27,819.47	16,186.02	21,436.67	20,689.41	9,834.60
Investments	-	2,001.42	-	-	-
Financial assets measured at amortised cost					
Cash and cash equivalents	5,579.15	6,510.95	7,594.55	7,058.27	5,190.76
Bank balances other than cash and cash equivalents	4,941.92	3,624.70	3,909.58	2,940.89	2,259.03
Other receivables	1,230.82	485.90	722.10	167.73	92.91
Loans	57,679.76	38,280.35	48,830.18	23,291.70	23,105.72
Investments	513.66	765.45	633.59	0.45	0.45
Other financial assets	52.66	41.96	40.61	33.68	23.85
Total	**97,817.44**	**67,896.75**	**83,167.28**	**54,182.13**	**40,507.32**
Financial liabilities measured at amortised cost					
Other payables	149.63	131.67	119.27	75.34	29.19
Debt securities	14,356.23	10,958.64	13,701.51	6,746.27	4,524.69
Borrowings (other than debt securities)	63,104.87	41,348.51	51,230.25	32,969.85	25,382.26
Subordinated liabilities	-	-	-	249.97	249.63
Lease liabilities	1,454.62	1,074.25	1,299.40	913.96	779.89
Other financial liabilities	2,664.73	2,086.50	2,582.70	1,492.80	1,888.61
Total	**81,730.08**	**55,599.58**	**68,933.13**	**42,448.19**	**32,854.27**

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(All amounts in INR millions, unless stated other wise)

B. Fair values hierarchy

The fair value of financial instruments as referred to in note 'A' above has 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).

B.1 Valuation framework

Investments carried at fair value through profit or loss are categorized in Level 1 of the fair value hierarchy as they are of either short term nature or the interest rates are at the current market rate..Loan assets carried at fair value through other comprehensive income are categorized in Level 3 of the fair value hierarchy.

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure the quality and adequacy of the fair valuation. In order to arrive at the fair value of the above instruments, the Company obtains independent valuations. The valuation techniques and specific considerations for level 3 inputs are explained in detail below. The objective of the valuation techniques is to arrive at a fair value that reflects the price that would be received to sell the asset or paid to transfer the liability in the market at any given measurement date.

The fair valuation of the financial instruments and its ongoing measurement for financial reporting purposes is ultimately the responsibility of the finance team which reports to the Chief Financial Officer. The team ensures that final reported fair value figures are in compliance with Ind AS and will propose adjustments wherever required. When relying on third-party sources, the team is also responsible for understanding the valuation methodologies and sources of inputs and verifying their suitability for Ind AS reporting requirements.

B.2 Financial assets and liabilities measured at fair value - recurring fair value measurements

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at September 30, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Asset at fair value through other comprehensive income				
Loans	-	-	27,819.47	**27,819.47**

As at September 30, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Asset at fair value through other comprehensive income				
Loans	-	-	16,186.02	**16,186.02**
Asset at fair value through Profit or loss				
Investments	2,001.42	-	-	**2,001.42**

As at March 31, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Asset at fair value through other comprehensive income				
Loans	-	-	21,436.67	**21,436.67**

As at March 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Asset at fair value through other comprehensive income				
Loans	-	-	20,689.41	**20,689.41**

As at March 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Asset at fair value through other comprehensive income				
Loans	-	-	9,834.60	**9,834.60**

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49 Financial risk management

Introduction and risk profile
The Company has operations in India. The Company’s activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, receivables, loans, investments, financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, and credit limits.
Liquidity risk	Payables, debt securities, borrowings, subordinated liabilities, and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - interest rate	Debt securities, borrowings, subordinated liabilities at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors

Credit risk
Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, other receivables , loan assets, investments and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk management
The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets:

(i) Low credit risk
(ii) Moderate credit risk
(iii) High credit risk

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(All amounts in INR millions, unless stated other wise)

The Company provides for expected credit loss based on the following:

Asset group	Basis of categorisation	Provision
Low credit risk	Cash and cash equivalents, other bank balances, other receivables, loans, investments and other financial assets	12 month expected credit loss
Moderate credit risk	Identified loans	Life time expected credit loss or 12 month expected credit loss
High credit risk	Identified loans	Life time expected credit loss fully provided for

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a borrower become non contactable or in financial distress or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made subsequently are recognized in the statement of profit and loss.

Financial assets that expose the entity to credit risk

Particulars	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(i) Low credit risk on financial reporting date					
Cash and cash equivalents	5,579.15	6,510.95	7,594.55	7,058.27	5,190.76
Bank balances other than cash and cash equivalents	4,941.92	3,624.70	3,909.58	2,940.89	2,259.03
Other receivables	1,230.82	485.90	722.10	167.73	92.91
Loans*	84,674.65	52,828.22	69,408.82	40,665.01	30,890.18
Investments	513.66	765.45	633.59	0.45	0.45
Other financial assets	52.66	41.96	40.61	33.68	23.85
(ii) Moderate credit risk					
Identified loans*	543.41	1,160.35	436.67	2,642.24	1,566.51
(iii) High credit risk					
Identified loans*	2,070.69	1,818.51	2,141.53	2,890.01	2,589.09

* These represent gross carrying values of financial assets, without deduction for expected credit losses

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(All amounts in INR millions, unless stated otherwise)

Management of credit risk for financial assets other than loans
Cash and cash equivalents and bank deposits
Credit risk related to cash and cash equivalents and bank deposits is considered to be very low as the Company only deals with high rated banks. The risk is also managed by diversifying bank deposits and accounts in different banks across the country.

Other receivables
The Company faces very less credit risk under this category as most of the transactions are with Highly Rated organisations and credit risk relating to these are managed by monitoring recoverability of such amounts continuously.
Other financial assets measured at amortised cost
Other financial assets measured at amortised cost includes advances to employees and security deposits. Credit risk related to these financial assets is managed by monitoring the recoverability of such amounts continuously.

Expected credit losses for financial assets other than loans

September 30, 2023	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	5,579.15	-	-	5,579.15
Bank balances other than above	4,941.92	-	-	4,941.92
Other receivables	1,230.82	-	-	1,230.82
Investments	513.66	-	-	513.66
Other financial assets	52.66	-	-	52.66

September 30, 2022	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	6,510.95	-	-	6,510.95
Bank balances other than above	3,624.70	-	-	3,624.70
Other receivables	485.90	-	-	485.90
Investments	765.45	-	-	765.45
Other financial assets	41.96	-	-	41.96

March 31, 2023	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	7,594.55	-	-	7,594.55
Bank balances other than above	3,909.58	-	-	3,909.58
Other receivables	722.10	-	-	722.10
Investments	633.59	-	-	633.59
Other financial assets	40.61	-	-	40.61

March 31, 2022	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	7,058.27	-	-	7,058.27
Bank balances other than above	2,940.89	-	-	2,940.89
Other receivables	167.73	-	-	167.73
Investments	0.45	-	-	0.45
Other financial assets	33.68	-	-	33.68

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(All amounts in INR millions, unless stated otherwise)

March 31, 2021	**Estimated gross carrying amount at default**	**Expected probability of default**	**Expected credit losses**	**Carrying amount net of impairment provision**
Cash and cash equivalents	5,190.76	-	-	5,190.76
Bank balances other than above	2,259.03	-	-	2,259.03
Other receivables	92.91	-	-	92.91
Investments	0.45	-	-	0.45
Other financial assets	23.85	-	-	23.85

A.5 Management of credit risk for loans

Credit risk on loans is the single largest risk of the Company's business, and therefore the Company has developed several processes and controls to manage it. The Company is engaged in the business of providing unsecured micro finance facilities to women having limited source of income, savings and credit histories repayable in weekly or monthly installments.

The Company duly complies with the RBI guidelines ('Non-Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs - Directions) with regards to disbursement of loans namely:
- Microfinance loans are given to an individual having annual household income up to INR 3,00,000
- Maximum FOIR (Fixed Obligation to Income Ratio) should be 50%

The credit risk on loans can be further bifurcated into the following elements:
(i) Credit default risk
(ii) Concentration risk

(i) Management of credit default risk:

Credit default risk is the risk of loss arising from a debtor being unlikely to pay the loan obligations in full or the debtor is more than 90 days past due on any material credit obligation. The Company majorly manages this risk by following "joint liability mechanism" wherein the loans are disbursed to borrowers who form a part of an informal joint liability group (“JLG”), generally comprising of four to ten members. Each member of the JLG provide a joint and several guarantees for all the loans obtained by each member of the group.
In addition to this, there is set critieria followed by the Company to process the loan applications. Loans are generally disbursed to the identified target segments which include economically active women having regular cash flow engaged in the business such as small shops, vegetable vendors, animal husbandry business, tailoring business and other self-managed business. Out of the people identified out of target segments, loans are only disbursed to those people who meet the set criterion - both finanical and non-financial as defined in the credit policy of the Company. Some of the criteria include - annual income, repayment capacity, multiple borrowings, age, group composition, health conditions, and economic activity etc. Some of the segments identified as non-target segments are not eligible for a loan. Such segments include - wine shop owners, political leaders, police & lawyers, individuals engaged in the business of running finance & chit funds and their immediate family member or people with criminal records etc.

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(ii) Management of concentration risk:
Concentration risk is the risk associated with any single exposure or group of exposures with the potential to produce large enough losses to threaten Company's core operations. It may arise in the form of single name concentration or industry concentration. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentration risks are controlled and managed accordingly.

A.5.1 Credit risk measurement - Expected credit loss measurement
Ind AS 109 outlines a "three stage" model for impairment based on changes in credit quality since initial recognition as summarised below:
- A financial instrument that is not credit impaired on initial recognition and whose credit risk has not increased significantly since initial recognition is classified as "Stage 1".
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit impaired.
- If a financial instrument is credit impaired, it is moved to "Stage 3".

ECL for depending on the stage of financial instrument:
- Financial instrument in Stage 1 have their ECL measured at an amount equal to expected credit loss that results from default events possible within the next 12 months.
- Instruments in Stage 2 or Stage 3 criteria have their ECL measured on lifetime basis.

A.5.2 Criteria for significant increase in credit risk

The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative or qualitative criteria are met.
(i) Quantitative criteria
The remaining lifetime probability of default at the reporting date has increased, compared to the residual lifetime probability of default expected at the reporting date when the exposure was first recognized. The Company considers loan assets as Stage 2 when the default in repayment is within the range of 30 to 90 days.

(ii) Qualitative criteria
If other qualitative aspects indicate that there could be a delay/default in the repayment of the loans, the Company assumes that there is significant increase in risk and loan is moved to stage 2.

The Company considers the date of initial recognition as the base date from which significant increase in credit risk is determined.

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(All amounts in INR millions, unless stated otherwise)

A.5.3 Criteria for default and credit-impaired assets

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets the following criteria:

(i) Quantitative criteria

The Company considers loan assets as Stage 3 when the default in repayment has moved beyond 90 days.

(ii) Qualitative criteria

The Company considers factors that indicate unlikeliness of the borrower to repay the loan which include instances like the signficant financial difficulty of the borrower, or breach of any financial covenants by the borrower etc

A.5.4 Measuring ECL - explanation of inputs, assumptions and estimation techniques

Expected credit losses are the discounted product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.
- EAD is based on the amounts that the Company expects to be owed at the time of default over the next 12 months or remaining lifetime of the instrument.
- LGD represents the Company's expectation of loss given that a default occurs. LGD is expressed in percentage and remains unaffected from the fact that whether the financial instrument is a Stage 1 asset, or Stage 2 or even Stage 3. However, it varies by type of borrower, availability of security or other credit support.

Probability of default (PD) computation model

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Loss given default (LGD) computation model

The loss rate is the likely loss intensity in case a borrower defaults. It provides an estimation of the exposure that cannot be recovered in the event of a default and thereby captures the severity of the loss. The loss rate is computed by factoring the main drivers for losses (e.g. joint group liability mechanism, historical recoveries trends etc.) and arriving at the replacement cost.

A.6 Credit risk exposure

	As at September 30, 2023				As at September 30, 2022				As at March 31, 2023				As at March 31, 2022				As at March 31, 2021			
	ECL Staging				ECL Staging				ECL Staging				ECL Staging				ECL Staging			
Internal rating grade	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Category 1*	36,017.11	232.07	1,174.24	37,423.42	25,527.29	964.55	1,239.80	27,731.64	29,980.48	302.05	1,437.52	31,720.05	22,524.80	2,093.50	1,451.77	26,070.07	17,782.55	961.01	1,166.22	19,909.78
Category 2#	48,657.54	311.34	896.45	49,865.33	27,300.93	195.80	578.71	28,075.44	39,428.34	134.62	704.01	40,266.97	18,140.21	548.74	1,438.24	20,127.19	13,107.63	605.50	1,422.87	15,136.00
Gross carrying amount	**84,674.65**	**543.41**	**2,070.69**	**87,288.75**	**52,828.22**	**1,160.35**	**1,818.51**	**55,807.08**	**69,408.82**	**436.67**	**2,141.53**	**71,987.02**	**40,665.01**	**2,642.24**	**2,890.01**	**46,197.26**	**30,890.18**	**1,566.51**	**2,589.09**	**35,045.78**
Loss allowance	459.40	17.34	1,312.78	1,789.52	443.73	9.04	887.94	1,340.71	383.14	53.84	1,283.19	1,720.17	580.94	47.49	1,587.72	2,216.15	551.40	31.27	1,522.79	2,105.47
Carrying amount	**84,215.25**	**526.07**	**757.91**	**85,499.23**	**52,384.49**	**1,151.31**	**930.57**	**54,466.37**	**69,025.68**	**382.83**	**858.34**	**70,266.85**	**40,084.07**	**2,594.75**	**1,302.29**	**43,981.11**	**30,338.78**	**1,535.23**	**1,066.30**	**32,940.32**

* The company catagorises loans disbursed to Kerala and Tamil Nadu under category 1.

The company catagorises loans disbursed to other than Kerala and Tamil Nadu under category 2.

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(All amounts in INR millions, unless stated otherwise)

A.6.1 Concentration of credit risk

The Company monitors concentration of credit risk by type of industry in which the borrower operates, further bifurcated into type of borrower, whether state or private.

Industry	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Gross carrying amount of loans	**87,288.75**	**55,807.08**	**71,987.02**	**46,197.26**	**35,045.78**
Concentration by industry					
Agriculture	23,740.38	11,718.93	17,781.99	6,113.43	7,453.70
Animal husbandry	29,400.93	19,794.15	27,138.59	15,471.59	7,808.14
Manufacturing (Including MSME)	4,092.24	2,974.55	3,266.11	1,338.64	1,918.63
Services	21,410.55	15,139.98	16,994.81	6,107.21	11,075.12
Trading (Including MSME)	7,596.96	5,450.05	5,963.10	12,303.04	5,424.71
Consumption	582.02	325.83	307.64	247.07	151.42
Education	79.61	124.87	110.90	4,352.33	1,201.21
Personal Loan	278.65	247.11	259.43	218.95	-
Corporate Loan	107.42	31.61	164.45	45.00	12.84
	87,288.75	**55,807.08**	**71,987.02**	**46,197.26**	**35,045.78**
Concentration by Geography					
Loans disbursed in Kerala and Tamil Nadu	37,423.42	27,731.64	31,720.05	26,070.07	19,909.78
Loans disbursed outside Kerala and Tamil Nadu	49,865.33	28,075.44	40,266.97	20,127.19	15,136.00
Gross Carrying Amount	**87,288.75**	**55,807.08**	**71,987.02**	**46,197.26**	**35,045.78**

A.6.2 Credit enhancements

The assessment of significant increase in risk and the calculation of ECL both incorporate forward-looking information. The Company has evaluated that the analysis of forward-looking information reveal that the scenario applicable to the Company is "Base Case Scenario" which assumes that the that Macroeconomic conditions are normal and is similar to previous periods. In this case normal credit rating and corresponding PD & LGD is considered for ECL computation.

A.7 Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:
- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL.
- Additional allowances for new financial instruments recognized during the period, as well as releases for financial instruments de-recognized in the period.
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models.
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

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(All amounts in INR millions, unless stated otherwise)

A.8 Write off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery.

Indicators that there is no reasonable expectation of recovery include:

- Ceasing enforcement activity
- Where the Company's recovery method is foreclosing and there is no reasonable expectation of recovery in full.
- Specific Identification by the management

The Company may write off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the six months period ended September 30, 2023 is INR 322.70 million (September 30,2022 : 1,402.81 millions,March 31,2023 : 1,402.81 millions,March 31, 2022 was INR 737.80 million ,March 31, 2021 INR 983.09 million). The Company still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

B Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

B.1 Maturities of financial liabilities

The tables below analyse the Company financial liabilities into relevant maturity groupings based on their contractual maturities.

September 30, 2023	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**More than 5 years**	**Total**
Other payables	-	146.34	2.76	0.53	-	**149.63**
Debt securities	1,235.06	493.87	7,754.80	7,954.56	-	**17,438.29**
Borrowings (other than debt securities)	3,754.90	8,839.73	33,442.86	27,461.10	-	**73,498.59**
Subordinated liabilities	-	-	-	-	-	**-**
Lease liabilities	-	77.23	231.70	1,151.77	656.32	**2,117.02**
Other financial liabilities	1,600.47	399.43	664.68	0.15	-	**2,664.73**
Total	**6,590.43**	**9,956.60**	**42,096.80**	**36,568.11**	**656.32**	**95,868.26**

September 30, 2022	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**More than 5 years**	**Total**
Other payables	-	118.31	12.73	0.63	-	**131.67**
Debt securities	23.38	1,092.86	2,637.85	10,084.62		**13,838.71**
Borrowings (other than debt securities)	2,339.22	5,309.17	18,791.09	17,349.68	-	**43,789.16**
Subordinated liabilities	-	-	-	-	-	**-**
Lease liabilities	-	56.80	170.41	867.09	458.62	**1,552.92**
Other financial liabilities	123.70	1,654.43	110.01	198.36	-	**2,086.50**
Total	**2,486.30**	**8,231.57**	**21,722.09**	**28,500.38**	**458.62**	**61,398.96**

March 31, 2023	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**More than 5 years**	**Total**
Other payables	-	117.39	1.88	-	-	**119.27**
Debt securities	18.03	212.43	8,624.46	7,962.36	-	**16,817.28**
Borrowings (other than debt securities)	2,330.86	6,857.44	25,920.61	22,705.30	-	**57,814.20**
Subordinated liabilities	-	-	-	-	-	**-**
Lease liabilities	-	68.19	204.56	1,031.32	592.53	**1,896.60**
Other financial liabilities	175.52	1,738.90	593.12	75.16	-	**2,582.70**
Total	**2,524.41**	**8,994.35**	**35,344.63**	**31,774.14**	**592.53**	**79,230.06**

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(All amounts in INR millions, unless stated otherwise)

March 31, 2022	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Other payables	-	73.83	1.51	-	-	**75.34**
Debt securities	955.47	108.71	1,218.83	5,687.26	-	**7,970.27**
Borrowings (other than debt securities)	1,147.06	4,223.03	18,157.89	12,822.79	-	**36,350.77**
Subordinated liabilities	252.92	-	-	-	-	**252.92**
Lease liabilities	-	48.89	146.68	762.17	374.74	**1,332.49**
Other financial liabilities	299.75	1,193.04	-	-	-	**1,492.79**
Total	**2,655.20**	**5,647.51**	**19,524.91**	**19,272.22**	**374.74**	**47,474.57**

March 31, 2021	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Other payables	-	27.09	-	-	-	**27.09**
Debt securities	39.91	41.17	2,576.61	2,740.52	-	**5,398.21**
Borrowings (other than debt securities)	1,716.37	1,569.23	16,514.14	7,877.57	-	**27,677.31**
Subordinated liabilities	2.83	2.83	28.63	252.92	-	**287.20**
Lease liabilities	-	25.99	129.93	628.26	353.04	**1,137.22**
Other financial liabilities	255.97	1,649.00	-	-	-	**1,904.97**
Total	**2,015.08**	**3,315.31**	**19,249.31**	**11,499.27**	**353.04**	**36,432.01**

C Market risk - Interest rate risk

Liabilities

The Company’s policy is to minimize interest rate cash flow risk exposures on long-term financing. At September 30, 2023, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits all pay fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Debt securities					
Variable rate	-	-	-	-	-
Fixed rate	14,356.23	10,958.64	13,701.51	6,746.27	4,524.69
Borrowings (other than debt securities)					
Variable rate	39,259.35	27,428.03	35,173.62	19,580.94	11,509.87
Fixed rate	23,845.51	13,920.48	16,056.63	13,388.91	13,872.39
Subordinated liabilities					
Variable rate	-	-	-	-	-
Fixed rate	-	-	-	249.97	249.63

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(All amounts in INR millions, unless stated otherwise)

Sensitivity
Below is the sensitivity of profit or loss in interest rates.

Particulars	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Interest sensitivity*					
Interest rates – increase by 50 basis points	(196.30)	(137.14)	(175.87)	(97.90)	(57.55)
Interest rates – decrease by 50 basis points	196.30	137.14	175.87	97.90	57.55

** Holding all other variables constant*

C.1 Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. The Company's loan assets are at fixed interest rate. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

C.1.1 Valuation techniques

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.
(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 September 30, 2023	Fair valuation as at September 30, 2022	Fair valuation as at March 31, 2023	Fair valuation as at March 31, 2022	Fair valuation as at March 31, 2021
Monthly	20,095.05	8,942.63	16,245.45	14,633.07	6,499.66
Weekly	7,666.78	7,372.98	5,180.94	6,593.81	3,384.84
Total	**27,761.83**	**16,315.61**	**21,426.39**	**21,226.88**	**9,884.50**

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(All amounts in INR millions, unless stated otherwise)

Fair value measurement sensitivity to significant unobservable inputs as at the end of each reporting period is as follows:

Particulars	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Impact on fair value if change in risk adjusted discount rate					
- Impact due to increase of 0.50 %	(103.10)	(75.40)	(85.00)	(91.60)	(40.65)
- Impact due to decrease of 0.50 %	103.70	75.90	85.50	92.20	40.89
Impact on fair value if change in probability of default (PD)					
- Impact due to increase of 0.50 %	(48.30)	(29.80)	(34.70)	(31.60)	(13.58)
- Impact due to decrease of 0.50 %	48.40	29.90	34.80	31.70	13.61
Impact on fair value if change in loss given default (LGD)					
- Impact due to increase of 0.50 %	(1.80)	(2.10)	(1.40)	(8.90)	(4.13)
- Impact due to decrease of 0.50 %	1.80	2.10	1.40	8.90	4.14

Reconciliation

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Particulars	**Loan assets**	**Loan assets**	**Loan assets**	**Loan assets**	**Loan assets**
Opening balance	21,426.39	21,226.88	21,226.88	9,884.50	20,401.89
Loan originated	14,573.20	15,034.15	19,917.62	20,655.89	5,469.12
Sales/derecognition	(3,177.37)	(6,160.74)	(6,551.78)	(3,265.60)	(7,659.94)
Total gain and losses					
in profit and loss	-	-	-	-	-
in OCI	102.76	210.24	548.84	449.13	(317.46)
Settlements / conversion	(5,163.14)	(13,994.92)	(13,715.18)	(6,497.05)	(8,009.11)
Closing balance	**27,761.83**	**16,315.61**	**21,426.39**	**21,226.88**	**9,884.50**

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(All amounts in INR millions, unless stated otherwise)

50 Capital management

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, or sell assets to reduce debt.

Net Debt equity ratio

Particulars	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Debt securities	14,356.23	10,958.64	13,701.51	6,746.27	4,524.69
Borrowings (other than debt securities)	63,104.87	41,348.51	51,230.25	32,969.85	25,382.26
Subordinated liabilities	-	-	-	249.97	249.63
Total borrowings	**77,461.10**	**52,307.15**	**64,931.76**	**39,966.09**	**30,156.58**
Less:					
Cash and cash equivalents	5,579.15	6,510.95	7,594.55	7,058.27	5,190.76
Bank balances other than cash and cash equivalents	4,941.92	3,624.70	3,909.58	2,940.89	2,259.03
	10,521.07	**10,135.65**	**11,504.13**	**9,999.15**	**7,449.79**
Net debt	**66,940.03**	**42,171.50**	**53,427.63**	**29,966.94**	**22,706.79**
Equity share capital	1,401.98	1,401.98	1,401.98	1,333.33	1,141.71
Other equity	17,018.97	13,063.86	14,856.51	12,032.46	7,757.19
Total equity	**18,420.95**	**14,465.84**	**16,258.49**	**13,365.79**	**8,898.90**
Net debt to equity ratio/gearing ratio	**3.63**	**2.92**	**3.29**	**2.24**	**2.55**

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(All amounts in INR millions, unless stated otherwise)

51 Assets pledged as security

The carrying amounts of assets pledged as security are:

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Financial assets					
First charge					
Loans	71,388.11	48,621.93	63,733.11	35,017.39	28,648.61
Term deposits with bank	4,940.29	3,623.15	3,908.44	2,939.80	2,245.45
Second charge				-	-
Total financial assets pledged as security	**76,328.40**	**52,245.08**	**67,641.55**	**37,957.19**	**30,894.06**
Non financial assets					
First charge	-	-	-	-	0.33
Second charge	-	-	-	-	-
Total non financial assets pledged as security	**-**	**-**	**-**	**-**	**0.33**
Total assets pledged as security	**76,328.40**	**52,245.08**	**67,641.55**	**37,957.19**	**30,894.39**

52A Contingent liabilities and commitments

Credit enhancements provided by the Company towards securitisation transactions aggregate to INR 5,196.22 millions (September 30, 2022 : 2,607.08 millions ,March 31, 2023 : 3,381.96 millions,March 31,2022 : INR 2,025.34 million ,March 31, 2021: INR 932.71 million).

52B Events Subsequent to Balance Sheet Date

On 25 November 2023, 2,33,60,260 compulsory Convertible Preference shares(CCPS) having a par value of ₹10 per share held by Greater Pacific Capital WIV Ltd. have been converted to 2,75,20,722 Equity shares having a par value of ₹10 per share by the company

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(All amounts in INR millions, unless stated other wise)

53 Revenue from contracts with customers

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to profit and loss account:

	For the six month period Ended September 30, 2023	For the six month period Ended September 30, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Type of service					
Commission income	159.99	60.08	173.22	61.59	32.11
	159.99	**60.08**	**173.22**	**61.59**	**32.11**
Geographical markets					
India	159.99	60.08	173.22	61.59	32.11
Outside India	-	-	-	-	-
	159.99	**60.08**	**173.22**	**61.59**	**32.11**
Timing of revenue recognition					
Services transferred over time	28.01	3.36	19.91	4.36	32.11
Services transferred at a point in time	131.98	56.72	153.31	57.23	-
	159.99	**60.08**	**173.22**	**61.59**	**32.11**

Contract balances

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Other receivables	50.83	27.46	159.85	8.90	4.70
	50.83	**27.46**	**159.85**	**8.90**	**4.70**

Other receivables are non-interest bearing and are generally on terms of 30 to 90 days. During the Six month period ended September 30, 2023 an amount of Nil (September 30, 2022 : Nil , March 31,2023 : Nil ,March 31, 2022 :Nil ,March 31, 2021: Nil) was recognised as provision for expected credit losses on other receivable.

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	For the six month period Ended September 30, 2023	For the six month period Ended September 30, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Revenue as per contract	159.99	60.08	173.22	61.59	32.11
Adjustments	-	-	-	-	-
Revenue from contract with customers	**159.99**	**60.08**	**173.22**	**61.59**	**32.11**

Revenue recognition for contract with customers - Commission income:

The Contract with customers through which the Company earns a commission income includes the following promises:
(i) Sourcing of loans
(ii) Servicing of loans

Both these promises are separable from each other and do not involve significant integration. Therefore, these promises constitute separate performance obligations.

No allocation of the consideration between both the promises was required as the management believes that the contracted price are close to the standalone fair value of these services.

Revenue recognition for both the promises:
(i) Sourcing of loans: The consideration for this service is arrived based on an agreed percentage/fee on the loans disbursed during the year. Revenue for sourcing of loans shall be recognized as and when the loans are disbursed. The revenue therefore, for this service, shall be recognized based on the disbursements actually made during each year.

(ii) Servicing of loans: The consideration for this service is arrived based on an agreed percentage on the actual collections during the year. The Company receives servicing commission only on actual collections. Revenue for servicing of loans shall be recognized over a period of time, as the customer benefits from the services as and when it is delivered by the Company. However, since the Company has a right to consideration from a customer in an amount that corresponds directly with the value of service provided to date, applying the practical expedient available under the standard, the Company shall recognise revenue for the amount to which it has a right to invoice.

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(All amounts in INR millions, unless stated other wise)

54 Additional disclosures as required by the Reserve Bank of India

(A) Disclosure as per Master Direction DNBR.PD.008/03.10.119/2016-17 (updated as on August 29, 2023) are as under:-

(i) Capital to Risk Assets Ratio ("CRAR"):-

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
CRAR (%)	20.46%	24.16%	21.87%	28.75%	22.55%
CRAR – Tier I capital (%)	20.46%	24.16%	21.87%	28.38%	21.80%
CRAR – Tier II capital (%)	0.00%	0.00%	0.00%	0.38%	0.75%
Amount of subordinated debt raised during the year included in Tier-II capital	-	-	-	-	-
Amount raised by issue of perpetual debt instruments	-	-	-	-	-

(ii) Investments

The Investment of the company as on September, 30 2023 : INR 513.66 million (September 30,2022 : 2,766.87 million ,March 31,2023 : 633.59 millions,March 31,2022 : 0.45 Million ,March31, 2021: INR 0.45 Million).Refer Note-8

(iii) Derivatives

The Company has no transactions / exposure in derivatives in the current and previous years.
The Company has no unhedged foreign currency exposure as on September 30,2023 : Nil (September 30,2022 : Nil ,March, 31 2023: Nil ,March, 31 2022: Nil, March 31, 2021: Nil).

(iv) (a) Disclosures relating to securitisation:-

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
SPVs relating to outstanding securitisation transactions					
Number of SPVs sponsored by the NBFC for securitisation transactions as on the date of the balance sheet (Nos)	18	14	14	12	5
Total amount of securitised assets as per books of the SPVs sponsored as on the date of the balance sheet	12,432.22	7,388.57	8,256.39	4,130.42	4,470.12
Total amount of exposures retained by the NBFC to comply with minimum retention requirement ('MRR')					
Off-balance sheet exposures					
First loss	-	-	-	-	-
Others	-	-	-	-	-
On-balance sheet exposures					
First loss (cash collateral)	1,896.48	1,291.32	1,448.60	1,032.29	430.92
Others (credit enhancement)	3,299.74	1,315.76	1,933.36	993.05	501.79

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Muthoot Microfin Limited
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(All amounts in INR millions, unless stated other wise)

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
SPVs relating to outstanding securitisation transactions					
Amount of exposures to securitisation transactions other than MRR					
Off-balance sheet exposures					
Exposure to own securitizations					
First loss	-	-	-	-	-
Others	-	-	-	-	-
Exposure to third party securitisations					
First loss	-	-	-	-	-
Others	-	-	-	-	-
On-balance sheet exposures				-	-
Exposure to own securitizations				-	-
First loss (cash collateral)	-	-	-	-	-
Others	-	-	-	-	-
Exposure to third party securitisations				-	-
First loss	-	-	-		
Others	-	-	-		

(iv) (b) Disclosure as per RBI circular no.DBOD.No.BP.BC.60/21.04.048/200506 dated February 1, 2006.

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
i) Total number of loan assets securitized during the period/year (Nos)	2,96,648	2,16,005	4,32,536	1,79,293	1,83,426
ii) Book value of loans assets securitized during the period/year	11,805.79	7,438.08	14,829.88	5,348.48	4,470.12
iii) Sale consideration received during the period/year	10,243.30	6,613.58	13,092.63	4,857.22	4,835.70
iv) Credit enhancement provided during the period/year		-	-	-	-
- Principal subordination	1,562.48	824.50	2,615.66	491.26	501.79
- Cash collateral	684.76	699.52	1,202.01	586.99	430.92

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(All amounts in INR millions, unless stated other wise)

(v) Details of financial assets sold to securitization / reconstruction company for asset reconstruction:-

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
i) Total number of loans assets sold during the period/year (Nos)	-	1,42,791	1,42,791	-	-
ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	2,096.91	2,096.91	-	-
iii) Aggregate consideration	-	900.00	900.00	-	-
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-	-
v) Aggregate gain / loss over net book value	-	1,196.91	1,196.91	-	-

(vi) Details of assignment transactions undertaken:-

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
i) Total number of loans assets assigned during the period/year (Nos)	3,31,078	2,37,125	5,37,668	5,27,134	2,68,949
ii) Book value of loan assets assigned during the period/year including MRR	12,265.77	7,292.78	18,322.48	16,391.08	7,659.93
iii) Sale consideration received during the period/year	10,658.48	6,433.26	16,133.49	14,104.09	6,061.82

(vii) Details of non-performing financial assets purchased/sold

The Company has not purchased /sold non-performing financial assets in the current and previous period/years. The non performing assets sold to Asset Reconstruction Company is mentioned in Note 54 (A)(v)

(viii) Exposures:-

The Company has no exposure to the real estate sector and capital market directly or indirectly in the current and previous period/years. There is no intra group exposure in the six months period ended September 30 2023 and September 30 2022 and also for the last three financial years ended March 31,2023, March 31,2022 and March 31,2021.

(ix) Details of financing of parent company products

The Company does not finance the products of the parent / holding company.

(x) Unsecured advances

Refer note 16 for details of unsecured advances.

(xi) Registration obtained from other financial sector regulators:-

The Company is not registered with any other financial sector regulators.

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(All amounts in INR millions, unless stated other wise)

(xii) Disclosure of Penalties imposed by RBI & other regulators:-

No penalty has been imposed by RBI or any other lending institutions in connection with any lending arrangements during current and previous period/year.

(xiii) Draw down from reserves:-

There has been no draw down from reserve during the six month period ended 30 September 2023 (30 September 2022 : Nil,31 March 2023:Nil,31 March 2022 : Nil ,31 March 2021: Nil)

(xiv) Asset Liability Management Maturity pattern of certain items of assets and liabilities:-*

As at 30 September 2023

	1 to 7 Days	8 to 14 Days	15 to 30/31 Days	Over one to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 Year	Over 1 Year upto 3 Year	Over 3 Year upto 5 Year	Over 5 Year	Total
Liabilities											
Borrowings	749.60	1,479.63	1,638.01	3,907.57	3,698.92	14,099.70	20,861.48	27,023.80	1,513.89	-	**74,972.60**
Foreign currency liabilities	-	-	-	-	-	-	-	1,369.87	1,505.93	-	**2,875.80**
Assets											**-**
Advances (Loan Portfolio)	1,316.59	1,480.75	1,303.94	4,286.84	4,303.72	12,846.52	24,889.03	32,014.81	970.75	-	**83,412.95**
Deposits	1,975.78	2.54	93.90	163.78	7.67	719.08	1,384.55	2,413.83	133.50	-	**6,894.63**
Investments	-	-	-	-	-	-	-	-	513.21	0.45	**513.66**

As at 30 September 2022

	1 to 7 Days	8 to 14 Days	15 to 30/31 Days	Over one to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 Year	Over 1 Year upto 3 Year	Over 3 Year upto 5 Year	Over 5 Year	Total
Liabilities											
Borrowings	407.18	483.24	1,213.46	2,384.20	3,259.01	7,136.70	12,403.73	22,928.53	2,432.00	-	**52,648.05**
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	**-**
Assets											**-**
Advances	806.99	888.31	800.58	2,697.58	2,718.53	8,114.93	15,438.99	20,926.94	448.57	-	**52,841.42**
Deposits	240.00	1,150.00	1,126.13	121.92	6.25	841.00	779.00	1,663.66	145.00	-	**6,072.96**
Investments	-	2,001.42	-	-	-	-	251.79	-	513.21	0.45	**2,766.87**

As at 31 March 2023

	1 to 7 Days	8 to 14 Days	15 to 30/31 Days	Over one to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 Year	Over 1 Year upto 3 Year	Over 3 Year upto 5 Year	Over 5 Year	Total
Liabilities											
Borrowings	159.10	338.08	1,207.56	2,740.21	3,115.58	10,457.52	19,538.41	24,164.25	1,500.00	-	**63,220.71**
Foreign currency liabilities	-	-	-	-	-	-	-	1,369.87	684.93	-	**2,054.80**
Assets											**-**
Advances	1,010.63	1,098.46	883.57	3,414.16	3,350.80	10,496.24	20,318.27	26,993.27	725.54	-	**68,290.95**
Deposits	842.88	3,902.50	61.42	13.55	3.19	437.26	1,118.55	2,299.62	-	-	**8,678.98**
Investments	-	-	-	-	-	-	-	-	633.14	0.45	**633.59**

Muthoot Microfin Limited
Notes to Restated Financial Statements
(All amounts in INR millions, unless stated other wise)

As at 31 March 2022

	1 to 7 Days	8 to 14 Days	15 to 30/31 Days	Over one to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 Year	Over 1 Year upto 3 Year	Over 3 Year upto 5 Year	Over 5 Year	Total
Liabilities											
Borrowings	166.83	354.53	1,266.32	2,025.82	1,702.67	6,681.27	10,743.47	17,262.02	-	-	**40,202.93**
Assets											**-**
Advances	603.26	715.35	705.23	2,229.92	2,245.55	7,121.59	12,915.55	15,687.52	665.17	-	**42,889.14**
Deposits	-	2,000.41	102.92	-	79.77	539.14	1,185.98	1,059.41	15.00	-	**4,982.63**
Investments	-	-	-	-	-	-	-	-	-	0.45	**0.45**

As at 31 March 2021

Particulars	1 to 7 Days	8 to 14 Days	15 to 30/31 Days	Over one to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 Year	Over 1 Year upto 3 Year	Over 3 Year upto 5 Year	Over 5 Year	Total
Liabilities											
Borrowings	142.65	303.14	1,082.75	1,388.03	1,514.37	5,391.48	10,534.29	8,880.19	1,019.00	-	**30,255.89**
Assets											
Advances	148.28	315.10	1,125.48	1,623.92	1,646.40	5,123.94	9,105.02	10,842.17	977.34	-	**30,907.65**
Deposits	201.57	428.36	1,530.04	45.19	126.54	193.52	620.57	1,142.65	27.54	-	**4,315.99**

*Asset Liability Management pattern is disclosed in accordance with "Master Direction- Non Banking Financial Company- Non systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016" issued by Reserve Bank of India. The Company is to disclose expected fund inflows and outflows and hence fair valuation / amortisation adjustments made on account of adoption of Ind AS are not considered here.

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(All amounts in INR millions, unless stated other wise)

(xv) During the period, the Company's various instruments were rated, the details of these ratings for the six month period 30 September 2023 , 30 September 2022 and years ended March 2023,March 2022 and March 2021 are as under:-

	Rating agency	Date of rating	Valid upto	Rating assigned	Borrowing limit
Bank Loan Rating	CRISIL	22-Jun-23	21-Jun-24	CRISIL A+/ Stable	60,000.00
MFI rating	CRISIL	20-Jul-23	19-Jul-24	M1C1	Not applicable
NCD	CRISIL	29-May-23	28-May-24	CRISIL A+/ Stable	9,500.00
NCD-MLD	CRISIL	06-Jun-23	05-Jun-24	CRISIL PPMLD A+/ Stable	8,950.00
Commercial paper	CRISIL	19-Jan-23	18-Jan-24	A1+ (Reaffirmed)	500.00
Bank Loan Rating	India Rating & Research	17-Nov-22	16-Nov-23	IND A Stable (Affirmed)	2,000.00
NCD	India Rating & Research	17-Nov-22	16-Nov-23	IND A Stable (Affirmed)	750.00
Bank Loan Rating	CRISIL	19-Sep-22	18-Sep-23	CRISIL A / Stable (Reaffirmed)	35,000.00
Bank Loan Rating	India Rating & Research	18-Nov-21	17-Nov-22	IND A Stable (upgraded)	2,000.00
MFI rating	CRISIL	13-Jul-22	12-Jul-23	M1C1	Not applicable
NCD	India Rating & Research	18-Nov-21	17-Nov-22	IND A Stable	750.00
NCD-MLD	CRISIL	19-Sep-22	18-Sep-23	CRISIL PPMLD A r /Stable (Reaffirmed)	6,500.00
NCD-MLD	CRISIL	19-Sep-22	18-Sep-23	CRISIL A / Stable (Assigned)	2,200.00
NCD	CRISIL	19-Sep-22	18-Sep-23	CRISIL A / Stable (Reaffirmed)	4,500.00
Commercial Paper	CRISIL	19-Sep-22	18-Sep-23	CRISIL A1(Reaffirmed)	500.00
Bank Loan Rating	CRISIL	19-Jan-23	18-Jan-24	CRISIL A+/ Stable (Reaffirmed)	45,000.00
MFI rating	CRISIL	13-Jul-22	12-Jul-23	M1C1	Not applicable
NCD	CRISIL	19-Jan-23	18-Jan-24	CRISIL A+/ Stable (Reaffirmed)	3,750.00
NCD	CRISIL	19-Jan-23	18-Jan-24	CRISIL A+/ Stable (Assigned)	5,000.00
NCD-MLD	CRISIL	19-Jan-23	18-Jan-24	CRISIL PPMLD A+r/ Stable (Reaffirmed)	9,700.00
Commercial paper	CRISIL	19-Jan-23	18-Jan-24	A1+ (Reaffirmed)	500.00
Bank Loan Rating	India Rating & Research	17-Nov-22	16-Nov-23	IND A/ Stable (Affirmed)	2,000.00
NCD	India Rating & Research	17-Nov-22	16-Nov-23	IND A / Stable (Affirmed)	750.00
Bank Loan Rating	CRISIL	23-Mar-22	Refer note below	CRISIL A / Stable (Reaffirmed)	35,000.00
Bank Loan Rating	India Rating & Research	18-Nov-21	Refer note below	IND A Stable (upgraded)	2,000.00
MFI rating	CRISIL	26-Jul-21	25-Jul-22	M1C1	Not applicable
NCD	India Rating & Research	18-Nov-21	Refer note below	IND A Stable	750.00
NCD	CRISIL	23-Mar-22	Refer note below	A/Stable (Reaffirmed)	1,000.00
NCD	CRISIL	23-Mar-22	Refer note below	A/Stable (Reaffirmed)	750.00
NCD	CRISIL	23-Mar-22	Refer note below	A/Stable (Reaffirmed)	400.00
NCD	CRISIL	23-Mar-22	Refer note below	A/Stable (Reaffirmed)	700.00
NCD	CRISIL	23-Mar-22	Refer note below	A/Stable (Reaffirmed)	700.00

(All amounts in INR millions, unless stated other wise)

	Rating agency	Date of rating	Valid upto	Rating assigned	Borrowing limit
NCD	CRISIL	23-Mar-22	Refer note below	A/Stable (Reaffirmed)	3,000.00
NCD	CRISIL	23-Mar-22	Refer note below	A/Stable (Reaffirmed)	650.00
NCD-MLD	CRISIL	23-Mar-22	Refer note below	CRISIL PPMLD A r /Stable (Reaffirmed)	1,250.00
NCD-MLD	CRISIL	23-Mar-22	Refer note below	CRISIL PPMLD A r /Stable (Reaffirmed)	1,000.00
NCD-MLD	CRISIL	23-Mar-22	Refer note below	CRISIL PPMLD A r /Stable (Reaffirmed)	1,500.00
NCD-MLD	CRISIL	23-Mar-22	Refer note below	CRISIL PPMLD A r /Stable (Reaffirmed)	1,000.00
NCD-MLD	CRISIL	23-Mar-22	Refer note below	CRISIL PPMLD A r /Stable (Reaffirmed)	750.00
Commercial paper	CRISIL	23-Mar-22	23-Sep-22	A1 (Reaffirmed)	500.00
Bank Loan Rating	CRISIL	17-Mar-21	Refer note below	CRISIL A / Stable (Reaffirmed)	35,000.00
Bank Loan Rating	India Rating & Research	19-Nov-20	Refer note below	IND A - Stable	2,000.00
MFI rating	CRISIL	01-Aug-20	01-Aug-21	M1C1	Not applicable
NCD	India Rating & Research	19-Nov-20	Refer note below	IND A - Stable	750.00
NCD	CRISIL	06-Nov-20	Refer note below	A/Stable	700.00
NCD	CRISIL	06-Nov-20	Refer note below	A/Stable	700.00
NCD	CRISIL	06-Nov-20	Refer note below	A/Stable	3,000.00
NCD	CRISIL	06-Nov-20	Refer note below	A/Stable	400.00
NCD	CRISIL	06-Nov-20	Refer note below	A/Stable	650.00
NCD	CRISIL	06-Nov-20	Refer note below	A/Stable	750.00
Commercial paper	CRISIL	17-Mar-21	16-Apr-21	A1	500.00

Note: The rating is subject to annual surveillance till final repayment / redemption of related facilities. A fresh letter of revalidation from CRISIL is required if the proposed facilities are not availed within a period of 180 days from the date of rating.

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(All amounts in INR millions, unless stated other wise)

(xvi) Provisions and contingencies:-

	Six month Period ended September 30, 2023	Six month Period ended September 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Break up of 'Provisions for loan losses and write-offs' shown under the head expenditure in statement of profit and loss					
Provision towards NPA*	29.60	149.97	545.23	73.34	468.47
Provision made towards income tax	729.12	122.10	679.91	224.05	347.29
Provision for gratuity	36.64	22.34	49.38	42.17	30.40
Provision for compensated absences	(2.87)	(4.07)	(9.63)	11.89	16.00
Provision towards standard assets	39.75	(175.66)	(191.45)	37.35	(265.69)

(xvii) Concentration of advances, exposures and NPAs:-

	Six month Period ended September 30, 2023	six month Period ended September 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Concentration of Advances					
Total Advances to twenty largest borrowers	4.21	5.08	74.71	48.53	58.22
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.01%	0.01%	0.09%	0.10%	0.22%
Concentration of Exposures					
Total Exposure to twenty largest borrowers / customers	4.19	5.06	162.77	47.53	16.13
Percentage of Exposures to twenty largest borrowers/customers to total exposure	0.00%	0.01%	0.23%	0.11%	0.05%
Concentration of NPAs					
Total Exposure to top four NPA accounts	0.38	0.44	0.42	0.62	0.30

(xviii) Sector-wise NPAs:-

	Six month Period ended September 30, 2023			Six month Period ended September 30, 2022			Year ended March 31, 2023			Year ended March 31, 2022			Year ended March 31, 2021		
	Gross carrying amount	GNPA	% of NPA to total advances of that sector	Gross carrying amount	GNPA	% of NPA to total advances of that sector	Gross carrying amount	GNPA	% of NPA to total advances of that sector	Gross carrying amount	GNPA	% of NPA to total advances of that sector	Gross carrying amount	GNPA	% of NPA to total advances of that sector
Sector															
Agriculture	23,740.38	405.00	1.71%	11,718.93	356.71	3.04%	17,781.99	206.55	1.16%	6,113.43	274.51	4.49%	7,453.70	489.04	6.55%
Animal husbandry	29,400.93	520.47	1.77%	19,794.15	409.64	2.07%	27,138.59	657.32	2.42%	15,471.59	773.56	5.00%	7,808.14	374.13	4.78%
Manufacturing (Including MSME)	4,092.24	110.50	2.70%	2,974.55	105.21	3.54%	3,266.11	188.15	5.76%	1,338.64	230.43	17.21%	1,918.63	87.25	4.54%
Services	21,410.55	619.86	2.90%	15,139.98	649.64	4.29%	16,994.81	768.11	4.52%	6,107.21	955.11	15.64%	11,075.12	815.04	7.34%
Trading (Including MSME)	7,596.96	301.61	3.97%	5,450.05	295.07	5.41%	5,963.10	246.11	4.13%	12,303.04	341.54	2.78%	5,424.71	327.92	6.03%
Consumption	582.02	6.55	1.13%	325.83	2.23	0.68%	307.64	4.97	1.62%	247.07	32.48	13.15%	151.42	63.50	41.93%
Education	79.61	46.42	58.31%	124.87	-	0.00%	110.90	70.33	63.42%	4,352.33	282.38	6.49%	1,201.21	436.94	36.34%
Personal Loan	278.65	60.27	21.63%	247.11	-	0.00%	259.43	-	-	218.95	-	0.00%	-	-	-
Corporate Loan	107.42	-	-	31.61	-	0.00%	164.45	-	-	45.00	-	0.00%	12.84	-	-

(All amounts in INR millions, unless stated other wise)

(xix) Movement of Stage 3 assets:-

	Six month Period ended September 30, 2023	Six month Period ended September 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Net stage 3 assets to net advances (%)	**0.89%**	**1.71%**	**1.22%**	**2.96%**	**2.15%**
Movement of stage 3 assets (gross)					
Opening balance	2,141.53	2,890.01	2,890.01	2,589.09	2,079.04
Additions during the period/year	536.94	1,942.21	669.12	1,718.32	1,787.99
Reductions during the period/year	(607.79)	(3,013.72)	(1,417.60)	(1,417.39)	(1,277.94)
Closing balance	**2,070.69**	**1,818.51**	**2,141.53**	**2,890.01**	**2,589.09**
Movement of net stage 3 assets					
Opening balance	858.33	1,302.29	1,302.29	1,080.55	1,038.96
Additions during the period/year	283.33	1,516.71	-	1,167.25	1,024.81
Reductions during the period/year	(383.77)	(1,888.43)	(443.96)	(945.51)	(983.22)
Closing balance	**757.89**	**930.57**	**858.33**	**1,302.29**	**1,080.55**
Movement of provisions for stage 3 assets					
Opening balance	1,283.19	1,587.72	1,587.72	1,508.54	1,040.08
Addition during the period/year	253.61	425.50	810.47	551.06	763.18
Reduction/ write off during the period/year	(224.02)	(1,125.29)	(1,115.00)	(471.89)	(294.72)
Closing balance	**1,312.78**	**887.94**	**1,283.19**	**1,587.72**	**1,508.54**

(xx) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman:-

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Complaints received by the Company from customers					
a) Number of complaints pending at the beginning of the period/year (Nos)	8	3	3	-	-
b) Number of complaint received during the period/year (Nos)	291	241	433	428	215
c) Number of complaint disposed during the period/year (Nos)	289	227	428	425	215
d) Number of complaints rejected out of (c) (Nos)	-	-	-	-	-
e) Number of complaint pending at the end of the period/year (Nos)	10	17	8	3	-
Maintainable complaints received by the Company from Office of Ombudsman	-	-	-	-	-

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(All amounts in INR millions, unless stated other wise)

(xxi) Top five grounds of complaints received by the NBFC from customers

Grounds of complaints	Number of complaints pending at the beginning of the period/year	Number of complaints received during the period/year	% increase/ decrease in the number of complaints received over the previous period/year	Number of complaints pending at the end of the period/year	Of 5, , number of complaints pending beyond 30 days
1	2	3	4	5	6
Six Months period ended September 30, 2023					
Mis-selling or forced selling of third party products	-	28	(31.71%)	1	-
Updation of Repayment Records	1	47	(72.67%)	2	-
Insurance Claim Settlement	5	59	(69.27%)	-	-
Digital Transactions	-	16	77.78%	1	-
Fraud conducted by Staff	2	82	530.77%	5	-
Excessive charges	-	3	100.00%	-	-
Recovery practices	-	51	100.00%	1	-
Fraud Conducted by external agencies	-	3	100.00%	-	-
Interest Rates	-	-	(100.00%)	-	
Updation/ Dispute on data in Credit Information Request (CIR)	-	2	(60.00%)	-	
Total	**8**	**291**	**(32.79%)**	**10**	**-**
Six Months period ended September 30, 2022					
Mis-selling or forced selling of third party products	-	30	57.89%	3	-
Updation of Repayment Records	-	99	(64.52%)	7	-
Insurance Claim Settlement	3	100	(18.70%)	7	-
Digital Transactions	-	6	50.00%	-	-
Fraud conducted by Staff	-	0	(100.00%)	-	-
Interest Rates	-	1	0.00	-	-
Updation/ Dispute on data in Credit Information Request (CIR)	-	5	100.00%	-	-
Total		**241**	**(43.69%)**	**17**	**-**
Year ended March 31, 2023					
Mis-selling or forced selling of third party products	-	**41**	115.79%	**-**	**-**
Updation of Repayment Records	-	**172**	(38.35%)	**1**	**-**
Insurance Claim Settlement	3	**192**	56.10%	**5**	**-**
Digital Transactions	-	**9**	125.00%	**-**	**-**
Fraud conducted by Staff	-	**13**	100.00%	**2**	**-**
Interest Rates	-	**1**	0.00%	**-**	**-**
Updation/ Dispute on data in Credit Information Request (CIR)	-	**5**	100.00%	**-**	**-**
Total	**3**	**433**	**1.17%**	**8**	**-**
Year ended March 31, 2022					
Mis-selling or forced selling of third party products	-	**19**	375.00%	**-**	**-**
Updation of repayment records	-	**279**	253.16%	**-**	**-**
Insurance claim settlement	-	**123**	(6.82%)	**3**	**-**
Digital transactions	-	**4**	100.00%	**-**	**-**
Fraud Conducted by external agencies	-	**2**	100.00%	**-**	**-**
Interest rates	-	**1**	100.00%	**-**	**-**
Total	**-**	**428**	**99.07%**	**3**	**-**
Year ended March 31, 2021					
Mis-selling or forced selling of third party products	-	**4**	(60.00%)	**-**	**-**
Others	-	**-**	-	**-**	**-**
Updation of repayment records	-	**79**	(19.00%)	**-**	**-**
Insurance claim settlement	-	**132**	1000.00%	**-**	**-**
Digital transactions	-	**-**	-	**-**	**-**
Fraud Conducted by external agencies	-	**-**	-	**-**	**-**
Total	-	**215**	**79.17%**	**-**	**-**

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(xxii) 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 period/years.

(xxiii) Overseas assets

The Company did not have any Joint Ventures and Subsidiaries abroad.

(xxiv)Off-balance sheet SPVs sponsored

There are no off-balance sheet SPVs sponsored which are required to be consolidated as per accounting norms as at end of current and previous period/years.

(xxv) Instances of fraud:-

	As at September 30, 2023				As at September 30, 2022				As at March 31, 2023				As at March 31, 2022				As at March 31, 2021			
	Less than 1 lakh	1 lakh to 5 lakh	5 lakh to 25 Lakh	More than 25 Lakh	Less than 1 lakh	1 lakh to 5 lakh	5 lakh to 25 Lakh	More than 25 Lakh	Less than 1 lakh	1 lakh to 5 lakh	5 lakh to 25 Lakh	More than 25 Lakh	Less than 1 lakh	1 lakh to 5 lakh	5 lakh to 25 Lakh	More than 25 Lakh	Less than 1 lakh	1 lakh to 5 lakh	5 lakh to 25 Lakh	More than 25 Lakh
Nature of fraud (cash embezzlement)																				
A) Persons involved																				
Staff																				
No. of accounts (Victims)	-	990	1,495	-	-	153	1,056	383	-	611	2,788	1,639	-	853	245	402	-	461	712	-
Amount	-	3.72	7.16	-	-	0.28	3.49	7.85	-	1.55	5.24	57.19	-	2.60	1.32	3.69	-	0.91	3.26	-
B) Type of fraud																	-			
Unauthorised credit facility extended	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-
Misappropriation and criminal breach of trust																	-			
No. of accounts (Victims)	-	990	1,495	-	-	153	382	383	-	611	665	1,639		853	245	402	-	461	712	-
Amount	-	3.72	7.16	-	-	0.28	2.13	7.85	-	1.55	2.88	57.19		2.60	1.32	3.69	-	0.91	3.26	-
Cheating and forgery					-	-	-	-	-	-	-	-		-	-	-	-	-	-	-
No. of accounts (Victims)	-	-	-	-	-	-	674	-	-	-	2,123	-		-	-	-	-			
Amount	-	-	-	-	-	-	1.36	-	-	-	2.36	-		-	-	-	-	-	-	-

<This section has been intentionally left blank>

(All amounts in INR millions, unless stated other wise)

(xxvi) Public disclosure on Liquidity Risk as on September 30, 2023 pursuant to RBI notification RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

(a) Funding concentration based on significant counterparty (both deposits and borrowings)

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Number of significant counterparties	28	26	27	29	22
Amount	56,421.41	39,340.29	47,675.94	37,647.75	28,832.59
% of total deposits	-	-	-	-	-
% of total liabilities	68.90%	70.60%	69.06%	88.48%	87.53%

(b) Top 20 large deposits and 10 borrowings

	Outstanding Amount as at September 30, 2023	% of total
Top 20 large deposits	-	-
Top 10 large borrowings	34,818.05	42.52%

	Outstanding Amount as at September 30, 2022	% of total
Top 20 large deposits	-	-
Top 10 large borrowings	25,846.77	46.38%

	Outstanding Amount as at March 31, 2023	% of total
Top 20 large deposits	-	-
Top 10 large borrowings	32,235.32	46.70%

	Outstanding Amount as at March 31, 2022	% of total
Top 20 large deposits	-	-
Top 10 large borrowings	22,674.41	53.29%

	Outstanding Amount as at March 31, 2021	% of total
Top 20 large deposits	-	-
Top 10 large borrowings	21,853.82	66.35%

(All amounts in INR millions, unless stated other wise)

(c) Funding concentration based on significant instrument/product

	Amount as at September 30, 2023	% of total liabilities
Term Loan	47,829.70	58.41%
Securitisation	12,405.75	15.15%
External Commercial Borrowing	2,869.42	3.50%
Non-convertible debentures	14,356.23	17.53%
Commercial paper	-	0.00%
Tier II	-	0.00%
Total	**77,461.10**	**94.59%**

	Amount as at September 30, 2022	% of total liabilities
Term Loan	33,969.64	60.96%
Securitisation	7,378.87	13.24%
External Commercial Borrowing	-	0.00%
Non-convertible debentures	10,958.64	19.67%
Commercial paper	-	0.00%
Tier II	-	0.00%
Total	**52,307.15**	**93.87%**

	Amount as at March 31, 2023	% of total liabilities
Term Loan	40,951.86	59.32%
Securitisation	8,230.63	11.92%
External Commercial Borrowing	2,047.76	2.97%
Non-convertible debentures	13,216.67	19.15%
Commercial paper	484.84	0.70%
Tier II	-	0.00%
Total	**64,931.76**	**94.06%**

(All amounts in INR millions, unless stated other wise)

	Amount as at March 31, 2022	% of total liabilities
Term Loan	28,848.75	67.80%
Securitisation	4,121.09	9.69%
Non-convertible debentures	6,249.44	14.69%
Commercial paper	496.83	1.17%
Tier II	249.97	0.59%
Total	**39,966.09**	**93.93%**

	Amount as at March 31, 2021	% of total liabilities
Term Loan	20,923.35	63.52%
Securitisation	4,458.92	13.54%
Non-convertible debentures	4,234.19	12.85%
Commercial paper	290.50	0.88%
Tier II	249.63	0.76%
Total	**30,156.59**	**91.55%**

(d) Stock ratios

	September 30, 2023			
	Amount	**% of public**	**% of total liabilities***	**% of total assets**
Commercial paper	-	0.00%	0.00%	0.00%
Non-convertible debentures	14,356.23	18.53%	17.53%	14.31%

	September 30, 2022			
	Amount	**% of public**	**% of total liabilities***	**% of total assets**
Commercial paper	-	0.00%	0.00%	0.00%
Non-convertible debentures	10,958.64	20.95%	19.67%	15.61%

	March 31, 2023			
	Amount	**% of public**	**% of total liabilities***	**% of total assets**
Commercial paper	484.84	0.75%	0.70%	0.57%
Non-convertible debentures	13,216.67	20.35%	19.15%	15.50%

	March 31, 2022			
	Amount	**% of public**	**% of total liabilities***	**% of total assets**
Commercial paper	496.83	1.24%	1.17%	0.89%
Non-convertible debentures	6,249.44	15.64%	14.69%	11.18%

(All amounts in INR millions, unless stated other wise)

	March 31, 2021			
	Amount	% of public	% of total liabilities*	% of total assets
Commercial paper	290.50	0.96%	0.88%	0.69%
Non-convertible debentures	4,234.19	14.04%	12.85%	10.12%

*Total liabilities has been computed as sum of all liabilities as per balance sheet.

(xxvii) Institutional set-up for liquidity risk management

The Board has the overall responsibility for management of liquidity risk. The Company has a Risk management Committee responsible for evaluating the overall risks faced by the Company including liquidity risk. The Asset Liability Management Committee is also responsible for ensuring adherence to the risk tolerance and implementing the liquidity risk management strategy.

(xxviii) Percentage of loans granted against collateral of gold jewellery to total assets

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Gold Loans granted against collateral of gold jewellery (principal portion)	109.41	194.03	145.54	217.72	556.79
Total assets of the Company	1,00,312.99	70,190.86	85,291.99	55,914.58	41,838.48
Percentage of Gold Loans to Total Assets	0.11%	0.28%	0.17%	0.39%	1.33%

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(All amounts in INR millions, unless stated other wise)

(xxix) Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 :-

Asset Classification as per RBI Norms 30th September 2023	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=(3-4)	6	7=(4-6)
Performing Assets						
Standard	Stage 1	84,674.65	459.40	84,215.25	3.26	456.13
	Stage 2	543.41	17.34	526.07	0.21	17.13
Subtotal		**85,218.06**	**476.74**	**84,741.32**	**3.47**	**473.26**
Non-Performing Assets (NPA)						
Standard	Stage 3	13.48	5.64	7.84	0.01	5.63
Substandard	Stage 3	943.83	496.62	447.21	512.41	(15.79)
Doubtful - up to 1 year	Stage 3	621.95	501.33	120.62	615.83	(114.51)
1 to 3 years	Stage 3	457.24	290.51	166.73	445.79	(155.28)
More than 3 years	Stage 3	34.20	18.68	15.52	35.88	(17.20)
Subtotal for doubtful		**2,070.69**	**1,312.78**	**757.91**	**1,609.92**	**(297.14)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**2,070.69**	**1,312.78**	**757.91**	**1,609.92**	**(297.14)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	**Stage 1**	**84,674.65**	**459.40**	**84,215.25**	**3.26**	**456.13**
	Stage 2	**543.41**	**17.34**	**526.07**	**0.21**	**17.13**
	Stage 3	**2,070.69**	**1,312.78**	**757.91**	**1,609.92**	**(297.15)**
	Total	**87,288.75**	**1,789.52**	**85,499.23**	**1,613.39**	**176.11**

Asset Classification as per RBI Norms 30th September 2022	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=(3-4)	6	7=(4-6)
Performing Assets						
Standard	Stage 1	52,828.22	443.73	52,384.49	40.00	403.73
	Stage 2	1,160.35	9.04	1,151.30	32.65	(23.61)
Subtotal		**53,988.57**	**452.77**	**53,535.79**	**72.65**	**380.12**
Non-Performing Assets (NPA)						
Standard	Stage 3	-	-	-	-	-
Substandard	Stage 3	1,305.46	582.65	722.80	582.76	(0.11)
Doubtful - up to 1 year	Stage 3	313.09	194.16	118.93	307.59	(113.43)
1 to 3 years	Stage 3	196.77	107.46	89.32	197.22	(89.76)
More than 3 years	Stage 3	3.19	3.67	(0.48)	3.20	0.47
Subtotal for doubtful		**1,818.51**	**887.94**	**930.57**	**1,090.76**	**(202.83)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**1,818.51**	**887.94**	**930.57**	**1,090.76**	**(202.83)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	**Stage 1**	**52,828.22**	**443.73**	**52,384.49**	**40.00**	**403.73**
	Stage 2	**1,160.35**	**9.04**	**1,151.30**	**32.65**	**(23.61)**
	Stage 3	**1,818.51**	**887.94**	**930.57**	**1,090.76**	**(202.83)**
	Total	**55,807.08**	**1,340.71**	**54,466.36**	**1,163.41**	**177.29**

(All amounts in INR millions, unless stated other wise)

Asset Classification as per RBI Norms 31st March 2023	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=(3-4)	6	7=(4-6)
Performing Assets						
Standard	Stage 1	69,408.82	383.14	69,025.68	13.15	369.99
	Stage 2	436.67	53.84	382.82	2.78	51.06
Subtotal		**69,845.49**	**436.98**	**69,408.52**	**15.93**	**421.05**
Non-Performing Assets (NPA)						
Standard	Stage 3	44.18	18.11	26.07	0.09	18.02
Substandard	Stage 3	1,238.29	652.47	585.82	674.70	(22.23)
Doubtful - up to 1 year	Stage 3	441.32	342.95	98.36	451.47	(108.51)
1 to 3 years	Stage 3	407.01	261.99	145.03	417.61	(155.63)
More than 3 years	Stage 3	10.74	7.67	3.07	13.40	(5.72)
Subtotal for doubtful		**2,141.53**	**1,283.19**	**858.35**	**1,557.26**	**(274.07)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**2,141.53**	**1,283.19**	**858.35**	**1,557.26**	**(274.07)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	**Stage 1**	**69,408.82**	**383.14**	**69,025.68**	**13.15**	**369.99**
	Stage 2	**436.67**	**53.84**	**382.82**	**2.78**	**51.06**
	Stage 3	**2,141.53**	**1,283.19**	**858.35**	**1,557.26**	**(274.08)**
	Total	**71,987.02**	**1,720.17**	**70,266.86**	**1,573.19**	**146.97**

Asset Classification as per RBI Norms 31st March 2022	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=(3-4)	6	7=(4-6)
Performing Assets						
Standard	Stage 1	40,665.01	580.94	40,084.07	185.65	395.29
	Stage 2	2,642.24	47.49	2,594.75	96.67	(49.18)
Subtotal		**43,307.26**	**628.43**	**42,678.83**	**282.33**	**346.10**
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,589.52	619.10	970.43	553.27	65.83
Doubtful - up to 1 year	Stage 3	1,172.81	879.48	293.33	1,026.45	(146.98)
1 to 3 years	Stage 3	127.21	88.84	38.37	126.68	(37.84)
More than 3 years	Stage 3	0.47	0.30	0.17	0.47	(0.17)
Subtotal for doubtful		**2,890.01**	**1,587.72**	**1,302.29**	**1,706.88**	**(119.16)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**2,890.01**	**1,587.72**	**1,302.29**	**1,706.88**	**(119.16)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	**Stage 1**	**40,665.01**	**580.94**	**40,084.07**	**185.65**	**395.29**
	Stage 2	**2,642.24**	**47.49**	**2,594.75**	**96.67**	**(49.18)**
	Stage 3	**2,890.01**	**1,587.72**	**1,302.29**	**1,706.88**	**(119.17)**
	Total	**46,197.26**	**2,216.15**	**43,981.11**	**1,989.21**	**226.94**

(All amounts in INR millions, unless stated other wise)

Asset Classification as per RBI Norms 31st March 2021	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=(3-4)	6	7=(4-6)
Performing Assets						
Standard	Stage 1	30,890.18	551.40	30,338.78	0.08	551.32
	Stage 2	1,566.51	31.27	1,535.23	0.03	31.25
Subtotal		**32,456.69**	**582.68**	**31,874.01**	**0.11**	**582.57**
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,652.16	1,215.22	436.94	300.55	914.67
Doubtful - up to 1 year	Stage 3	857.47	282.16	575.32	784.28	(502.12)
1 to 3 years	Stage 3	79.45	25.41	54.03	93.83	(68.42)
More than 3 years	Stage 3	0.01	0.00	0.01	0.01	(0.01)
Subtotal for doubtful		**2,589.09**	**1,522.79**	**1,066.30**	**1,178.68**	**344.12**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**2,589.09**	**1,522.79**	**1,066.30**	**1,178.68**	**344.12**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	**Stage 1**	**30,890.18**	**551.40**	**30,338.78**	**0.08**	**551.31**
	Stage 2	**1,566.51**	**31.27**	**1,535.23**	**0.03**	**31.25**
	Stage 3	**2,589.09**	**1,522.79**	**1,066.30**	**1,178.68**	**344.11**
	Total	**35,045.78**	**2,105.46**	**32,940.31**	**1,178.79**	**926.67**

(xxx) Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated May 5, 2021 (Resolution Framework 2.0) are given below:

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
a) Number of accounts where resolution plan has been implemented under this window	1,94,824	1,94,824	1,94,824	1,94,824	-
b) Exposure to accounts mentioned at (a) before implementation of the plan	4,506.81	4,506.81	4,506.81	4,506.81	-
c) Active number of accounts where the resolution plan is implemented	44,408	1,00,500	77,582	1,73,019	-
d) Exposure to accounts mentioned at (c) on the reporting date	563.19	2,596.86	1,227.22	3,862.65	-
e) Increase in provisions on account of the implementation of the resolution plan	26.51	124.32	68.77	268.91	-

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(All amounts in INR millions, unless stated other wise)

(xxxi) Related Party disclosures- Transactions with Related parties during the financial period/year ;

Nature of relationship	Holding Company					Entities in which KMP are able to exercise control or have significant influence					Fellow subsidiary				
Items	**six month Period ended September 30, 2023**	**six month Period ended September 30, 2022**	**Year ended March 31, 2023**	**Year ended March 31, 2022**	**Year ended March 31, 2021**	**six month Period ended September 30, 2023**	**six month Period ended September 30, 2022**	**Year ended March 31, 2023**	**Year ended March 31, 2022**	**Year ended March 31, 2021**	**six month Period ended September 30, 2023**	**six month Period ended September 30, 2022**	**Year ended March 31, 2023**	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Cash management charges	26.42	25.94	50.16	34.11	20.28	-	-	-	-	-	-	-	-	-	-
Commission income	0.02	0.05	0.07	2.87	22.25	6.27	2.63	5.05	3.56	1.09	-	-	-	-	-
Software support charges	-	-	-	-	-	-	-	-	-	-	6.00	6.00	12.15	12.88	30.24
Rent expenses	1.08	1.22	2.31	3.15	3.62	-	-	-	-	-	-	-	-	-	-
Rental deposits given/(refunded)	-	0.21	(0.25)	0.13	0.72	-	-	-	-	-	-	-	-	-	-
CSR expenditure	-	-	-	-	-	-	-	6.23	19.93	34.99	-	-	-	-	-
Travel expenses	-	0.04	0.26	0.35	0.33	-	-	-	-	-	-	-	-	-	-
Trade mark Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sitting fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gold Auction	-	-	-	-	-	-	0.91	0.91	-	-	-	-	-	-	-
Marketing Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Nature of relationship	Common directorship					Key Management Personnel (KMP)				
Items	**six month Period ended September 30, 2023**	**six month Period ended September 30, 2022**	**Year ended March 31, 2023**	**Year ended March 31, 2022**	**Year ended March 31, 2021**	**six month Period ended September 30, 2023**	**six month Period ended September 30, 2022**	**Year ended March 31, 2023**	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Cash management charges	-	-	-	-	-	-	-	-	-	-
Commission income	-	-	-	-	-	-	-	-	-	-
Software support charges	-	-	-	-	-	-	-	-	-	-
Rent expenses	-	-	-	-	-	6.10	3.69	9.15	7.02	6.69
Rental deposits given/(refunded)	-	-	-	-	-	-	-	-	-	-
CSR expenditure	-	-	-	-	-	-	-	-	-	-
Travel expenses	-	-	-	-	-	-	-	-	-	-
Trade mark Fees	-	-	-	-	-	-	-	0.10	0.60	-
Sitting fees	-	-	-	-	-	1.98	1.08	2.70	2.85	1.99
Remuneration	-	-	-	-	-	33.20	28.86	44.18	48.95	22.58
Gold Auction	-	-	-	-	-	-	-	-	-	-
Marketing Expenses	-	-	5.00	-	-	-	-	-	-	-

(xxxii) Breach of Covenant :

Interest Payment of Rs.64.86 million towards ISIN-INE046W7180 which was due on December 5, 2022 was paid on December 7, 2022. As the payment was made within curing period, it has not been considered as default as per terms of respective agreement.The delay was a one-off event due to inadvertent operational error.The company had comfortable liquidity position with unencumbered cash and bank balance of Rs.2,131.73 million and undrawn sanction in hand of Rs.9,320 million as on December 5, 2022.There are no covenant breach during the Six months period ended September 30, 2023 and September 30,2022.

The Company has entered into financing arrangements with various non-banking financial institutions (Refer Note 18A) where the company need to comply with various key performance indicators. The company is not in compliance with KPI with three institutions, where the company has submitted necessary waiver letters.The company has received one confirmation for waiver letter and awaiting two other responses. The company will not have any adverse impact on the liquidity position even if the waiver request is rejected by the lenders.

(xxxiii) Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by NBFC

The Company did not exceed the limits prescribed for single and group borrower for the six months period ended 30 September 2023 and 30 September 2022 and for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021.

(xxxiv) Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by NBFC

The Company did not have any joint ventures and subsidiaries abroad

(xxxv) Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by NBFC

There are no off-Balance sheet SPV's sponsored which are required to be consolidated as per accounting norms as at the end of current and previous periods

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(All amounts in INR millions, unless stated other wise)

55 Details of loans transferred/ acquired during the period ended 30 September 2023 , 30 September 2022,31 March 2023, 31 March 2022 and 31 March 2021 under RBI masters direction on transfer of loan Expsoures dated 24 September 2021 are as follows :

i) Details of loans acquired/ transferred through assginment

Particulars	For the six month period ended 30 September 2023		For the six month period ended 30 September 2022		For the year ended 31 March 2023		For the year ended 31 March 2022		For the year ended 31 March 2021	
	Transfered (MFI loan)	Acquired (MFI loan)	Transfered (MFI loan)	Acquired (MFI loan)	Transfered (MFI loan)	Acquired (MFI loan)	Transfered (MFI loan)	Acquired (MFI loan)	Transfered (MFI loan)	Acquired (MFI loan)
Aggregate amount of loans Transferred/acquired	12,266	-	7,293	-	18,322.48	-	16,391.08	-	7,659.93	-
Number of loans assigned during the period/year	3,31,078	-	2,37,125	-	5,37,668	-	5,27,134	-	2,68,949	-
Weighted average residual tenor (in months)	18.35	-	18.36	-	18.45	-	18.01	-	16.94	-
Weighted average holding period (in months)	6.75	-	6.11	-	6.22	-	6.19	-	9.33	-
Retention of beneficial economic interest by originator	1,607.30	-	859.53	-	2,189.00	-	2,286.99	-	1,598.11	-

ii) Details of loans transferred to ARC

Particulars	For the six month period ended 30 September 2023		For the six month period ended 30 September 2022		For the year ended 31 March 2023		For the year ended 31 March 2022		For the year ended 31 March 2021	
	Transfered (MFI loan)	Acquired (MFI loan)	Transfered (MFI loan)	Acquired (MFI loan)	Transfered (MFI loan)	Acquired (MFI loan)	Transfered (MFI loan)	Acquired (MFI loan)	Transfered (MFI loan)	Acquired (MFI loan)
Aggregate principal outstanding of the loans transferred	-	-	3,015.42	-	3,015.42	-	-	-	-	-
Number of loans Transferred to ARC during the year	-	-	1,42,791	-	1,42,791	-	-	-	-	-
Weighted average residual tenor (in months)	-	-	4.38	-	4.38	-	-	-	-	-
Net book value of loans transferred (at the time of transfer)	-	-	2,165.66	-	2,165.66	-	-	-	-	-
Aggregate consideration	-	-	900.00	-	900.00	-	-	-	-	-
Additional consideration realised in respect of assets transferred in eariler years	-	-	-	-	-	-	-	-	-	-

iii) The company has not acquired any loans through assignment
iv) The company has not acquired any stressed loans

v) Analytical Ratios

Ratios	Numerator	Denominator	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
A) Capital to Risk weighted Assets Ratio (CRAR)	Total capital	Risk Weighted Assets	20.46%	24.16%	21.87%	28.75%	22.55%
B) Tier I CRAR	Tier-I capital	Risk Weighted Assets	20.46%	24.16%	21.87%	28.38%	21.80%
C) Tier II CRAR	Tier-II capital	Risk Weighted Assets	0.00%	0.00%	0.00%	0.38%	0.75%
D) Liquidity coverage Ratio	Total HQLA	Risk Weighted Assets	107.71%	112.30%	105.63%	197.72%	219.91%

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Muthoot Microfin Limited
Notes to Restated Financial Statements
(All amounts in INR millions, unless stated other wise)

56 **Schedule to the Balance Sheet of a Non Banking Financial Company as required under Master Direction- Non banking Financial company Systematically important Non deposit Taking company and Deposit Taking company (Reserve Bank) Directions, 2016 as amended :**

S.No	Particulars	As at 30 September 2023			As at 30 September 2022			As at 31 March 2023		
		Particulars	Amount outstanding	Amount over due	Particulars	Amount outstanding	Amount over due	Particulars	Amount outstanding	Amount over due
1. Liabilities side	Loans and Advances availed by the company									
	a) Debentures : Secured		14,356.23			10,958.64			13,216.67	
	Debentures : UnSecured									
	(other than falling under public deposits									
	b) Deferred Credits									
	c) Term loans		63,104.87			41,348.51			51,230.25	
	d)Inter corporate loan and borrowings									
	e) Commercial paper		-			-			484.84	
	f) public deposit									
	g) other loans (Lease liability)		1,454.62			1,074.25			1,299.40	
2. Asset side	**Break up of Loans and Advances including bills Receivables**									
	a) Secured		218.36			187.45			310.00	
	b) Un Secured		85,280.87			54,278.91			69,956.85	
	Current Investments									
	1.Quoted									
	I) Shares									
	A) Equity shares									
	B) Preference Shares									
	ii).Debenture and Bonds									
	iii)Units of Mutual Funds					2,001.42				
	iv)Government Securities									
	v)Others (please specify)									
	2.UnQuoted									
	I) Shares									
	A) Equity shares									
	B) Preference Shares									
	ii).Debenture and Bonds									
	iii)Units of Mutual Funds									
	iv)Government Securities									
	v)Others (please specify)									
3. Long Term Investments										
	1.Quoted									
	I) Shares									
	A) Equity shares									
	B) Preference Shares									
	ii).Debenture and Bonds									
	iii)Units of Mutual Funds									
	iv)Government Securities									
	v)Others (please specify)									

Muthoot Microfin Limited
Notes to Restated Financial Statements
(All amounts in INR millions, unless stated other wise)

S.No	Particulars	As at 30 September 2023			As at 30 September 2022			As at 31 March 2023		
		Particulars	Amount outstanding	Amount over due	Particulars	Amount outstanding	Amount over due	Particulars	Amount outstanding	Amount over due
3. Long Term Investments	**2.UnQuoted**									
	I) Shares									
	A) Equity shares		0.45			0.45			0.45	
	B) Preference Shares									
	ii).Debenture and Bonds									
	iii)Units of Mutual Funds									
	iv)Government Securities									
	v)Others (please specify)									
	Investments in ARC Trust		513.21			765.00			633.14	

S.No	Particulars	As at 31 March 2022			As at 31 March 2021		
		Particulars	Amount outstanding	Amount over due	Particulars	Amount outstanding	Amount over due
1. Liabilities side	Loans and Advances availed by the company						
	a) Debentures : Secured		6,249.44			4,234.19	
	Debentures : UnSecured		-			-	
	(other than falling under public deposits						
	b) Deferred Credits						
	c) Term loans		32,969.85			25,382.26	
	d)Inter corporate loan and borrowings						
	e) Commercial paper		496.83			290.50	
	f) public deposit						
	g) other loans (Lease liability)		913.96			779.89	
2. Asset side	**Break up of Loans and Advances including bills Receivables**						
	a) Secured		262.94			343.12	
	b) Un Secured		43,718.17			32,597.20	
	Current Investments						
	1.Quoted						
	I) Shares						
	A) Equity shares						
	B) Preference Shares						
	ii).Debenture and Bonds						
	iii)Units of Mutual Funds						
	iv)Government Securities						
	v)Others (please specify)						

S.No	Particulars	As at 31 March 2022			As at 31 March 2021		
		Particulars	Amount outstanding	Amount over due	Particulars	Amount	Amount over
2. Asset side	**2.UnQuoted**						
	I) Shares						
	A) Equity shares						
	B) Preference Shares						
	ii).Debenture and Bonds						
	iii)Units of Mutual Funds						
	iv)Government Securities						
	v)Others (please specify)						
Investments							
	1.Quoted						
	I) Shares						
	A) Equity shares						
	B) Preference Shares						
	ii).Debenture and Bonds						
	iii)Units of Mutual Funds						
	iv)Government Securities						
	v)Others (please specify)						
	2.UnQuoted						
	I) Shares						
	A) Equity shares		0.45			0.45	
	B) Preference Shares						
	ii).Debenture and Bonds						
	iii)Units of Mutual Funds						
	iv)Government Securities						
	v)Others (please specify)						

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(All amounts in INR millions, unless stated other wise)

4.Borrower group wise classification of assets financed in (2) & (3)

Particulars	As at 30 September 2023		As at 30 September 2022		As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Amount net of provision		Amount net of provision		Amount net of provision		Amount net of provision		Amount net of provision	
	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
a. Subsidiaries	-	-	-	-	-	-	-	-	-	-
b. Companies in the same group	-	-	-	-	-	-	-	-	-	-
c. other related parties	-	-	-	-	-	-	-	-	-	-
Other than related parties	218.36	85,280.87	187.45	54,278.91	310.00	69,956.85	262.94	43,718.17	343.12	32,597.20

5.Investor group wise classification of assets current and long term in shares and securities (both quoted and unquoted)

Particulars	As at 30 September 2023			As at 30 September 2022			As at 31 March 2023			As at 31 March 2022			As at 31 March 2021		
	Market value	Book value (net of provision)	Market value	Market value	Book value (net of provision)	Market value	Market value	Book value (net of provision)	Market value	Market value	Book value (net of provision)	Market value	Market value	Book value (net of provision)	Market value
a. Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Companies in the same group	-	0.45	-	-	0.45	-	-	0.45	-	-	0.45	-	-	0.45	-
c. other related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other than related parties	-	-	-	-	-	-	-	-	-	-	-				

6.Other Information

Particulars	As at 30 September 2023	As at 30 September 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Gross Non performing Assets					
A. Related parties	-	-	-	-	-
B. Other than Related Parties	2,070.69	1,818.51	2,141.53	2,890.01	2,589.09
Net Non performing Assets					
A. Related parties	-	-	-	-	-
B. Other than Related Parties	757.91	930.57	858.34	1,302.29	1,066.30

<This section has been intentionally left blank>

(All amounts in INR millions, unless stated otherwise)

57 Statement of adjustments to Restated financial statements
Material adjustments

Particulars	As at 30 September		As at 31 March		
	2023	2022	2023	2022	2021
Net profit/ (loss) after tax as per audited statement of profit and loss (A)	2,052.57	124.66	1,638.89	473.98	70.54
Adjustments for restatement increase / (decrease) in profits / (losses)	-	-	-	-	-
	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total impact of the adjustments	-	-	-	-	-
Total effect of adjustments before tax (B)	-	-	-	-	-
Tax impact on adjustments	-	-	-	-	-
Total tax adjustments (C)	-	-	-	-	-
Net effect of decrease in loss on adjustment after tax (D = B+C)	-	-	-	-	-
Net profit / (loss) after tax, as restated (A+D)	**2,052.57**	**124.66**	**1,638.89**	**473.98**	**70.54**

58 Statement of dividend paid, as restated

Particulars	For the Six month period ended 30 September		For the year ended 31 March		
	2023	2022	2023	2022	2021
Equity shares - face value	10.00	10.00	10.00	10.00	10.00
% of dividend	Nil	Nil	Nil	Nil	Nil
Final dividend	Nil	Nil	Nil	Nil	Nil
Compulsorily covertible preference shares - face value	10.00	10.00	10.00	10.00	10.00
% of dividend	Nil	Nil	Nil	Nil	Nil
Interest income - income tax refund	-	-	-	-	-
Foreign exchange gain (net)	-	-	-	-	-
Dividend income from mutual fund	-	-	-	-	-
Final dividend	Nil	Nil	Nil	Nil	Nil
As a % of net profit before tax	-	-	-	-	-

Note:
To be read together with significant accounting policies, impact of adjustments and notes to the restated financial information as appearing in Note 57

59 Statement of accounting ratios, as restated

Particulars	For the Six month period ended 30 September		For the year ended 31 March		
	2023	2022	2023	2022	2021
Net worth as at the year end (A)	18,420.95	14,465.84	16,258.49	13,365.79	8,898.90
	-	-	-	-	-
Net profit / (loss) after tax, as restated available for equity shareholders (B)	2,052.57	124.66	1,638.89	473.98	70.54
Weighted average number of equity shares outstanding during the period/year					
For basic earnings per share (C)	11,68,37,249	11,41,85,174	11,55,07,578	11,41,70,533	11,41,70,533
For diluted earnings per share (D)	14,43,57,971	13,67,86,641	14,05,61,935	12,02,37,759	11,41,70,502
Earnings / (loss) per share Rs. 10 each (refer note 3(xiv))					
Basic (Rs) (E = B/C)	17.57	1.09	14.19	4.15	0.62
Diluted (Rs) (F = B/D)	14.22	0.91	11.66	3.94	0.62
Return on net worth (%) (G = B/A)	11.14%	0.86%	10.08%	3.55%	0.79%
Weighted average number of shares outstanding during the period/year (H)	11,68,37,249	11,41,85,174	11,55,07,578	11,41,70,533	11,41,70,533
No. of equity shares outstanding at the end of the period/year (H)	11,68,37,249	11,68,37,249	11,68,37,249	11,41,70,602	11,41,70,502
Net assets value per share of Rs 10 each (I = A/H)	157.66	123.81	139.15	117.07	77.94
Face value (Rs)	10.00	10.00	10.00	10.00	10.00

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Notes:

1. The above ratios are calculated as under:
a) Basic earnings per share = Net profit attributable to equity shareholders / weighted average number of shares outstanding during the period/year.
b) Diluted earnings per share = Net profit attributable to equity shareholders / weighted average number of diluted potential shares outstanding
c) Return on net worth (%) = Net profit attributable to equity shareholders / net worth as at the end of period/year.
d) Net asset value (Rs) = Net worth / number of equity shares as at the end of period/year.
2. Earning per shares (EPS) calculation is in accordance with IND AS 33 "Earnings per share" prescribed by the Companies (Indian Accounting Standards) Rules, 2015.
3. To be read together with significant accounting policies, impact of adjustments and notes to the restated financial information as appearing in Note 57

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No.: 109983W

Tirtharaj Khot
Partner
Membership No.: (F) 037457
Place: Pune

Date: 25 November 2023

For and on behalf of Directors
Muthoot Microfin Limited

Thomas Muthoot
Managing Director
DIN: 00082099
Place: Kochi

Thomas John Muthoot
Non Executive Director
DIN: 00011618
Place: Kochi

Thomas George Muthoot
Non Executive Director
DIN: 00011552
Place: Kochi

Praveen T
Chief Financial Officer
Place: Kochi
Date : 25 November 2023

Neethu Ajay
Company Secretary
Place: Kochi
Date : 25 November 2023

OTHER FINANCIAL INFORMATION

The accounting ratios derived from the Restated Financial Statements as required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(₹ in million)

Particulars	Six months ended September 30, 2023	Six months ended September 30, 2022	As at and for the financial year ended March 31, 2023	As at and for the financial year ended March 31, 2022	As at and for the financial year ended March 31, 2021
Earnings per share					
- Basic	17.57	1.09	14.19	4.15	0.62
- Diluted	14.22	0.91	11.66	3.94	0.62
RoNW (%)	11.14%	0.86%	10.08%	3.55%	0.79%
Net Asset Value per share	127.61	100.21	112.63	97.74	77.94
EBITDA	7,063.94	2,550.51	7,884.86	4,256.60	3,272.17

Notes: *The ratios have been computed as under:*

1. *Basic EPS = Basic earnings per share are calculated by dividing the net restated profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year.*
2. *Diluted EPS = Diluted earnings per share are calculated by dividing the net restated profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares outstanding during the year.*
3. *Return on Net Worth (%) = net restated profit or loss for the year attributable to equity shareholders divided by average equity at the end of the year derived from Restated Financial Statements.*
4. *Net Asset Value per share = Total Equity derived from the Restated Financial Statements divided by number of equity shares outstanding as at the end of year. Equity Shares on fully diluted basis is considered for the purpose of calculation of NAV.*

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company as at and for the Financial Years ended March 31, 2023, March 31, 2022, and March 31, 2021 and the reports thereon (collectively, the "**Audited Financial Statements**") are available on our website at https://muthootmicrofin.com/offerdocument-related-filings/.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company or any of its advisors, nor BRLMs nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 'Related Party Disclosures' for the six months ended September 30, 2023 and September 30, 2022 and Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, and as reported in the Restated Financial Statements, see "*Restated Financial Statements – Note 47: Related Parties Disclosure*" on page 343.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with the Restated Financial Statements. The Restated Financial Statements has been prepared by our management as required under the SEBI ICDR Regulations read with the ICAI Guidance Note. For more information, see "Risk Factors - External Risks - Risks Relating to India - Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investor's assessments of our financial condition" on page 59.

This Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below. For details, see "Forward-Looking Statements" beginning on page 19.

Unless otherwise indicated or the context otherwise requires, the financial information for the six months ended September 30, 2023 and 2022, the financial years ended March 31, 2021, 2022 and 2023 included herein is derived from the Restated Financial Statements included in this Prospectus.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Prospectus. Such non-GAAP financial measures should be read together with the nearest GAAP measure. See "Selected Statistical Information" and "Risk Factors - Internal Risk Factors - We have presented, in this Prospectus, certain financial measures and other selected statistical information relating to our financial condition and operations which are not prepared under or required by Indian GAAP. These financial measures and statistical information may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or statistical information or similar nomenclature computed and presented by other financial services companies" on pages 255 and 58, respectively.

*The industry-related information contained in this section is derived from the industry report dated November 27, 2023 prepared by CRISIL (the "**CRISIL Report**"). We have commissioned and paid for the CRISIL Report for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged CRISIL in connection with the preparation of the CRISIL Report pursuant to an engagement letter dated May 29, 2023. A copy of the CRISIL Report was made available on the website of our Company at https://muthootmicrofin.com/wp-content/uploads/2023/11/Updated-Industry-Report_27Nov2023.pdf from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. Unless otherwise indicated, the industry-related information contained in this section is derived from the CRISIL Report (extracts of which have been appropriately incorporated as part of "Industry Overview" beginning on page 133).*

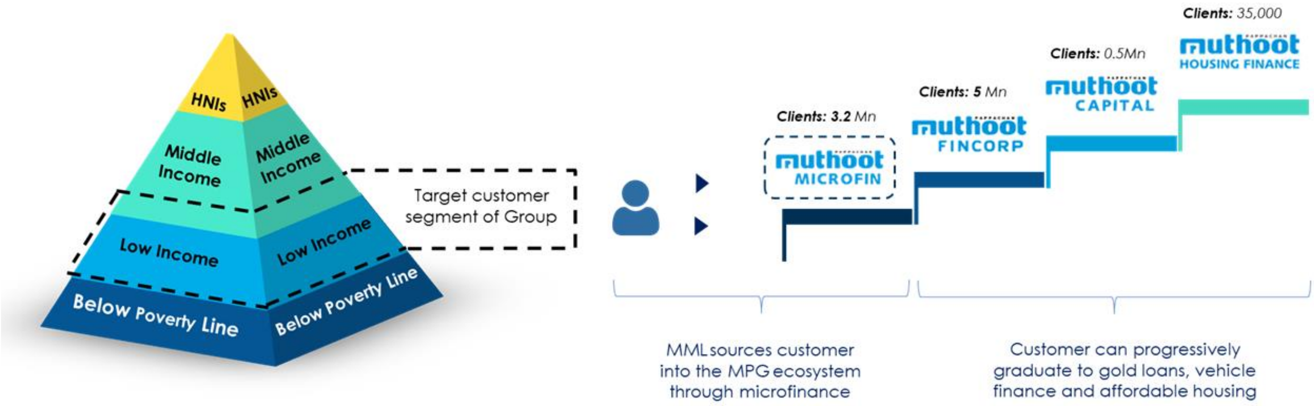
The terms "total outstanding loan portfolio," "average outstanding loan portfolio," and "outstanding non-performing loan portfolio" appearing in this section refer to the loans provided by us, as referred to in our restated financial statements, and "gross outstanding loan portfolio" or "gross loan portfolio" includes "total outstanding loan portfolio" together with our assigned and managed loans.

Overview

We are a microfinance institution providing micro-loans to women customers (primarily for income generation purposes) with a focus on rural regions of India. We are the fifth largest NBFC-MFI in India in terms of gross loan portfolio as of March 31, 2023 *(Source: CRISIL Report)*. We are also the third largest amongst NBFC-MFIs in South India in terms of gross loan portfolio, the largest in Kerala in terms of MFI market share, and a key player in Tamil Nadu with an almost 16% market share, as of March 31, 2023 (*Source: CRISIL Report*).

As of September 30, 2023, our gross loan portfolio amounted to ₹108,670.66 million. We believe that our business model helps in driving financial inclusion, as we serve customers who belong to low-income groups. As of September 30, 2023, we have 3.19 million active customers, who are serviced by 12,297 employees across 1,340 branches in 339 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, in order to ensure ease of access to customers. Our branches are connected to our IT networks and are primarily located in commercial spaces which we believe are easily accessible by our customers.

We are a part of the Muthoot Pappachan Group, a business conglomerate with presence across financial services, automotive, hospitality, real estate, information technology infrastructure, precious metals and alternate energy sectors. The Muthoot Pappachan Group has a history of over 50 years in the financial services business. We are the second largest company under the Muthoot Pappachan Group, in terms of AUM for the Financial Year 2023. MFL, the flagship company of the Muthoot Pappachan Group, holds 59.29% of the pre-Offer Equity Share capital in our Company, on a fully diluted basis, as of the date of this Prospectus. Our relationship with the Muthoot Pappachan Group provides us with brand recall and significant marketing and operational benefits. Further, there are significant synergies between the financial services business of the group and our micro-finance business. The target customer segment of the Muthoot Pappachan Group is low income customers, as depicted in the image below:



Our wide range of lending products are aimed at catering to the life-cycle needs of rural households. We primarily provide loans for income generating purposes to women customers living in rural areas. Our loan products comprise (i) group loans for livelihood solutions such as income generating loans, Pragathi loans (which are interim loans made to existing customers for working capital and income generating activities), individual loans and Suvidha loans (which are digital loans accessible through the *Mahila Mitra* application and made to existing customers to enable quick access to funds); (ii) life betterment solutions including mobile phones loans, solar lighting product loans and household appliances product loans; (iii) health and hygiene loans such as sanitation improvement loans; and (iv) secured loans in the form of gold loans and our Muthoot Small & Growing Business ("**MSGB**") loans. As of September 30, 2023, the gross loan portfolio of our income generating loans amounted to ₹102,118.73 million, representing 93.97% of our total gross loan portfolio. We primarily adopt a joint liability group model which caters exclusively to women in lower income households and is premised on the fact that if such individuals are given access to credit, they may be able to identify new opportunities and supplement and grow their existing income. The history of the Muthoot Pappachan Group in working with customers at the bottom of the economic pyramid helps us better address the needs of women in rural households and design lending products to cater to their requirements.

Over the past few years, we have significantly implemented the use of technology across our microfinance operations. We have an in-house information technology team that has built our technology platform into a business tool, which we believe helps us in achieving and maintaining high levels of customer service, enhancing operational efficiency and creating competitive advantages for our organization. To improve our underwriting capabilities using technology, we have developed a unique credit score card along with Equifax to evaluate the creditworthiness of customers by assigning individual credit scores to our customers. As a result, we are able to risk profile each of our customers individually based on parameters such as payment track record (including any credit defaults in the past two years), demographics, age and location. This allows us to strategically allocate more capital to "very low risk" and "low risk" customers, as compared to "medium risk" and "high risk" customers (as per the categorization based on the score cards), in order to maximize our collection efficiency. Apart from utilizing our unique credit score, we also analyze customers' credit bureau reports to establish their creditworthiness and repayment behavior. Further, to expand our digital collections infrastructure, we launched a proprietary application, called "*Mahila Mitra*", in 2021, which facilitates digital payment methods such as QR codes, websites, SMS-based links and voice-based payment methods. Through *Mahila Mitra*, our customers are able to pay directly from their bank account through a secure platform that requires authentication via OTP and/or PIN payments, track and maintain digital records and statements of transactions, and earn cashback or reward points on payment transactions. For the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2023, 1.06%, 4.86%, 20.30% and 25.47% of our repayments were collected on a digital basis (i.e. in a cash less manner by direct bank credit into our bank accounts), respectively. As of September 30, 2023, 1.50 million customers have downloaded the *Mahila Mitra* application, and 2.46 million customers have transacted digitally with us (through the *Mahila Mitra* application and other digital payment methods). We are also in the process of developing a *Super App* along with the Muthoot Pappachan Group, which we plan to use to integrate our *Mahila Mitra* application with all of the Muthoot Pappachan Group's products and databases on to a single platform, allowing customers to access all the Group's loan offerings on a single platform, thereby maximizing our cross-selling opportunities. In 2022, we were awarded the Mobility Award for IT Innovations at the Technology Senate Awards South 2022 instituted by Express Computer, and the Best Digital Transformation Initiative – Financial Services Award at the India DevOps Show, 2022.

In addition, with the aim to cater to the healthcare needs and priorities of our customers, we have, since December 2021, offered digital healthcare facilities to our customers through "e-clinics". We collaborate with M-Swasth Solutions Private Limited, a technology driven digital healthcare service provider, to set up these e-clinics across our branches. As of September 30, 2023, we have set up 460 e-clinics across 460 of our branches, representing 34.33% of our total branches. As of September 30, 2023, 14.40% of our customers have enrolled in our e-clinics, and we have facilitated 98,844 medical consultations and 65,878 teleconsultations. Further, to protect our customers from the risks of natural calamities, we have, since May 2020, also provided natural calamity insurance to our customers to whom we disburse loans across our branches in India. As of September 30, 2023, we have provided 23.23% of our clients with natural calamity insurance. As a result of global climate change, India has experienced natural calamities such as floods, cyclones, earthquakes, tsunamis and droughts in the past, including floods in the south Indian state of Kerala in 2018 and 2019 and a cyclone in Tamil Nadu in 2018. In this background, purchasing natural calamity insurance for our customers is a significant value-add to them as it protects their businesses and assets at home.

Our Board, Promoters and Senior Management comprise experienced professionals, industry experts and management professionals, supported by a qualified and motivated pool of employees. Our Senior Management team has members who have significant experience in microfinance and various lending businesses as well as across major functions related to our business, which include retail banking operations, debt management and microfinance, financial services and information technology services. Collectively, they have demonstrated an ability to manage and grow our operations. For details of our board of directors and management team, see "*Our Management*" on page 228. Further, we are supported by our marquee investors, namely Creation Investments India LLC and Greater Pacific Capital WIV Ltd, which have been invested in our Company since 2016 and 2021, respectively, and collectively hold 28.07% of the issued, subscribed and paid-up pre-Offer Equity Share capital of our Company on a fully diluted basis, as of the date of this Prospectus.

We have received several awards and certifications in recognition of our approach of integrating social values in the conduct of our business, including the Certificate of Excellence for contributions for water and sanitation lending instituted by Water.org and Sa-Dhan in 2021, the 'Flame Awards' instituted by Rural Marketing Association of India in 2020, and the 'Golden Peacock Award for Business Excellence' by the Institute of Directors in 2018.

The following table sets forth our key financial and operational metrics as of or for the years indicated:

	As of/ for the six months ended September 30,		**As of/ for the year ended March 31,**		
	2023	**2022**	**2023**	**2022**	**2021**
Gross Loan Portfolio (₹ million)(1)	108,670.66	74,494.86	92,082.96	62,549.42	49,867.11
Period on period growth in Gross Loan Portfolio (%)	45.88%	55.54%	47.22	25.43	3.06
Disbursements (₹ million)(2)	51,815.75	34,865.20	81,044.74	46,469.63	26,367.66
Period on period growth in Disbursements (%)	48.62%	171.87%	74.40	76.24	(35.42)
Number of Loans Disbursed (million)(3)	1.22	1.07	2.11	1.35	0.76
Customers to whom loans were disbursed during the Period (million)(4)	0.95	0.72	1.52	1.02	0.70
New Customers (million)(5)	0.47	0.43	1.01	0.45	0.21
Active Customers (million)(6)	3.19	2.40	2.77	2.05	1.86
Customers with Mahila Mitra app downloads (million)(7)	1.50	1.06	1.18	0.87	0.02
Customers who Transacted Digitally with Us (million)(8)	2.46	0.83	1.70	0.52	0.13
Overall Digital Collection (₹ million)(9)	9,515.25	2,488.00	10,955.40	1,683.01	308.59
Revenue from Operations (₹ million)(10)	10,423.27	6,047.42	14,287.64	8,325.06	6,841.67
Net Interest Income (₹ million)(11)	6,270.02	3,786.66	8,797.54	4,923.52	3,848.39
Net Interest Margin(12)	12.39%	11.12%	11.60%	9.60%	8.24%
Ratio of Operating Expenses to Annual Average Gross Loan Portfolio	5.87%	6.09%	5.96%	5.82%	5.20%
Ratio of Provisions and Write Offs to Annual Average Gross Loan Portfolio	1.25%	4.77%	2.89%	1.98%	2.69%
Pre-provision operating profit before Tax (₹ million)(13)	3,373.57	1,800.87	4,361.88	1,758.74	1,412.79
Profit After Tax (₹ million)(14)	2,052.57	124.66	1,638.89	473.98	70.54
Total comprehensive income for the year (₹ million)(15)	2,111.82	273.33	2,033.06	797.23	(173.10)
Debt to equity (times)(16)	4.21	3.62	3.99	2.99	3.39
RoA(17)	2.21%	0.20%	2.16%	0.92%	0.15%
RoE(18)	11.84%	0.90%	11.06%	4.26%	0.79%
Net Worth(19)	18,420.95	14,465.84	16,258.49	13,365.79	8,898.90
Cost to income ratio (%)(20)	46.61%	53.69%	51.39%	65.02%	64.41%
Average annual cost of borrowings (%)(21)	11.20%	10.54%	10.94%	10.44%	11.08%
Impairment allowance coverage ratio (%)(22)	86.42%	73.73%	80.32%	76.68%	81.32%
Capital to risk assets ratio (CRAR) (%)(23)	20.46%	24.16%	21.87%	28.75%	22.55%
Insurance Premium collected (₹ million)(24)	2,299.73	1,459.52	3,380.93	1,856.03	981.15
Life Insurance (₹ million)(25)	1,643.08	1,069.72	2,440.26	1,383.05	772.36
Medical Insurance (₹ million)(26)	304.88	304.31	598.28	387.54	175.44

	As of/ for the six months ended September 30,		As of/ for the year ended March 31,		
	2023	2022	2023	2022	2021
Natural Calamity Insurance (₹ million)[27]	351.78	85.49	342.38	85.43	33.36

Notes:

(1) *Gross loan portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets which includes loan assets held by our Company as of the last day of the relevant period/year, loan assets which have been transferred by our Company by way of assignment as well as loan assets managed by our Company through partner institution and co-lending partner, and are outstanding as of the last day of the relevant period/year. While we act as partner institution for these loans, these loans are provided on the balance sheet of our partner institution, and not recognized as our loan assets on our balance sheet.*

(2) *Disbursements is the total amount disbursed to customers in the relevant period, pursuant to loans sanctioned.*

(3) *Number of loans disbursed represents the total number of loans disbursed to customers during the relevant period.*

(4) *Customers to whom loans were disbursed during the period represents the unique number of customers to which at least one loan is disbursed during the relevant period.*

(5) *New Customers represent customers who are first time borrowers of our Company while disbursing a fresh loan during the corresponding period.*

(6) *Active Customers refers to our customers which had an active loan account as of the last day of the relevant period.*

(7) *Customers with Mahila Mitra app downloads represent customers who have downloaded and registered our "Mahila Mitra" app.*

(8) *Customers who transacted digitally with us represent customers who have paid through digital payment methods such as QR codes, webpages, SMS-based links and voice-based payment methods.*

(9) *Overall digital collection represents the amount recovered from our customers through digital payment methods such as QR codes, webpages, SMS-based links and voice-based payment method.*

(10) *Revenue from Operations represents our total revenue from operations as per our Restated Financial Statements for the relevant year.*

(11) *Net Interest Income represents our Revenue from Operations reduced by Finance Costs as per our Restated Financial Statements for the relevant year.*

(12) *Net Interest Margin is the ratio of our Net Interest Income to our average monthly gross loan portfolio. Our average monthly gross loan portfolio is the simple monthly average of our gross loan portfolio for the relevant period/year.*

(13) *Pre-provision operating profit before tax represents the sum of profit before tax for the relevant year and impairment on financial instruments for such period/year derived from our Restated Financial Statements for the relevant year.*

(14) *Profit After Tax represents our profit for the year (after tax) as per our Restated Financial Statements for the relevant year.*

(15) *Total comprehensive income for the year represents our total comprehensive income for the year as per our Restated Financial Statements for the relevant year.*

(16) *Debt to equity represents the ratio of our Total Borrowings to our Net Worth.*

(17) *RoA represents profit for the relevant year as derived from our Restated Financial Statements as a percentage of annual monthly average gross loan portfolio for the relevant period/year.*

(18) *RoE represents the ratio of Net Profit attributable to equity holders to our annual average of net worth. Our annual average of net worth is the simple average of our net worth as of the last day of the relevant period/year and our net worth as of the last day of the preceding period/year.*

(19) *Net Worth represents our net worth as of the last day of the relevant year as per our Restated Financial Statements.*

(20) *Cost to Income ratio is the ratio of the aggregate of our fees and commission expenses, employee benefit expenses, operating expenses and depreciation and amortisation expense to total income net of finance cost as per our Restated Financial Statements for the relevant year.*

(21) *Annual Average Cost of Borrowings is the annually weighted average interest cost on borrowings, weights being annual average borrowings. Borrowings include debt securities, subordinated liabilities, and borrowings (other than debt securities).*

(22) *Impairment allowance coverage ratio represents the ratio of total impairment allowance on term loans (gross) derived from our Restated Financial Statements to Stage III Assets (Gross NPAs) for the relevant period/year.*

(23) *Capital to risk assets ratio (CRAR) is calculated as capital funds (Tier I capital plus Tier II capital) divided by risk-weighted assets (the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI).*

(24) *Insurance Premium collected represents the total insurance premium collected and transferred by our Company to the relevant insurance companies for providing life, medical and natural calamity insurance to our customers.*

(25) *Life Insurance represents the insurance premium collected and transferred by our Company to the relevant insurance companies for providing credit linked life insurance products to our customers.*

(26) *Medical Insurance represents the insurance premium collected and transferred by our Company to the relevant insurance companies for providing medical insurance products to our customers.*

(27) *Natural Calamity Insurance represents the insurance premium collected and transferred by our Company to the relevant insurance companies for providing natural calamity or asset insurance products to our customers.*

Significant Factors Affecting Our Results of Operations

Our business, results of operations, financial condition and cash flows have been, and we expect will continue to be, affected by numerous factors, including:

Growth in the Microfinance Industry and performance of the Indian Rural Economy

As an NBFC-MFI, we are impacted and will continue to be impacted by the performance of the microfinance industry in India, especially in rural India where our operations are focused. The industry's gross loan portfolio increased at a CAGR of 21% since the Financial Year 2018 to reach approximately ₹3.3 trillion in the third quarter of the Financial Year 2023 (*Source: CRISIL Report*). This overall increase in market size has contributed to the growth of our business over the last few years. Going forward, CRISIL believes that the microfinance industry will continue to see strong growth due to the Government of India's continued focus on strengthening the rural financial ecosystem, robust credit demand, and higher-ticket loans disbursed by microfinance lenders (*Source: CRISIL Report*).

However, certain events in the past have disrupted the growth of the microfinance industry and adversely impacted the overall industry's disbursements as well as repayment and collection efficiency rates. For example, in November 2016, the Indian government announced the demonetization of bank notes of ₹500 and ₹1,000. Around 86% of Indian currency in terms of value was removed from circulation. Subsequently, the outbreak of the COVID-19 pandemic has impacted our business and the microfinance industry. Due to the COVID-19 pandemic, demand for our products reduced temporarily and our level of write-offs increased. Any such disruptive events in the future may adversely affect our results of operations. See also "*Industry Overview*" on page 133.

Further, as our primary focus is providing micro-loans to women customers (primarily for income generation purposes) with a focus on rural regions of India, our results of operations are particularly affected by the performance and the future growth potential of microfinance in rural regions of India. The significant under-penetration of credit in rural areas offers strong potential for growth and given the relatively deeper reach, existing client relationships and employee base, microfinance institutions are well placed to address this demand which is currently being met by informal sources such as local money lenders (*Source: CRISIL Report*). As of September 30, 2023, ₹103,919.61 million or 95.63% of our gross loan portfolio was from rural areas. We expect to benefit from the expected growth potential for microfinance in rural regions of India.

As a financial institution operating in India, our financial condition and results of operations are also influenced by the general economic conditions and particularly macroeconomic conditions in India. Key macroeconomic factors that may affect the Indian economy and, in turn, demand for our products and the quality of our loan portfolio include, among others, (i) demographic conditions and population dynamics, (ii) economic development, shifting of wealth and employment rates, (iii) political measures and regulatory developments, such as tax incentives and general political stability, (iv) fiscal and monetary dynamics, such as volatility in interest rates, foreign exchange rates and inflation rates, and (v) political and regulatory developments on the Indian economy**.**

Availability of Cost-Effective Sources of Funding

The liquidity and profitability of our business depend, in large part, on our timely access to, and the costs associated with, raising funds. Our funding requirements historically have been met from various sources, including public sector banks, private sector banks, small finance banks, foreign banks other non-banking financial institutions, developmental financial institutions and public investors, together with NCDs, and pass through certificates. Our Promoters and our holding company, Muthoot Fincorp Limited, have not provided any corporate guarantees in relation to the borrowings availed by us, which we believe demonstrates the trust of our lenders in our business model. Our ability to compete effectively will depend, in part, on our ability to maintain or increase our interest margins. Our margins are affected in part by our ability to continue to secure cost effective funding at rates lower than the interest rates at which we lend to our customers. Our ability to meet demand for new loans will depend on our ability to obtain financing on acceptable terms. Factors such as our credit rating, monetary policies of the RBI, domestic and international economic and political conditions and external interventions have an effect on our cost of interest-bearing liabilities.

A further source of financing for us is proceeds from loan assignments that we make from time to time. We assign a group of similar loans from our loan portfolio to banks and financial institutions in return for a fixed consideration equal to the aggregate outstanding principal amount of the loans, received upfront, plus an agreed portion of future interest payments of the loans assigned, received when they are collected. The consideration we derive from the assignment of our loan portfolios in these transactions depends on a number of factors, including the term of the loans and yield of the loan portfolio assigned. During the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, we assigned ₹7,659.93 million, ₹16,391.08 million, ₹18,322.48 million, ₹7,292.78 million and ₹12,265.77 million, respectively, of loans and also recognized income of ₹409.25 million, ₹910.31 million, ₹1,115.37 million, ₹321.00 million and ₹1,084.06 million, respectively, in these periods. See "*Risk Factors – Internal Risks – Risks Relating to our Business - Any disruption in our sources of funding or increase in costs of funding could adversely affect our liquidity and financial condition.*" on page 45.

Our Ability to Manage Finance Costs and Fluctuations in Interest Rates Effectively

Our results of operations depend to a large extent on the level of our net interest income as our primary revenue source is interest income. During the Financial Years ended March 31, 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, interest on loans outstanding represented 87.23%, 84.94%, 88.00%, 90.30% and 86.03% of our total revenues, respectively. Consequently, our results of operations depend on our ability to manage our finance costs and the impact of fluctuations in interest rates effectively. Our finance costs comprise interest on borrowings (other than debt securities), interest on debt securities, interest on subordinated liabilities and interest cost on lease liabilities.

Further, our debt service costs and costs of funds depend on many external factors, including developments in the Indian credit market and, in particular, interest rate movements and the existence of adequate liquidity in the debt markets. Interest rates are highly sensitive and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic as well as international economic and political conditions, inflation and other factors. Internal factors which will affect our cost of funds include changes in our credit ratings, available credit limits and access to loan assignment transactions. During the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, our finance costs were ₹2,993.28 million, ₹3,401.55 million, ₹5,490.10 million, ₹2,260.76 million and ₹ 4,153.25 million, respectively, and represented, as a percentage of our total revenue, 42.99%, 40.35%, 37.96%, 36.76% and 39.66%%, respectively. For details, see *"Our Business – Our*

Strengths – Access to diversified sources of capital and effective cost of funds" and "*Risk Factors – Internal Risks – Risks Relating to our Business - Our business is vulnerable to interest rate risk, and volatility in interest rates could have an adverse effect on our net interest income and net interest margin, thereby affecting our results of operations.*" on pages 189 and 33, respectively.

Our levels of Non-Performing Assets ("NPAs") and related Provisions and Write-Offs

The focus customer segment for our micro-loan business is women with an annual household income of up to ₹300,000. Our customers generally have limited sources of income, savings and credit histories and as a result, generally do not have a high level of financial resilience, and, as a result, they may be affected by declining economic conditions and natural calamities such as floods, cyclones, earthquakes, tsunamis or droughts. Further, as we primarily make unsecured loans and rely primarily on non-traditional guarantee mechanisms rather than any tangible assets or collateral, As our customers potentially present a higher risk of loss in case of a credit default compared to that of customers in other asset-backed financing products. Thus, due to the nature of our customers, we may experience increased levels of NPAs and related provisions and write-offs. For the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, our impairment on financial instruments amounted to ₹1,322.24 million, ₹1,111.53 million and ₹2,233.18 million, ₹1,633.23 million and ₹627.46 million, respectively, representing 19.33%, 13.35%, 15.63%, 27.01% and 6.02%% of our revenue from operations, respectively. See "*Risk Factors – Internal Risks – Risks Relating to our Business – The microfinance industry in India faces certain risks due to the category of customers that it services, which are not generally associated with other forms of lending. As a result, we may experience increased levels of non-performing assets and related provisions and write-offs that may adversely affect our business, financial condition and results of operations.*" on page 31.

To reduce and minimise our levels of NPAs, related provisions and write-offs, we have put in place a risk management framework which primarily focus on addressing credit risk, operational risk and financial risk, and we have also implemented customer selection methodologies and regular end use and payment monitoring procedures. For details, see "*Our Business – Our Strengths – Robust risk management framework leading to healthy portfolio quality*."

Our Ability to Grow our Loan Portfolio and Customer Base, as well as Manage our Network and Outreach

Our results of operations are directly affected by the number of customers we serve from time to time. Growth in our customer base typically drives corresponding growth in our interest income and fees received, as customers utilize our loan products and also avail of our other financial products and services. Similarly, a decrease in our customer base would drive a corresponding decrease in our interest income and fees received. Our number of active customers was 3.19 million as of September 30, 2023 and our gross loan portfolio was ₹108,670.66 million as of September 30, 2023.

Our results of operations also depend upon the geographic reach and service capabilities of our network of branches. As of September 30, 2023, we had 10,159 branch managers, credit managers and relationship officers, or 82.61%of our total workforce, spread across 633 branches in 79 districts in South India and 707 branches in 260 districts in the rest of India. Our relationship officers market and sell our products, and, together with our branch managers, manage our customer relationships with our members through weekly meetings. As of September 30, 2023, each of our relationship officers managed an average of 426.19 customers. Our relationship officers and branches are supported by our administrative support staff and management personnel. See "*Risk Factors – Internal Risks – Risks Relating to our Business – We may face various risks associated with our large number of rural and semi-urban branches and widespread network of operations which may adversely affect our business, financial condition and results of operations.*" on page 48.

Our Ability to Manage Operating Expenses

Our results of operations are affected by our ability to manage our operating expenses, which include employee benefit expenses, other expenses and depreciation and amortization. As we expand our core business and our product and service offerings to our customers, we will need to increase headcount by adding relationship officers, other officers and operational management and technology staff. Employee benefit expenses represented 73.18%, 72.52%, 69.95%, 70.51% and 71.14% of our operating expenses during the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, respectively. In addition, our relationship officers incur substantial travelling and conveyance expenses visiting villages, many of which are remote, to market and sell our products and services, maintain member relationships, conduct meetings, collect repayments and report transactions at local banks. During the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, our other expenses were ₹400.15 million, ₹511.98 million, ₹844.41 million, ₹357.94 million and ₹552.94 million, respectively, representing 15.65%, 15.66%, 18.31%, 17.14% and 18.77% of our operating expenses, respectively, comprising primarily of traveling and conveyance, legal and professional charges, and communication expenses.

Government Policy and Regulation

The microfinance industry is highly regulated, and has been affected by changes in laws and regulations in the recent past, which have affected its growth. As an NBFC-MFI, we will continue to be affected by a number of regulations promulgated by the RBI. As per the RBI regulations, the interest rates charged by us are governed by our board policy on pricing on credit. The RBI regulates, among other things, non-performing assets ("**NPAs**") and standard assets provisioning norms, capital adequacy norms and other lending stipulations and other operational restrictions. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. Any change in the regulatory framework affecting NBFC-MFIs, such as those relating to maintaining certain financial ratios, accessing funds or lending to NBFC- MFIs by banks including priority-sector lending ("**PSL**") norms, would affect our results of operations and growth.

For changing laws and regulations governing the financial services industry in India and laws and regulations in applicable to us generally, see "*Key Regulations and Policies"* on page 208.

Significant Accounting Policies

Summary of Significant Accounting policies

The Restated financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the restated financial statements, except where newly issued accounting standard is initially adopted.

Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to us. All other repair and maintenance costs are recognised in statement of profit and loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to us and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in Restated statement of profit and loss.

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the straight-line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year / period.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the Restated statement of profit and loss, when the asset is derecognised.

Capital work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses acquire property, plant and equipment. Assets which are not ready to intended use are also shown under capital work-in-progress.

Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation method, useful lives and residual value)

Intangible assets are amortised on a straight line basis over the expected useful life from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year / period and the amortisation period is revised to reflect the changed pattern, if any.

Revenue recognition

Interest and processing fee income on loans

Interest and processing fee income is recorded on accrual basis using the effective interest rate (EIR) method. Additional interest/overdue interest/penal charges, if any, are recognised only when it is reasonable certain that the ultimate collection will be made.

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.

Commission income

Income from business correspondent services is recognised as and when the services are rendered as per agreed terms and conditions of the contract. A receivable is recognised when the services are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

Dividend income

Dividend income is recognised at the time when the right to receive is established by the reporting date.

Miscellaneous income

All other income is recognised on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

Borrowing costs

All borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method. Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended use/sale, are capitalised. Borrowing costs consists of interest and other cost that we incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Taxation

Tax expense recognized in Restated Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current 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 assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Restated Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on our forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which we expect, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside restated statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity.

Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined Contribution plans

We have a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by us in respect of these plans are charged to the Restated Statement of Profit and Loss.

Defined benefit plans

We have an obligation towards gratuity, a defined benefit retirement plan covering eligible employees, where in the benefit employee will receive on retirement is defined by reference to employee's length of service and last drawn salary. Under the defined benefit plan, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with us, even if plan assets for funding the defined benefit plan have been set aside. The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

Other long-term employee benefits:

We also provide the benefit of compensated absences to our employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to availed after one year from the Balance Sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Restated Statement of Profit and Loss in the year in which such gains or losses are determined.

Share based payments

We have formulated our Employees Stock Option Schemes to be administered through a trust. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, we revise our estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. We recognise the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

Impairment of non-financial assets

At each reporting date, we assess whether there is any indication that an asset may be impaired. If any such indication exists, we estimate the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Restated Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Compensation for impairment

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are recognised in statement of profit and loss when the compensation becomes receivable.

Impairment of financial assets

Loan assets

We follow a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised as below:

a) Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.

b) Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.

c) Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) – LGD represents our expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) – EAD is based on the amounts that we expect to be owed at the time of default. For a revolving commitment, we include the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Adjustment in Stages due to COVID-19 Impact effective from April 1,2020:

The RBI allowed lending institutions to offer moratorium to its borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020 vide RBI Circulars DOR. No. BP.BC.47/21.04.048/2019-20 dated March 27,2020 and DOR.No. BP.BC.71/21.04.048/2019-20 (COVID-19 - Regulatory package) dated May 23, 2020.

Further, pursuant to the clarification issued by RBI vide Circular DOR. No. BP.BC.63/21.04.048/2019-20 dated April 17, 2020, RBI also allowed to exclude the moratorium period from the number of days past due in respect of accounts classified as standard as on February 29, 2020, for the purpose of asset classification under the IRACP norms.

Accordingly, we offered moratorium to our customers in accordance with the above said circulars of RBI and for such accounts, where the moratorium was granted, the asset / stage-wise classification remained stand still during the moratorium period. (i.e., the number of days past due excluded the moratorium period for the purposes of asset / stage-wise classification).

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Trade receivables

In respect of trade receivables, we apply the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Other financial assets

In respect of our other financial assets, we assess if the credit risk on those financial assets have increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, we measure the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, we use the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, we compare the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. We assume that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on restated statement of profit and loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments (certificate of deposits and commercial paper) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents includes bank overdrafts, if that are repayable on demand and form an integral part of our cash management.

Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

a) Possible obligations which will be confirmed only by future events not wholly within our control; or

b) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

Leases

Our Company as a lessee

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, the lease term, in exchange for consideration. We assess whether a contract is, or contains, a lease on inception.

The lease term is either the non-cancellable period of the lease and any additional periods when there is an enforceable option to extend the lease and it is reasonably certain that we will extend the term, or a lease period in which it is reasonably certain that we will not exercise a right to terminate. The lease term is reassessed if there is a significant change in circumstances.

We recognize a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the total lease payments due on the commencement date, discounted using either the interest rate implicit in the lease, if readily determinable, or more usually, an estimate of our incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

a) fixed payments, including payments which are substantively fixed; and

b) variable lease payments that depend on a rate, initially measured using the rate as at the commencement.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in a rate, if we change our assessment of whether we will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

As permitted by Ind AS 116, we do not recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. Payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when we become a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i) Financial assets carried at amortised cost – a financial asset is measured at the amortised cost if both the following conditions are met:

    a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

    b) Contractual terms of the 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, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account 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 Restated Statement of Profit and Loss.

ii) Financial assets carried at fair value through other comprehensive income – a financial asset is measured at fair value, with changes in fair value being carried to other comprehensive income, if both the following conditions are met:

    a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and

    b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from our balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if we have not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Other financial liabilities - Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities, except compulsorily convertible preference shares, are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When 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 the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Restated Statement of Profit and Loss.

First loss default guarantee

First loss default guarantee contracts are contracts that require us to make specified payments to reimburse the bank and financial institution for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks and financial institutions, for whom we act as 'Business Correspondent'.

These contracts are initially measured at fair value and subsequently measure at higher of:

a) The amount of loss allowance (calculated as described in policy for impairment of financial assets).

b) Maximum amount payable as on the reporting date to the respective bank/financial institution which is based on the amount of loans overdue for more than 90 days.

Further, the maximum liability is restricted to the cash outflow agreed in the contract.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. Further, for the purpose of calculating earnings per share in the Restated Financial Statements, the Statutory Auditor has assumed the ratio of 1:1 for conversion of CCPS into Equity Shares, and accordingly, the Basic EPS and Diluted EPS amounted to ₹14.19 and ₹11.66 for the Financial Year 2023, respectively.

Segment reporting

We identify segments on the basis of the internal organization and management structure. The accounting policies adopted for segment reporting are in line with our accounting policies. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship with the operating activities of the segment.

Foreign currency

Functional and presentation currency

Items included in our Restated financial statement are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Restated financial statements have been prepared and presented in Indian Rupees (INR), which is our functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Restated Statement of Profit and Loss in the year in which they arise.

Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of our Restated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Business model assessment - We determine the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. We monitor financial assets 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 our 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.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Classification of leases – We enter into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Expected credit loss ('ECL') – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). We make significant judgements with regard to the following while assessing expected credit loss:

a) Determining criteria for significant increase in credit risk;

b) Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and

c) Establishing groups of similar financial assets for the purposes of measuring ECL.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, we assess the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Implementation of Indian Accounting Standards by RBI

The RBI issued Circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dt. March 13, 2020, which require Non-Banking Financial Companies (NBFCs) covered by Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 to comply with the respective circular while preparing the Restated financial statements from financial year 2019-20 onwards.

Standards issued and effective from April 1, 2021

Ministry of Corporate Affairs ("**MCA**") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

Changes in Accounting Policies

There have been no changes in our accounting policies during the Fiscals ended March 31, 2021, March 31, 2022 and March 31, 2023, and the six months ended September 30, 2022 and 2023.

Key Components of our Statement of Profit and Loss

The following descriptions set forth information with respect to the key components of our profit and loss statements.

Income

Revenue from operations. Revenue from operations comprises interest income, fees and commission income, net gain on fair value changes, income on investments and sale of services. Interest income includes interest on loan portfolio (measured at amortised cost), interest on deposits from banks and interest on loan assets (measured at fair value through other comprehensive income). Fees and commission income includes facilitation fees that we earn from manufacturers and distributors that sell their products to our customers at our branches. We provide loans to our customers for the purchase of such products (for example, solar lamps and pressure cookers) and these products are available for sale at some of our branches. Fees and commission income also includes income from business correspondence services, which relate to commissions earned from acting as a partner institution for the Prayaas loan scheme, a scheme for direct credit to micro enterprises, including our existing customers in Kerala and Tamil Nadu. Net gain on fair value changes includes gain on sale of loan assets recognized through our profit and loss account. Net gain on fair value changes relate to the fair value changes of our portion of loan assets that we assign pursuant to our assignment transactions. Sale of services relate to income which we receive in relation to collections services that we provide for the portion of loans that we assign.

Other income. Other income comprises interest income on security deposits, bad debt recovered and miscellaneous income.

Expenses

Expenses comprise finance costs, fees and commission expenses, impairment on financial instruments, employee benefits expenses, depreciation and amortisation expense, and other expenses.

Finance costs. Finance costs comprise interest on borrowings (other than debt securities), interest on debt securities, interest on subordinated liabilities and interest cost on lease liabilities.

Fees and commission expenses. Fees and commission expenses comprise fees and commission expenses, which relate to expenses incurred in outsourcing our cash management operations to MFL and third party cash management agencies.

Impairment on financial instruments. Impairment on financial instruments comprises write off of loans; waive off of loans which relate to impairment on value of our loan assets as a result of settlements that we enter into with our delinquent customers; and provision for impairment on loan assets.

Employee benefits expenses. Employee benefits expenses comprise salaries and wages, contribution to provident and other funds, share based payments, gratuity and compensated absence and staff welfare expenses.

Depreciation and amortisation expense. Depreciation and amortization expense comprises depreciation on property, plant and equipment, depreciation on right-of-use assets and amortisation.

Other expenses. Other expenses comprise rent, rates and taxes, repairs and maintenance – others, communication expenses, printing and stationery, marketing expenses, auditors' remuneration (including for services such as statutory audit, limited review, tax audit, other certifications and reimbursement of expenses), legal and professional charges, traveling and conveyance, software support charges, power and fuel, office expenses, corporate social responsibility expenses and miscellaneous expenses.

Tax expense

Tax expense consists of current tax, deferred tax and tax relating to prior years.

Results of Operations for the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023

The following table sets forth our selected financial data from our restated statement of profit and loss for the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, the components of which are also expressed as a percentage of total income for such years:

Particulars	For the Six months Ended September 30,				For the Financial Years					
	2023		2022		2023		2022		2021	
	₹ *(in millions)*	% of Total Income	₹ *(in millions)*	% of Total Income	₹ *(in millions)*	% of Total Income	₹ *(in millions)*	% of Total Income	₹ *(in millions)*	% of Total Income
Income										
Revenue from operations	10,423.27	99.53%	6,047.42	98.34%	14,287.64	98.78%	8,325.06	98.76%	6,841.67	98.26%
Other income	49.11	0.47%	102.19	1.66%	175.80	1.22%	104.35	1.24%	121.14	1.74%
Total income	**10,472.38**	**100.00%**	**6,149.61**	**100.00%**	**14,463.44**	**100.00%**	**8,429.41**	**100.00%**	**6,962.81**	**100.00%**
Expenses										
Finance costs	4,153.25	39.66%	2,260.76	36.76%	5,490.10	37.96%	3,401.55	40.35%	2,993.28	42.99%
Fees and commission expenses	132.52	1.27%	135.62	2.21%	275.41	1.90%	178.49	2.12%	97.36	1.40%
Impairment on financial instruments	627.46	5.99%	1,633.23	26.56%	2,233.18	15.44%	1,111.53	13.19%	1,322.24	18.99%
Employee benefits expenses	2,095.52	20.01%	1,472.31	23.94%	3,225.58	22.30%	2,370.81	28.13%	1,870.90	26.87%
Depreciation and amortization expense	164.58	1.57%	122.11	1.99%	266.06	1.84%	207.84	2.47%	188.33	2.47%
Other expenses	552.94	5.28%	357.94	5.82%	844.41	5.84%	511.98	6.07%	400.15	5.75%
Total expenses	**7,726.27**	**73.78%**	**5,981.97**	**97.27%**	**12,334.74**	**85.28%**	**7,782.20**	**92.32%**	**6,872.26**	**98.70%**
Profit before tax	**2,746.11**	**26.22%**	**167.64**	**2.73%**	**2,128.70**	**14.72%**	**647.21**	**7.68%**	**90.55**	**1.30%**
Tax expenses										
Current tax	729.12	6.96%	122.10	1.99%	679.91	4.70%	224.05	2.66%	347.29	4.99%
Deferred tax	(35.58)	(0.34)%	(79.12)	(1.29)%	(142.59)	(0.99)%	(56.14)	(0.67)%	(317.72)	(4.56)%
Tax relating to prior years	-	-	-	-	(47.51)	(0.33)%	5.32	0.06%	(9.56)	(0.14)%
Profit for the year	**2,052.57**	**19.60%**	**124.66**	**2.03%**	**1,638.89**	**11.33%**	**473.98**	**5.62%**	**70.54**	**1.01%**

Six Months Ended September 30, 2023 Compared to the Six Months Ended September 30, 2022

Income

Revenue from Operations

Our revenue from operations increased by 72.36% to ₹10,423.27 million for the six months ended September 30, 2023 from ₹6,047.42 million for the six months ended September 30, 2022, primarily due to an increase in interest income to ₹9,135.76 million for the six months ended September 30, 2023 from ₹5,624.14 million for the six months ended September 30, 2022, which was primarily attributable to increases in interest on loan portfolio to ₹6,080.24 million for the six months ended September 30, 2023 from ₹5,052.42 million for the six months ended September 30, 2022, and interest on loan assets to ₹2,929.23 million for the six months ended September 30, 2023 from ₹500.92 million for the six months ended September 30, 2022. The increase in interest on loan portfolio was in line with increases in (i) active customers to 3.19 million as of September 30, 2023 from 2.40 million as of September 30, 2022, (ii) disbursements to ₹51,815.75 million for the six months ended September 30, 2023 from ₹34,865.20 million for the six months ended September 30, 2022, and (iii) gross loan portfolio to ₹108,670.66 million as of September 30, 2023 from ₹74,494.86 million as of September 30, 2022. These increases were as a result of an expansion in the number of our branches to 1,340 as of September 30, 2023 from 1,008 as of September 30, 2022, and districts where we operate to 339 as of September 30, 2023 from 305 as of September 30, 2022. For details, see “*Selected Statistical Information*” on page 255.

The increase in revenue from operations was also due to an increase in fees and commission income to ₹ 159.99 million for the six months ended September 30, 2023 from ₹60.08 million for the six months ended September 30, 2022, primarily due to increases in (i) facilitation fees to ₹125.70 million for the six months ended September 30, 2023 from ₹54.07 million for the six months ended September 30, 2022, in line with higher disbursements during the six months ended September 30, 2023, and (ii) income from business correspondence services to ₹34.29 million for the six months ended September 30, 2023 from ₹6.01 million for the six months ended September 30, 2022, primarily attributable to higher loans disbursed under the partnership agreement in relation to the Prayaas loan scheme during the six months ended September 30, 2023. The increase in revenue from operations was also due to increases in (i) net gain on fair value changes to ₹1,084.06 million for the six months ended September 30, 2023 from ₹321.00 million for the six months ended September 30, 2022, primarily attributable to an increase in book value of loan assets assigned during the year to ₹12,265.77 million for the six months ended September 30, 2023 from ₹7,292.78 million for the six months ended September 30, 2022. Further, the increase in revenue from operations was also due to an increase in income on investments to ₹38.11 million for the six months ended September 30, 2023 from ₹35.18 million for the six months ended September 30, 2022**.**

Other Income

Other income decreased by 51.94% to ₹49.11 million for the six months ended September 30, 2023 from ₹102.19 million for the six months ended September 30, 2022. The decrease was primarily due to a decrease in bad debt recovered to ₹29.88 million for the six months ended September 30, 2023 from ₹96.41 million for the six months ended September 30, 2022.

Expenses

Finance Costs

Finance costs increased by 83.71% to ₹4,153.25 million for the six months ended September 30, 2023 from ₹2,260.76 million for the six months ended September 30, 2022, primarily due to increases in (i) interest on borrowings (other than debt securities) to ₹3,101.36 million for the six months ended September 30, 2023 from ₹1,676.53 million for the six months ended September 30, 2022, primarily attributable to increases in borrowings from banks and under securitization arrangements, and amounts raised from external commercial borrowings, and (ii) interest on debt securities to ₹976.84 million for the six months ended September 30, 2023 from ₹519.27 million for the six months ended September 30, 2022. The increase in interest on debt securities was primarily attributable to an increase in issuance of non-convertible debentures in order to support an increase in disbursements. The increase in finance costs was also due to an increase in interest cost on lease liabilities to ₹75.05 million for the six months ended September 30, 2023 from ₹62.01 million for the six months ended September 30, 2022, primarily attributable to an increase in number of lease contracts that we entered into, as our number of branches increased to 1,340 as of September 30, 2023 from 1,008 as of September 30, 2022.

Fees and commission expenses

Fees and commission expenses decreased by 2.28% to ₹132.52 million for the six months ended September 30, 2023 from ₹135.62 million for the six months ended September 30, 2022. This was primarily due to an increase in our digital collections to ₹9,515.25 million for the six months ended September 30, 2023 from ₹2,488.00 million for the six months ended September 30, 2022. The share of digital collections was 25.47% of our overall collections for the six months ended September 30, 2023, as compared with 10.41% of our overall collections for the six months ended September 30, 2022. Further, our collection efficiency increased to 98.89% for the six months ended September 30, 2023 from 93.71% for the six months period September 30, 2022, which led to a decrease in collection agency charges towards bad debts.

Impairment on financial instruments

Impairment on financial instruments decreased by 61.58% to ₹627.46 million for the six months ended September 30, 2023 from ₹1,633.23 million for the six months ended September 30, 2022, primarily due to decreases in (i) loans written off to ₹322.70 million for the six months ended September 30, 2023 from ₹1,402.81 million for the six months ended September 30, 2022, primarily because loans written off for the six months ended September 30, 2022 included write-offs pursuant to the sale of a portion of our non-performing loans to a securitization/reconstruction company for asset reconstruction, and (ii) loans waived off to ₹235.41 million for the six months ended September 30, 2023 from ₹256.10 million for the six months ended September 30, 2022, primarily attributable to an increase in the collection efficiency to 98.89% for the six months ended September 30, 2023 from 93.71% for the six months ended September 30, 2022, leading to lower loan waive-offs.

Employee benefits expenses

Employee benefits expense increased by 42.33% to ₹2,095.52 million for the six months ended September 30, 2023 from ₹1,472.31 million for the six months ended September 30, 2022, primarily due to increases in (i) salaries and wages to ₹1,855.67 million for the six months ended September 30, 2023 from ₹1,326.21 million for the six months ended September 30, 2022, and (ii) contribution to provident and other funds to ₹142.11 million for the six months ended September 30, 2023 from ₹109.46 million, which were primarily attributable to an increase in our headcount to expand our business operations and branch network, and an annual increase in salaries and bonuses of our employees. We had 12,297 employees as of

September 30, 2023, as compared to 9,150 employees as of September 30, 2022. Further, the increase in employee benefits expense was also attributable to an increase in shared based payments to ₹50.64 million for the six months ended September 30, 2023 from ₹9.19 million for the six months ended September 30, 2022, due to stock options granted to our employees under our employee stock option scheme. We granted 2,465,500 options on November 4, 2022 and 308,147 options on August 10, 2023. Further, the increase in employee benefits expense was also attributable to an increase in the gratuity and compensated absence to ₹10.18 million for six months ended September 30, 2023 from ₹6.70 million for the six months ended September 30, 2022.

Depreciation and amortization expense

Depreciation and amortization costs increased by 34.79% to ₹164.58 million for the six months ended September 30, 2023 from ₹122.11 million for the six months ended September 30, 2022, primarily due to increases in (i) depreciation on property, plant and equipment to ₹65.22 million for the six months ended September 30, 2023 from ₹48.61 million for the six months ended September 30, 2022, and (ii) depreciation on right-of-use assets to ₹98.94 million for the six months ended September 30, 2023 from ₹73.30 million for the six months ended September 30, 2022, which were primarily attributable to the expansion of our business and corresponding increases in (a) net carrying amount of property, plant and equipment to ₹644.62 million as of September 30, 2023 from ₹474.67 million as of September 30, 2022, and (b) branches to 1,340 as of September 30, 2023 from 1,008 as of September 30, 2022.

Other Expenses

Other expenses increased by 54.48% to ₹552.94 million for the six months ended September 30, 2023 from ₹357.94 million for the six months ended September 30, 2022, primarily due to an increase in expenses relating to (i) legal and professional charges to ₹129.05 million for the six months ended September 30, 2023 from ₹47.94 million for the six months ended September 30, 2022, (ii) traveling and conveyance to ₹208.78 million for the six months ended September 30, 2023 from ₹161.66 million for the six months ended September 30, 2022, primarily attributable to our expansion into new states and territories during the six months ended September 30, 2023 which required our employees to travel to new areas. Further, local travel also increased due to the growth in our business operations, and (iii) miscellaneous expenses to ₹39.78 million for the six months ended September 30, 2023 from ₹21.74 million for the six months ended September 30, 2022, primarily attributable to increases in incentives paid to customers for utilization of digital collection methods and outsourced manpower services for debt recovery and meeting expenses.

Profit before Tax

As a result of the foregoing, our profit before tax increased by 1,538.11% to ₹2,746.11 million for the six months ended September 30, 2023 from ₹167.64 million for the six months ended September 30, 2022.

Tax Expense

Current tax increased by 497.15% to ₹729.12 million for the six months ended September 30, 2023 from ₹122.10 million for the six months ended September 30, 2022, primarily due to an increase in taxable income to ₹2,897.02 million for the six months ended September 30, 2023 from ₹485.15 million for the six months ended September 30, 2022.

As a result of timing differences in making provisions for loan assets, gratuity and leave encashment and Ind AS adjustments, we had deferred tax of ₹35.58 million as of September 30, 2023.

Profit after Tax

As a result of the foregoing, our profit after tax increased to ₹2,052.57 million for the six months ended September 30, 2023 from ₹124.66 million for the six months ended September 30, 2022, for the reasons mentioned above.

Financial Year 2023 Compared to Financial Year 2022

Income

Revenue from Operations

Our revenue from operations increased by 71.62% to ₹14,287.64 million for the Financial Year 2023 from ₹8,325.06 million for the Financial Year 2022, primarily due to an increase in interest income to ₹12,906.45 million for the Financial Year 2023 from ₹7,286.23 million for the Financial Year 2022,which was primarily attributable to increases in interest on loan portfolio to ₹10,313.32 million for the Financial Year 2023 from ₹6,399.18 million for the Financial Year 2022, and interest on loan assets to ₹2,414.62 million for the Financial Year 2023 from ₹761.08 million for the Financial Year 2022. The increase in interest on loan portfolio was in line with increases in (i) active customers to 2.77 million as of March 31, 2023 from 2.05 million as of March 31, 2022, (ii) disbursements to ₹81,044.74 million for the Financial Year 2023 from ₹46,469.63 million for the Financial Year 2022, and (iii) gross loan portfolio to ₹92,082.96 million as of March 31, 2023 from ₹62,549.42 million as of March 31, 2022. These increases were as a result of an expansion in the number of our branches to 1,172 as of March 31, 2023 from 905 as of March 31, 2022, states and union territories where we operate to 18 as of March 31, 2023 from 16 as of March 31, 2022 and districts where we operate to 321 as of March 31, 2023 from 281 as of March 31, 2022. The increase in interest on loan portfolio was also due to the removal of interest rate cap for NBFC-MFIs by RBI in March 2022, which allowed us to increase the interest rates on our income generating loans by a total of 3.65% for Kerala, Tamil Nadu and Pondicherry, and 4.70% for the other states which we operate across the rest of India, through a series of increases in April, July and December 2022 during the Financial Year 2023. As a result, our net interest margins, which is the ratio of our net interest income to our average monthly gross loan portfolio, increased to 11.60% for the Financial Year 2023 from 9.60% for the Financial Year 2022. For details, see "*Selected Statistical Information*" on page 255.

The increase in revenue from operations was also due to an increase in fees and commission income to ₹173.22 million for the Financial Year 2023 from ₹61.59 million for the Financial Year 2022, primarily due to increases in (i) facilitation fees to ₹148.23 million for the Financial Year 2023 from ₹53.12 million for the Financial Year 2022, in line with higher disbursements during the Financial Year 2023, and (ii) income from business correspondence services to ₹25.00 million for the Financial Year 2023 from ₹8.46 million for the Financial Year 2022, primarily attributable to higher loans disbursed under the partnership agreement in relation to the Prayaas loan scheme during the Financial Year 2023. The increase in revenue from operations was also due to increases in (i) net gain on fair value changes to ₹1,115.37 million for the Financial Year 2023 from ₹910.31 million for the Financial Year 2022, and (ii) sale of services to ₹9.25 million for the Financial Year 2023 from ₹8.64 million for the Financial Year 2022, both of which were primarily attributable to an increase in book value of loan assets assigned during the year to ₹18,322.48 million for the Financial Year 2023 from ₹16,391.08 million for the Financial Year 2022. Further, the increase in revenue from operations was also due to an increase in income on investments to ₹83.35 million for the Financial Year 2023 from ₹58.29 million for the Financial Year 2022, primarily attributable to an increase in profits arising from the sale of short term investments in mutual funds.

Other Income

Other income increased by 68.47% to ₹175.80 million for the Financial Year 2023 from ₹104.35 million for the Financial Year 2022. The increase was primarily due to an increase in bad debt recovered to ₹143.59 million for the Financial Year 2023 from ₹71.17 million for the Financial Year 2022.

Expenses

Finance Costs

Finance costs increased by 61.40% to ₹5,490.10 million for the Financial Year 2023 from ₹3,401.55 million for the Financial Year 2022, primarily due to increases in (i) interest on borrowings (other than debt securities) to ₹4,063.02 million for the Financial Year 2023 from ₹2,639.77 million for the Financial Year 2022, primarily attributable to increases in borrowings from banks and under securitization arrangements, and amounts raised from external commercial borrowings, and (ii) interest on debt securities to ₹1,295.20 million for the Financial Year 2023 from ₹630.41 million for the Financial Year 2022. The increases in interest on borrowings (other than debt securities) and interest on debt securities were primarily attributable to an increase in issuance of non-convertible debentures in order to support an increase in disbursements, as well as an increase in repo rate from 4.00% to 6.50% by the RBI which increased our cost of borrowing, since most of our borrowings were at floating rates. The increase in finance costs was also due to an increase in interest cost on lease liabilities to ₹128.93 million for the Financial Year 2023 from ₹96.74 million for the Financial Year 2022, primarily attributable to an increase in number of lease contracts that we entered into, as our number of branches increased to 1,172 as of March 31, 2023 from 905 as of March 31, 2022

Fees and commission expenses

Fees and commission expenses increased by 54.30% to ₹275.41 million for the Financial Year 2023 from ₹178.49 million for the Financial Year 2022, primarily due to increases in (i) collections to ₹53,864.03 million for the Financial Year 2023 from ₹34,643.84 million for the Financial Year 2022, and (ii) collection efficiency to 95.84% for the Financial Year 2023 from 85.75% for the Financial Year 2022. The increase in collections and collection efficiency is in line with an increase in our gross loan portfolio to ₹92,082.96 million for the Financial Year 2023 from ₹62,549.42 million for the Financial Year 2022.

Impairment on financial instruments

Impairment on financial instruments increased by 100.91% to ₹2,233.18 million for the Financial Year 2023 from ₹1,111.53 million for the Financial Year 2022, primarily due to increases in (i) loans written off to ₹1,402.81 million for the Financial Year 2023 from ₹737.80 million for the Financial Year 2022, primarily because of our sale of a portion of our loans to a securitization / reconstruction company for asset reconstruction pursuant to the directions of the RBI, (ii) loans waived off to ₹476.59 million for the Financial Year 2023 from ₹263.04 million for the Financial Year 2022, primarily attributable to an increase in settlements with our customers during the Financial Year 2023, and (iii) provision for impairment on loan assets to ₹353.78 million for the Financial Year 2023 from ₹110.69 million for the Financial Year 2022, primarily attributable to an increase in our gross loan portfolio to ₹92,082.96 million for the Financial Year 2023 from ₹62,549.42 million for the Financial Year 2022.

Employee benefits expenses

Employee benefits expense increased by 36.05% to ₹3,225.58 million for the Financial Year 2023 from ₹2,370.81 million for the Financial Year 2022, primarily due to increases in (i) salaries and wages to ₹2,876.80 million for the Financial Year 2023 from ₹2,115.03 million for the Financial Year 2022, and (ii) contribution to provident and other funds to ₹234.01 million for the Financial Year 2023 from ₹186.28 million, which were primarily attributable to an increase in our headcount to expand our business operations and branch network, and an annual increase in salaries and bonuses of our employees. We had 10,227 employees as of March 31, 2023, as compared to 8,178 employees as of March 31, 2022. Further, the increase in employee benefits expense was also attributable to an increase in shared based payments to ₹42.11 million for the Financial Year 2023 from ₹9.04 million for the Financial Year 2022, due to stock options granted to our employees under our employee stock option scheme.

Depreciation and amortization expense

Depreciation and amortization costs increased by 28.01% to ₹266.06 million for the Financial Year 2023 from ₹207.84 million for the Financial Year 2022, primarily due to increases in (i) depreciation on property, plant and equipment to ₹104.57 million for the Financial Year 2023 from ₹84.72 million for the Financial Year 2022, and (ii) depreciation on right-of-use assets to ₹161.01 million for the Financial Year 2023 from ₹122.71 million for the Financial Year 2022, which were primarily attributable to the expansion of our business and corresponding increases in (a) net carrying amount of property, plant and equipment to ₹594.37 million as of March 31, 2023 from ₹420.45 million as of March 31, 2022, and (b) branches to 1,172 as of March 31, 2023 from 905 as of March 31, 2022.

Other Expenses

Other expenses increased by 64.93% to ₹844.41 million for the Financial Year 2023 from ₹511.98 million for the Financial Year 2022, primarily due to an increase in expenses relating to (i) legal and professional charges to ₹149.18 million for the Financial Year 2023 from ₹57.23 million for the Financial Year 2022, (ii) traveling and conveyance to ₹347.76 million for the Financial Year 2023 from ₹217.35 million for the Financial Year 2022, primarily attributable to our expansion into new states and territories during the Financial Year 2023 which required our employees to travel, and (iii) miscellaneous expenses to ₹61.18 million for the Financial Year 2023 from ₹25.48 million for the Financial Year 2022, primarily attributable to increases in incentives paid to customers for utilization of digital collection methods and outsourced manpower services for debt recovery and meeting expenses.

Profit before Tax

As a result of the foregoing, our profit before tax increased by 228.90% to ₹2,128.70 million for the Financial Year 2023 from ₹647.21 million for the Financial Year 2022.

Tax Expense

Current tax increased by 203.46% to ₹679.91 million for the Financial Year 2023 from ₹224.05 million for the Financial Year 2022, primarily due to an increase in taxable income to ₹2,701.48 million for the Financial Year 2023 from ₹890.20 million for the Financial Year 2022.

As a result of timing differences in making provisions for loan assets, gratuity and leave encashment and Ind AS adjustments, we had deferred tax of ₹142.59 million as of March 31, 2023.

As a result of excess provision created for tax in Financial Year 2022, we had tax reversal relating to prior years of ₹47.51 million as of March 31, 2023.

Profit after Tax

As a result of the foregoing, our profit after tax increased to ₹1,638.89 million for the Financial Year 2023 from ₹473.98 million for the Financial Year 2022, for the reasons mentioned above.

Financial Year 2022 Compared to Financial Year 2021

Income

Revenue from Operations

Our revenue from operations increased by 21.68% to ₹8,325.06 million for the Financial Year 2022 from ₹6,841.67 million for the Financial Year 2021, primarily due to an increase in interest income to ₹7,286.23 million for the Financial Year 2022 from ₹6,227.84 million for the Financial Year 2021, which was primarily attributable to increases in interest on loan portfolio to ₹6,399.18 million for the Financial Year 2022 from ₹5,660.27 million for the Financial Year 2021, and interest on loan assets to ₹761.08 million for the Financial Year 2022 from ₹413.58 million for the Financial Year 2021. The increase in interest on loan portfolio was in line with increases in (i) active customers to 2.05 million as of March 31, 2022 from 1.86 million as of March 31, 2021, (ii) disbursements to ₹46,469.63 million for the Financial Year 2022 from ₹26,367.66 million for the Financial Year 2021, and (iii) gross loan portfolio to ₹62,549.42 million as of March 31, 2022 from ₹49,867.11 million as of March 31, 2021. These increases were as a result of an expansion in the number of our branches to 905 as of March 31, 2022 from 755 as of March 31, 2021 and districts where we operate to 281 as of March 31, 2022 from 249 as of March 31, 2021. For details, see "*Selected Statistical Information*" on page 255.

The increase in revenue from operations was also due to increases in fees and commission income to ₹61.59 million for the Financial Year 2022 from ₹32.11 million for the Financial Year 2021, primarily attributable to an increase in facilitation fees to ₹53.12 million for the Financial Year 2022 from ₹5.62 million for the Financial Year 2021, in line with higher disbursements during the Financial Year 2022. Further, the increase in revenue from operations was also due to increases in (i) net gain on fair value changes to ₹910.31 million for the Financial Year 2022 from ₹409.25 million for the Financial Year 2021 and (ii) sale of services to ₹8.64 million for the Financial Year 2022 from ₹2.52 million for the Financial Year 2021, both of which were primarily attributable to an increase in book value of loan assets assigned during the year to ₹16,391.08 million for the Financial Year 2022 from ₹7,659.93 million for the Financial Year 2021.

Other Income

Other income decreased by 13.86% to ₹104.35 million for the Financial Year 2022 from ₹121.14 million for the Financial Year 2021. The decrease was primarily due to a decrease in bad debt recovered to ₹71.17 million for the Financial Year 2022 from ₹101.27 million for the Financial Year 2021.

Expenses

Finance Costs

Finance costs increased by 13.64% to ₹3,401.55 million for the Financial Year 2022 from ₹2,993.28 million for the Financial Year 2021, primarily due to increases in (i) interest on borrowings (other than debt securities) to ₹2,639.77 million for the Financial Year 2022 from ₹2,498.05 million for the Financial Year 2021, primarily attributable to increases in borrowings from banks and other financial institutions, and (ii) interest on debt securities to ₹630.41 for the Financial Year 2022 from ₹379.78 million for the Financial Year 2021, primarily attributable to increases in amounts raised from non-convertible debentures and commercial papers in order to support an increase in disbursements. The increase in finance costs was also due to an increase in interest cost on lease liabilities to ₹96.74 million for the Financial Year 2022 from ₹80.82 million for the Financial Year 2021, primarily attributable to an increase in number of lease contracts that we entered into, as our number of branches increased to 905 as of March 31, 2022 from 755 as of March 31, 2021.

Fees and commission expenses

Fees and commission expenses increased by 83.32% to ₹178.49 million for the Financial Year 2022 from ₹97.36 million for the Financial Year 2021, primarily due to increases in (i) collections to ₹34,643.84 million for the Financial Year 2022 from ₹29,130.19 million for the Financial Year 2021 and (ii) collection efficiency to 85.75% for the Financial Year 2022 from 67.52% for the Financial Year 2021. The increase in collections and collection efficiency is in line with an increase in our gross loan portfolio to ₹62,549.42 million for the Financial Year 2022 from ₹49,867.11 million for the Financial Year 2021.

Impairment on financial instruments

Impairment on financial instruments decreased by 15.94% to ₹1,111.53 million for the Financial Year 2022 from ₹1,322.24 million for the Financial Year 2021, primarily due to decreases in (i) loans written off to ₹737.80 million for the Financial Year 2022 from ₹983.09 million for the Financial Year 2021, and (ii) provision for impairment on loan assets to ₹110.69 million for the Financial Year 2022 from ₹210.87 million for the Financial Year 2021. Our loans written off and provisions for impairment on loan assets were higher for the Financial Year 2021 because of the impact of the COVID-19 pandemic. As the COVID-19 situation in India improved in the Financial Year 2022, our loans written off and provision for impairment on loan assets gradually reduced as well.

Employee benefits expenses

Employee benefits expense increased by 26.72% to ₹2,370.81 million for the Financial Year 2022 from ₹1,870.90 million for the Financial Year 2021, primarily due to increases in (i) salaries and wages to ₹2,115.03 million for the Financial Year 2022 from ₹1,661.33 million for the Financial Year 2021, and (ii) contribution to provident and other funds to ₹186.28 million for the Financial Year 2022 from ₹147.97 million for the Financial Year 2021, which were primarily attributable to an increase in our headcount to expand our business operations and branch network, and an annual increase in salaries and bonuses of our employees. We had 8,178 employees as of March 31, 2022, as compared to 6,846 employees as of March 31, 2021.

Depreciation and amortisation expense

Depreciation and amortization costs increased by 10.36% to ₹207.84 million for the Financial Year 2022 from ₹188.33 million for the Financial Year 2021, primarily due to increases in (i) depreciation on property, plant and equipment to ₹84.72 million for the Financial Year 2022 from ₹78.47 million for the Financial Year 2021, and (ii) depreciation on right-of-use assets to ₹122.71 million for the Financial Year 2022 from ₹109.29 million for the Financial Year 2021, which were primarily attributable to the expansion of our business and corresponding increases in (a) net carrying amount of property, plant and equipment to ₹420.45 million as of March 31, 2022 from ₹398.44 million as of March 31, 2021 and (b) branches to 905 as of March 31, 2022 from 755 as of March 31, 2021.

Other Expenses

Other expenses increased by 27.95% to ₹511.98 million for the Financial Year 2022 from ₹400.15 million for the Financial Year 2021, primarily due to an increase in traveling and conveyance expense to ₹217.35 million for the Financial Year 2022 from ₹101.49 million for the Financial Year 2021, which was primarily attributable to an increase in travel requirements by our senior officials after lockdowns and travel restrictions relating to the COVID-19 pandemic have been relaxed during the Financial Year 2022.

Profit before Tax

As a result of the foregoing, our profit before tax increased by 614.72% to ₹647.21 million for the Financial Year 2022 from ₹90.55 million for the Financial Year 2021.

Tax Expense

Current tax decreased by 35.49% to ₹224.05 million for the Financial Year 2022 from ₹347.29 million for the Financial Year 2021, primarily due to a decrease in the taxable profit to ₹890.20 million for the Financial Year 2022 from ₹1,379.87 million for the Financial Year 2021.

As a result of timing differences in making provisions for loan assets, gratuity and leave encashment and Ind AS adjustments, we have deferred tax of ₹56.14 million as of March 31, 2022.

As a result of under provision for tax in Financial Year 2021, we have tax relating to prior years of ₹5.32 million as of March 31, 2022.

Profit after Tax

As a result of the foregoing, our profit after tax increased to ₹473.98 million for the Financial Year 2022 from ₹70.54 million for the Financial Year 2021, for the reasons mentioned above.

Our Financial Position

Our net worth increased by 13.30% to ₹18,420.95 million as of September 30, 2023, from ₹16,258.49 million as of March 31, 2023. Our net worth increased by 21.64% to ₹16,258.49 million as of March 31, 2023, from ₹13,365.79 million as of March 31, 2022. Our net worth increased by 50.20% to ₹13,365.79 as of March 31, 2022, from ₹8,898.90 million as of March 31, 2021. The increases in net worth were on account of profit generated over the years/period.

The following table sets forth our selected financial data from our Restated Financial Statements as of the periods indicated:

Particulars	As of September 30,		As of March 31,		
	2023	2022	2023	2022	2021
	(₹ in millions)		*(₹ in millions)*		
Assets:					
Total financial assets	97,817.44	67,896.75	83,167.28	54,182.13	40,507.32
Total non-financial assets	2,495.55	2,294.11	2,124.71	1,732.45	1,331.16
Total Assets	**1,00,312.99**	**70,190.86**	**85,291.99**	**55,914.58**	**41,838.48**
Liabilities and Equity:					
Total financial liabilities	81,730.08	55,599.57	68,933.13	42,448.19	32,854.27
Total non-financial liabilities	161.96	125.45	100.37	100.60	85.31
Total liabilities	**81,892.04**	**55,725.02**	**69,033.50**	**42,548.79**	**32,939.58**
Total equity	**18,420.95**	**14,465.84**	**16,258.49**	**13,365.79**	**8,898.90**
Total liabilities and equity	**100,312.99**	**70,190.86**	**85,291.99**	**55,914.58**	**41,838.48**

Assets

We had total assets of ₹ 100,312.99 million as of September 30, 2023, compared to ₹85,291.99 million as of March 31, 2023. We had total assets of ₹85,291.99 million as of March 31, 2023, compared to ₹55,914.58 million as of March 31, 2022. We had total assets of ₹55,914.58 million as of March 31, 2022, compared to ₹41,838.48 million as of March 31, 2021. The increases in total assets were on account of an increase in financial and non-financial assets.

Financial assets

Our total financial assets increased by 17.62% to ₹97,817.44 million as of September 30, 2023 from ₹83,167.28 million as of March 31, 2023, primarily due to increases in (i) loans to ₹85,499.23 million as of September 30, 2023 from ₹70,266.85 million as of March 31, 2023, (ii) bank balances other than cash and cash equivalent to ₹4,941.92 million as of September 30, 2023 from ₹3,909.58 million as of March 31, 2023, in line with an increase in active customers, disbursements and gross loan portfolio.

Our total financial assets increased by 53.50% to ₹83,167.28 million as of March 31, 2023 from ₹54,182.13 million as of March 31, 2022 primarily due to increases in (i) loans to ₹70,266.85 million as of March 31, 2023 from ₹43,981.11 million as of March 31, 2022, (ii) cash and cash equivalents to ₹7,594.55 million as of March 31, 2023 from ₹7,058.27 million as of March 31, 2022, and (iii) bank balances other than cash and cash equivalent to ₹3,909.58 million as of March 31, 2023 from ₹2,940.89 million as of March 31, 2022, in line with an increase in active customers, disbursements and gross loan portfolio.

Our total financial assets increased by 33.76% to ₹54,182.13 million as of March 31, 2022 from ₹40,507.32 million as of March 31, 2021 primarily due to increases in (i) loans to ₹43,981.11 million as of March 31, 2022 from ₹32,940.32 million as of March 31, 2021, (ii) cash and cash equivalents to ₹7,058.27 million as of March 31, 2022 from ₹5,190.76 million as of March 31, 2021, and (iii) bank balances other than cash and cash equivalent to ₹2,940.89 million as of March 31, 2022 from ₹2,259.03 million as of March 31, 2021, in line with an increase in active customers, disbursements and gross loan portfolio.

Non-financial assets

Our total non-financial assets increased by 17.45% to ₹2,495.55 million as of September 30, 2023 from ₹ 2,124.71 million as of March 31, 2023, primarily due to increases in (i) right-of-use assets to ₹1,249.68 million as of September 30, 2023 from ₹1,121.72 million as of March 31, 2023, (ii) property, plant and equipment to ₹644.62 million as of September 30, 2023 from ₹594.37 million as of March 31, 2023, and (iii) other non-financial assets to ₹396.34 million as of September 30, 2023 from ₹243.35 million as of March 31, 2023, which were primarily attributable to the expansion of our business and increase in branches.

Our total non-financial assets increased by 22.64% to ₹2,124.71 million as of March 31, 2023 from ₹1,732.45 million as of March 31, 2022, primarily due to increases in (i) right-of-use assets to ₹1,121.72 million as of March 31, 2023 from ₹791.19 million as of March 31, 2022, and (ii) property, plant and equipment to ₹594.37 million as of March 31, 2023 from ₹420.45 million as of March 31, 2022, which were primarily attributable to the expansion of our business and increase in branches. This was partially offset by a decrease in current tax assets (net) to ₹104.60 million as of March 31, 2023 from ₹395.45 million as of March 31, 2022.

Our total non-financial assets increased by 30.15% to ₹1,732.45 million as of March 31, 2022 from ₹1,331.16 million as of March 31, 2021, primarily due to an increase in current tax assets (net) to ₹395.45 million as of March 31, 2022 from ₹94.15 million as of March 31, 2021, primarily attributable to an increase in advance tax payments. The increase in non-financial assets was also primarily due to increases in (i) property, plant and equipment to ₹420.45 million as of March 31, 2022 from ₹398.44 million as of March 31, 2021, and (ii) right-of-use assets to ₹791.19 million as of March 31, 2022 from ₹700.16 million as of March 31, 2021, which were primarily attributable to the expansion of our business and increase in branches. This was partially offset by a decrease in deferred tax asset (net) to ₹47.75 million as of March 31, 2022 from ₹100.35 million as of March 31, 2021.

Liabilities

We had total liabilities of ₹81,892.04 million as of September 30, 2023, compared to ₹69,033.50 million as of March 31, 2023, due to an increase in financial and non-financial liabilities. We had total liabilities of ₹69,033.50 million as of March 31, 2023, compared to ₹42,548.79 million as of March 31, 2022, due to an increase in financial liabilities. We had total liabilities of ₹42,548.79 million as of March 31, 2022, compared to ₹32,939.58 million as of March 31, 2021 due to an increase in financial and non-financial liabilities.

Financial liabilities

Our total financial liabilities increased by 18.56% to ₹81,730.08 million as of September 30, 2023 from ₹68,933.13 million as of March 31, 2023 primarily due to increases in (i) debt securities to ₹14,356.23 million as of September 30, 2023 from ₹13,701.51 million as of March 31, 2023, primarily attributable to an increase in issuances of non-convertible debentures, and (ii) borrowings (other than debt securities) to ₹63,104.87 million as of September 30, 2023 from ₹51,230.25 million as of March 31, 2023, primarily attributable to increases in borrowings from banks and under securitization arrangements, and amounts raised from external commercial borrowings.

Our total financial liabilities increased by 62.39% to ₹68,933.13 million as of March 31, 2023 from ₹42,448.19 million as of March 31, 2022 primarily due to increases in (i) debt securities to ₹13,701.51 million as of March 31, 2023 from ₹6,746.27 million as of March 31, 2022, primarily attributable to an increase in issuances of non-convertible debentures, and (ii) borrowings (other than debt securities) to ₹51,230.25 million as of March 31, 2023 from ₹32,969.85 million as of March 31, 2022, primarily attributable to increases in borrowings from banks and under securitization arrangements, and amounts raised from external commercial borrowings. This was partially offset by a decrease in subordinated liabilities to nil as of March 31, 2023 from ₹249.97 million as of March 31, 2022.

Our total financial liabilities increased by 29.20% to ₹42,448.19 million as of March 31, 2022 from ₹32,854.27 million as of March 31, 2021 primarily due to increases in (i) debt securities to ₹6,746.27 million as of March 31, 2022 from ₹4,524.69 million as of March 31, 2021, primarily attributable to an increase in amounts raised from non-convertible debentures and commercial paper, and (ii) borrowings (other than debt securities) to ₹32,969.85 million as of March 31, 2022 from ₹25,382.26 million as of March 31, 2021, primarily attributable to an increase in borrowings from banks and other financial institutions. This was partially offset by a decrease in other financial liabilities to ₹1,492.80 million as of March 31, 2022 from ₹1,888.61 million as of March 31, 2021.

Non-financial liabilities

Our total non-financial liabilities increased by 61.36% to ₹161.96 million as of September 30, 2023 from ₹100.37 million as of March 31, 2023 primarily due to an increase in other non-financial liabilities to ₹97.06 million as of September 30, 2023 from ₹64.24 million as of March 31, 2023. This was partially offset by a decrease in provisions to ₹64.90 million as of September 30, 2023 from ₹36.13 million as of March 31, 2023.

Our total non-financial liabilities decreased by 0.23% to ₹100.37 million as of March 31, 2023 from ₹100.60 million as of March 31, 2022 primarily due to a decrease in provisions to ₹36.13 million as of March 31, 2023 from ₹49.38 million as of March 31, 2022. This was partially offset by an increase in other non-financial liabilities to ₹64.24 million as of March 31, 2023 from ₹51.22 million as of March 31, 2022.

Our total non-financial liabilities increased by 17.93% to ₹100.60 million as of March 31, 2022 from ₹85.31 million as of March 31, 2021, primarily due to increases in (i) other non-financial liabilities to ₹51.22 million as of March 31, 2022 from ₹38.93 million as of March 31, 2021, primarily attributable to an increase in statutory dues payable such as provident fund and employee state insurance, as a result of an increase in number of employees, and (ii) provisions to ₹49.38 million as of March 31, 2022 from ₹46.38 million as of March 31, 2021.

Equity

Our total equity increased by 13.30% to ₹18,420.95 million as of September 30, 2023 from ₹16,258.49 million as of March 31, 2023 primarily due to increases in other equity to ₹ 17,018.97 million as of September 30, 2023 from ₹ 14,856.51 million as of March 31, 2023, primarily attributable to increases in (a) reserve fund to ₹1,531.01 million as of September 30, 2023 from ₹1,120.50 million as of March 31, 2023, (b) loan assets through other comprehensive income to ₹1,180.52 million as of September 30, 2023 from ₹1,103.62 million as of March 31, 2023, (c) retained earnings to ₹5,018.36 million as of September 30, 2023 from ₹3,393.95 million as of March 31, 2023.

Our total equity increased by 21.64% to ₹16,258.49 million as of March 31, 2023 from ₹13,365.79 million as of March 31, 2022 primarily due to increases in (i) Equity Share capital to ₹1,401.98 million as of March 31, 2023 from ₹1,333.33 million as of March 31, 2022, primarily attributable to increases in (a) aggregate value of equity shares issued to ₹1,168.38 million as of March 31, 2023 from ₹1,141.71 million as of March 31, 2022 and (b) aggregate value of compulsorily convertible preference shares issued to ₹233.60 million as of March 31, 2023 from ₹191.62 million as of March 31, 2022, and (ii) other equity to ₹14,856.51 million as of March 31, 2023 from ₹12,032.46 million as of March 31, 2022, primarily attributable to increases in (a) securities premium to ₹9,473.77 million as of March 31, 2023 from ₹8,452.14 million as of March 31, 2022, (b) reserve fund to ₹1,120.50 million as of March 31, 2023 from ₹792.72 million as of March 31, 2022, (c) loan assets through other comprehensive income to ₹1,103.62 million as of March 31, 2023 from ₹692.92 million as of March 31, 2022, (d) retained earnings to ₹3,393.95 million as of March 31, 2023 from ₹2,099.37 million as of March 31, 2022.

Our total equity increased by 50.20% to ₹13,365.79 million as of March 31, 2022 from ₹8,898.90 million as of March 31, 2021 primarily due to increases in (i) Equity Share capital to ₹1,333.33 million as of March 31, 2022 from ₹1,141.71 million as of March 31, 2021, primarily attributable to an increase in aggregate value of compulsorily convertible preference shares issued to ₹191.62 million as of March 31, 2022 from nil as of March 31, 2021, and (ii) other equity to ₹12,032.46 million as of March 31, 2022 from ₹7,757.19 million as of March 31, 2021, primarily attributable to increases in (a) securities premium to ₹8,452.14 million as of March 31, 2022 from ₹4,988.74 million as of March 31, 2021, (b) reserve fund to ₹792.72 million as of March 31, 2022 from ₹697.92 million as of March 31, 2021, (c) loan assets through other comprehensive income to ₹692.92 million as of March 31, 2022 from ₹356.83 million as of March 31, 2021, (d) retained earnings to ₹2,099.37 million as of March 31, 2022 from ₹1,732.98 million as of March 31, 2022.

Liquidity and Capital Resources

Liquidity

As of September 30, 2023, we had cash available for use in our operations of ₹5,579.15 million. We currently invest our surplus cash in fixed deposits with various banks and debt mutual funds.

We regularly monitor our funding levels to help ensure we are able to satisfy the requirements for maturity of our liabilities. We maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements. Liquidity is provided principally by short-term and long-term borrowings from banks and other entities, recovery on our loan portfolio, proceeds from securitization and assignment of loans, issue of debentures, sales of equity securities and retained earnings.

Cash Flows

The following table summarizes our cash flows for the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023:

	For the Six months Ended September 30,		**For the Financial Year**		
	2023	**2022**	**2023**	**2022**	**2021**
	(₹ in millions)		*(₹ in millions)*		
Net cash used in operating activities	(13,457.82)	(10,178.92)	(23,328.81)	(10,835.76)	(7,039.55)
Net cash used in investing activities	(989.77)	(3,535.73)	(1,800.30)	(738.03)	(379.51)
Net cash generated from financing activities	12,432.19	13,167.33	25,665.40	13,441.30	796.90
Net (decrease)/increase in cash and cash equivalents	**(2,015.40)**	**(547.32)**	**536.28**	**1,867.51**	**(6,622.16)**

Operating Activities

Net cash used in operating activities was ₹13,457.82 million for the six months ended September 30, 2023. We had profit before tax of ₹2,746.11 million for the six months ended September 30, 2023, which was primarily adjusted for impairment on financial instruments of ₹627.46 million, depreciation and amortisation of ₹164.58 million and adjustments towards effective interest rate in respect of loan assets of ₹145.83 million, and working capital changes such as an increase in loans of ₹14,818.85 million and an increase in other receivables of ₹508.72 million, which was partially offset by a decrease in gain on sale of loan asset through direct assignment of ₹1,084.06 million.

Net cash used in operating activities was ₹10,178.92 million for the six months ended September 30, 2022. We had profit before tax of ₹167.64 million for the six months ended September 30, 2022, which was primarily adjusted for impairment on financial instruments of ₹1,633.23 million, depreciation and amortisation of ₹122.11 million and adjustments towards effective interest rate in respect of loan assets of ₹87.53 million, and working capital changes such as an increase in loans of ₹11,674.78 million and an increase in other financial liabilities of ₹593.71 million, which was partially offset by a decrease in gain on sale of loan asset through direct assignment of ₹321.00 million.

Net cash used in operating activities was ₹23,328.81 million for the Financial Year 2023. We had profit before tax of ₹2,128.70 million for the Financial Year 2023, which was primarily adjusted for impairment on financial instruments of ₹2,233.18 million, depreciation and amortisation of ₹266.06 million and adjustments towards effective interest rate in respect of loan assets of ₹203.80 million, and working capital changes such as an increase in loans of ₹27,058.51 million and an increase in other financial liabilities of ₹1,089.92 million, which was partially offset by a decrease in gain on sale of loan asset through direct assignment of ₹1,115.37 million.

Net cash used in operating activities was ₹10,835.76 million for the Financial Year 2022. We had profit before tax of ₹647.21 million for the Financial Year 2022, which was primarily adjusted for impairment on financial instruments of ₹1,111.53 million, depreciation and amortization of ₹207.84 million and adjustments towards effective interest rate in respect of loan assets of ₹93.37 million and working capital changes such as increase in loans of ₹10,872.01 million and a decrease in other financial liabilities of ₹410.08 million, which was partially offset by a decrease in gain on sale of loan asset through direct assignment of ₹910.31 million and a decrease in other financial liabilities of ₹410.08 million.

Net cash used in operating activities was ₹7,039.55 million for the Financial Year 2021. We had profit before tax of ₹90.55 million for the Financial Year 2021, which was primarily adjusted for impairment on financial instruments of ₹1,322.24 million, depreciation and amortisation of ₹188.33 million and finance cost on leases of ₹80.82 million, and working capital changes such as increase in loan assets of ₹8,564.80 million and an increase in other financial liabilities of ₹438.75 million, which was partially offset by a decrease in gain on sale asset through direct assignment of ₹409.25 million and a decrease in other receivables of ₹17.53 million.

Investing Activities

Net cash used in investing activities was ₹989.77 million for the six months ended September 30, 2023, which primarily related to investment in term deposits with banks (net) of ₹1,032.34 million and purchase of tangible assets (including capital advances, capital creditors and capital work in progress) and intangible assets of ₹115.70 million, which was partially offset by investment in equity instruments of ₹119.93 million and profit on sale of investments of ₹38.11 million.

Net cash used in investing activities was ₹3,535.73 million for the six months ended September 30, 2022, which primarily related to investment in equity instruments of ₹2,766.42 million, investment in term deposits with banks (net) of ₹683.81 million, and purchase of tangible assets (including capital advances, capital creditors and capital work in progress) and intangible assets of ₹120.69 million, which was partially offset by profit on sale of investments of ₹35.18 million.

Net cash used in investing activities was ₹1,800.30 million for the Financial Year 2023, which primarily related to investment in term deposits with banks (net) of ₹968.69 million, investment in equity instruments of ₹633.14 million, and purchase of tangible assets (including capital advances, capital creditors and capital work in progress) and intangible assets of ₹281.79 million, which was partially offset by profit on sale of investments of ₹83.35 million.

Net cash used in investing activities was ₹738.03 million for the Financial Year 2022, which primarily related to investment in term deposits with banks (net) of ₹681.86 million and purchase of tangible assets (including capital advances, capital creditors and capital work in progress) and intangible assets of ₹114.26 million, which was partially offset by profit on sale of investments of ₹58.29 million.

Net cash used in investing activities was ₹379.51 million for the Financial Year 2021, which primarily related to investment in term deposits with banks (net) of ₹469.50 million and purchase of tangible assets (including capital advances, capital creditors and capital work in progress) and intangible assets of ₹79.69 million, which was partially offset by profit on sale of investments of ₹169.95 million.

Financing Activities

Net cash generated from financing activities was ₹12,432.19 million for the six months ended September 30, 2023. This primarily resulted from proceeds from borrowings of ₹19,751.00 million, proceeds from securitization arrangement of ₹10,243.30 million, and proceeds from debt securities of ₹3,000.00 million, partially offset by repayment of borrowings of ₹11,970.26 million, repayment of securitization arrangement of ₹6,066.31 million and repayment of debt securities of ₹2,384.84 million.

Net cash generated from financing activities was ₹13,167.33 million for the six months ended September 30, 2022. This primarily resulted from proceeds from borrowings of ₹14,290.00 million, proceeds from securitization arrangement of ₹6,613.58 million, and proceeds from debt securities of ₹5,629.39 million, partially offset by repayment of borrowings of ₹9,097.94 million, repayment of securitization arrangement of ₹3,355.42 million and repayment of debt securities of ₹1,378.57 million.

Net cash generated from financing activities was ₹25,665.40 million for the Financial Year 2023. This primarily resulted from proceeds from borrowings of ₹36,394.80 million, proceeds from securitization arrangement of ₹13,092.63 million, and proceeds from debt securities of ₹9,091.27 million, partially offset by repayment of borrowings of ₹22,168.21 million, repayment of securitization arrangement of ₹8,966.65 million and repayment of debt securities of ₹2,121.26 million.

Net cash generated from financing activities was ₹13,441.30 million for the Financial Year 2022. This primarily resulted from proceeds from proceeds from borrowings of ₹23,837.50 million, proceeds from debt securities of ₹5,019.44 million, proceeds from securitization arrangement of ₹4,857.22 million, and proceeds from issue of preference shares of ₹3,733.86 million, partially offset by repayment of borrowings of ₹15,872.29 million, repayment of securitization arrangement of ₹5,185.72 million and repayment of debt securities of ₹2,709.11 million.

Net cash generated from financing activities was ₹796.90 million for the Financial Year 2021. This primarily resulted from proceeds from borrowings of ₹9,239.30 million, proceeds from securitization arrangement of ₹4,835.70 million, and proceeds from debt securities of ₹2,390.50 million, partially offset by repayment of borrowings of ₹15,158.54 million and repayment of securitization arrangement of 365.54 million.

Capital Expenditure

During the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, we invested ₹79.69 million, ₹114.26 million, ₹281.79 million, ₹120.69 million and ₹115.70 million, respectively, in capital expenditure. The following table sets forth our capital expenditure for the periods mentioned:

	For the Six months Ended September 30,		**For the Financial Year**		
	2023	**2022**	**2023**	**2022**	**2021**
	(₹ in millions)		*(₹ in millions)*		
Tangible Assets (including capital advances and capital work-in-progress)	115.55	120.12	279.23	114.26	79.69
Intangible Assets (including capital advances and capital work-in-progress)	0.15	0.57	2.56	-	-
Total	**115.70**	**120.69**	**281.79**	**114.26**	**79.69**

Contractual Obligations

The following table sets forth a summary of the maturity profile of our contractual obligations as of September 30, 2023:

(₹ in millions)

Particulars	As of September 30, 2023				
	Payment due by period				
	On demand	Less than one year	One to five years	More than 5 years	Total
Trade payables	-	149.10	0.53	-	149.63
Salaries and bonus payable	-	132.91	-	-	132.91
Lease liabilities	-	308.93	1,151.77	656.32	2,117.02
Payable towards assigned portfolio	-	709.39	-	-	709.39
Interest accrued but not due on borrowings	238.59	958.53	-	-	1,197.12
Other payable	-	625.31	-	-	625.31
Other non-financial liabilities	95.98	1.08	-	-	97.06
Total	**334.57**	**2,885.25**	**1 152.30**	656.32	**5,028.44**

Assignment Arrangements

During the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023, we have assigned loans of ₹7,659.93 million, ₹16,391.08 million, ₹18,322.48 million, ₹7,292.78 million and ₹12,265.77 million, respectively. The following table sets forth information regarding our direct assignment activity during the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022 and 2023.

	For the Six months Ended September 30, 2023		For the Financial Year		
	2023	2022	2023	2022	2021
	(₹ in millions)		*(₹ in millions)*		
Total book value of the loan asset assigned	12,265.77	7,292.78	18,322.48	16,391.08	7,659.93
Sale consideration received for the loan asset assigned	10,658.48	6,433.26	16,133.49	14,104.09	6,061.82

Under the agreements for the assignment of loans, we transfer all the rights and obligations relating to the loan assets assigned as shown above to banks.

Contingent Liabilities and Commitments

As at September 30, 2023, credit enhancements provided by our Company towards securitisation transactions aggregated to ₹5,196.22 million.

Capital to Risk Asset Ratios

The NBFC-SI Master Directions require all NBFC-MFIs to maintain a capital adequacy ratio consisting of Tier I and Tier II capital that is not less than 15.00% of their aggregate risk-weighted assets. Our capital to risk assets ratio as of September 30, 2023, September 30, 2022, March 31, 2023, March 31, 2022 and March 31, 2021 was 20.46%, 24.16%, 21.87%, 28.75% and 22.55%, respectively.

Our capital adequacy information as of periods indicated below is as follows:

	As of Six months Ended September 30, 2023		As of March 31,		
	2023	2022	2023	2022	2021
	(₹ in millions)		*(₹ in millions)*		
Tier I capital(1)	15,403.52	12,252.95	13,638.38	11,336.55	7,253.00
Tier II capital(2)	-	-	-	150.12	250.33
Total Tier I and Tier II capital	15,403.52	12,252.95	13,638.38	11,486.67	7,503.33
Total risk weighted assets(3)	75,274.17	50,716.38	62,358.19	39,947.73	33,269.15

	As of Six months Ended September 30, 2023		As of March 31,		
	2023	2022	2023	2022	2021
	(₹ in millions)		*(₹ in millions)*		
Tier I capital to risk assets ratio *(%)*	20.46%	24.16%	21.87%	28.38%	21.80%
Tier II capital to risk assets ratio *(%)*	-	-	-	0.38%	0.75%
Total capital to risk assets ratio(4) *(%)*	20.46%	24.16%	21.87%	28.75%	22.55%

Notes:

(1) Tier I capital include (i) paid-up capital (ordinary shares), statutory reserves, and other disclosed free reserves, if any; (ii) perpetual non-cumulative preference shares eligible for inclusion as Tier I capital, subject to laws in force from time to time; (iii) innovative perpetual debt instruments eligible for inclusion as Tier I capital; and (iv) capital reserves representing surplus arising out of sale proceeds of assets, as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances, including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund as defined in the Master Circular on Prudential Norms on Capital Adequacy, Basel I Framework dated July 1, 2015 issued by the RBI.

(2) Tier II capital include undisclosed reserves, revaluation reserves, general provisions and loss reserves, hybrid capital instruments, subordinated debt and investment reserve account to the extent the aggregate does not exceed Tier I capital.

(3) Total risk weighted assets represents the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI.

(4) The total capital to risk assets ratio is calculated as capital funds (Tier I capital plus Tier II capital) divided by risk-weighted assets (the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI).

Interest Rate Risk

Since we have fixed rate Rupee assets and a mix of floating and fixed rate liabilities, movements in domestic interest rates constitute the main source of interest rate risk. However, in relation to our fixed deposits which are carried at amortised cost and are fixed rate deposits, we are not subject to interest rate risk as defined in Ind AS 107, as neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. We assess and manage the interest rate risk on our balance sheet through the process of asset liability management. Our cost of borrowings will be negatively affected by an increase in interest rates. Exposure to fluctuations in interest rates is measured primarily by gap analysis of the maturity profile of our assets and liabilities.

Liquidity Risk

Liquidity risk arises from the absence of liquid resources, when funding loans, and repaying borrowings. This could be due to a decline in the expected collection, or our inability to raise adequate resources at an appropriate price. This risk is minimized through a mix of strategies, including the maintenance of back-up bank credit lines and following a forward-looking borrowing program based on projected loans and maturing obligations.

Unusual or Infrequent Events or Transactions

Except as disclosed in this Prospectus, to our knowledge, there have not been any unusual or infrequent events or transactions that have affected, or may in the future affect, our business operations or future financial performance.

Known Trends or Uncertainties

Our business has been affected and we expect that it will continue to be affected by the trends identified above in "- *Significant Factors Affecting Our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 391 and 31, respectively. To our knowledge, except as disclosed in this Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

Dependence on a Few Suppliers or Customers

We do not depend on a limited number of suppliers or customers for our revenues and operations.

New Products or Business Segments

Except as disclosed in "*Our Business*" on page 181, we have not announced and do not expect to announce in the near future any new products or business segments.

Future Relationship between Cost and Revenue

Other than as described in "*Risk Factors*" and this section, there are no known factors that might affect the future relationship between cost and revenue.

Competitive Conditions

We expect to continue to compete with existing and potential competitors. For details, please refer to the discussions of our competition in "*Risk Factors*" and "*Our Business*" on pages 31 and 181, respectively.

Impact of Inflation

Although India has experienced an increase in inflation rates in recent years, inflation has not had a material impact on our business and results of operations.

Seasonality of Business

Our business is subject to seasonality as we typically see higher borrowings by our customers during the third and fourth quarter of each Financial Year. We also typically have higher drawdowns under our facilities in the third and fourth quarter of each Financial Year. See "*Risk Factors – Internal Risks – Our business is subject to seasonality, which may contribute to fluctuations in our results of operations and financial condition.*" on page 55.

Significant Developments after September 30, 2023

Except as disclosed below, no circumstances have arisen since the date of the last financial statements as disclosed in this Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Pursuant to resolutions, each dated November 25, 2023, passed by our Board and our Shareholders, 23,360,260 CCPS of face value of ₹10 each held by GPC were converted to 27,520,722 Equity Shares of face value of ₹10 each, as disclosed in "*Note 52B – Restated Financial Statements*" on page 359.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at September 30, 2023, derived from our Restated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Restated Financial Statements*" and "*Risk Factors*" on pages 388, 278, and 31, respectively.

(₹ in million)

Particulars	Pre-Offer (as at September 30, 2023)#	Post Offer*
Total borrowings$		
Current borrowings@ (A)	46,139.32	47,931.47
Non-current borrowings (including current maturities of long-term borrowings) @ (B)	31,321.78	31,130.64
Total borrowings (C =A+B)	**77,461.10**	**79,062.11**
Equity&		
Share capital (D)^	1,401.98	1,443.58
Other equity@ (E)	17,018.97	18,868.49
Total Equity (F = D+E)	**18,420.95**	20,312.07
Total Capitalisation (G = C+F)	**95,882.05**	**99,934.18**
Ratio: Total non-current borrowings (including current maturities of long-term borrowings) / Total Equity (B/F)	**1.70**	1.53
Ratio: Total borrowings/ Total Equity (C/F)	**4.21**	3.89

Note: *The Pre-Offer figures as at September 30, 2023 have been derived from the Restated Financial Statements of our Company.*

& *Pursuant to resolutions, each dated November 25, 2023, passed by our Board and our Shareholders, 23,360,260 CCPS held by GPC were converted to 27,520,722 Equity Shares of face value of ₹10 each. For details, see "Capital Structure – Notes to Capital Structure – Share Capital history of our Company" on page 83*

^ *Share capital includes Compulsorily Convertible Preference Shares.*

$ *Both Current and Non-Current Borrowings include Debt Securities and Borrowings (other than debt securities).The figures for current and non-current borrowings reported above are obtained from maturity analysis (refer Note no. 40 of Restated Financial Statements).*

As certified by Sharp & Tannan Associates, Chartered Accountants, pursuant to the certificate dated December 21, 2023.

@ *These terms carry the same meaning as per Schedule III of the Companies Act.*

* *Subject to finalisation of the Basis of Allotment.*

FINANCIAL INDEBTEDNESS

Our Company has availed loans and other financing arrangements in the ordinary course of business primarily for onward lending to the borrowers of our Company and to meet its business requirements.

For details regarding the borrowing powers of our Board, please see "*Our Management – Borrowing powers of the Board*" on page 234.

Set forth below is a table of the aggregate borrowings of our Company, as on October 31, 2023:

(₹ in million)

Category of borrowing	Sanctioned amount*	Outstanding amount*
Fund Based facilities		
Secured		
Term Loans – Banks	58,285.00	33,020.62
Term Loans – Financial Institutions	32,165.00	17,205.27
Securitisation arrangements	24,894.56	13,300.49
ECBs	2,875.80	2,869.66
NCDs	15,532.00	13,365.91
Unsecured		
Commercial Paper	0.00	0.00
Term Loans – Financial Institutions	1,000.00	880.77
Total	**134,752.36**	**80,642.72**

* *As certified by Sharp & Tannan Associates, Chartered Accountants, pursuant to the certificate dated December 21, 2023.*

As on the date of this Prospectus, our Company has availed term loans from the following lenders:

Sr. No.	Name of the lender	Date of sanction letter
1.	State Bank of India	November 4, 2020
2.	Canara Bank Limited	September 14, 2021
3.	Bank of Baroda	September 23, 2021
4.	Indian Overseas Bank	March 21, 2022
5.	State Bank of India	August 29, 2022
6.	Union Bank of India	September 28, 2022
7.	Bank of Baroda	September 29, 2022
8.	UCO Bank	October 31, 2022
9.	Punjab and Sind Bank	March 9, 2023
10.	State Bank of India	August 30, 2023
11.	UCO Bank	October 20, 2023
12.	Karnataka Bank Limited	January 22, 2021
13.	Industrial Development Bank of India (IDBI)	August 9, 2021
14.	Axis Bank Limited	November 30, 2021
15.	Bandhan Bank Limited	December 01, 2022
16.	DCB Bank Limited	December 24, 2021
17.	Karnataka Bank Limited	December 28, 2021
18.	Kotak Mahindra Bank Limited	March 2, 2022
19.	Industrial Development Bank of India (IDBI)	March 30, 2022
20.	Axis Bank Limited	May 11, 2022
21.	Karur Vysya Bank Limited	July 6, 2022
22.	Industrial Credit and Investment Corporation of India Bank (ICICI)	August 17, 2022
23.	Kotak Mahindra Bank Limited	October 10, 2022
24.	Bandhan Bank Limited	December 1, 2022
25.	DCB Bank Limited	December 15, 2022
26.	Federal Bank Limited	December 26, 2022
27.	Industrial Credit and Investment Corporation of India Bank (ICICI)	March 17, 2023
28.	IDFC First Bank Limited	March 03, 2023
29.	HDFC Bank	March 27, 2023
30.	Karur Vysya Bank Limited	April 11, 2023
31.	Industrial Development Bank of India (IDBI)	July 27, 2023
32.	DCB Bank Limited	August 28, 2023
33.	State Bank of Mauritius	September 13, 2023
34.	Axis Bank Limited	October 23, 2023
35.	Bank of Bahrain and Kuwait	January 27, 2021
36.	Standard Chartered Bank	September 30, 2021
37.	Bank of Bahrain and Kuwait	July 1, 2022
38.	HSBC Limited	July 19, 2022
39.	Development Bank of Singapore Limited (DBS)	August 22, 2022
40.	Industrial and Commercial Bank of China Limited (ICBC)	August 19, 2022
41.	KB Kookmin Bank	November 17, 2022
42.	Woori Bank	December 30, 2022

Sr. No.	Name of the lender	Date of sanction letter
43.	Standard Chartered Bank	February 6, 2023
44.	Standard Chartered Bank	February 6, 2023
45.	Standard Chartered Bank	May 30, 2023
46.	Bank of Bahrain and Kuwait	July 20, 2023
47.	HSBC Limited	July 14, 2023
48.	Development Bank of Singapore Limited (DBS)	July 27, 2023
49.	Standard Chartered Bank	August 29, 2023
50.	HSBC Limited	September 08, 2023
51.	Jana Small Finance Bank Limited	July 27, 2021
52.	Equitas Small Finance Bank Limited	December 28, 2021
53.	Utkarsh Small Finance Bank Limited	June 03, 2022
54.	Suryoday Small Finance Bank Limited	August 30, 2022
55.	Jana Small Finance Bank Limited	November 16, 2022
56.	Jana Small Finance Bank Limited	August 18, 2023
57.	NABARD	September 10, 2018
58.	NABARD	March 11, 2019
59.	NABARD	August 29, 2019
60.	NABKISAN Finance Limited	January 30, 2021
61.	Maanaveeya Development & Finance Private Limited (Oikocredit)	February 26, 2021
62.	MAS Financial Services Ltd. (MAS)	January 07, 2021
63.	Nabsamruddhi Finance Limited	December 17, 2021
64.	Small Industries Development Bank of India (SIDBI)	January 17, 2022
65.	NABKISAN Finance Limited	February 18, 2022
66.	MUDRA Bank	February 14, 2022
67.	NABARD Financial Services Limited	March 25, 2022
68.	Piramal Capital & Housing Finance Limited	March 30, 2022
69.	Tata Capital Financial Services Limited	May 17, 2022
70.	Sundaram Finance Limited	July 8, 2022
71.	Hinduja Leyland Finance Limited (HLF)	September 28, 2022
72.	MAS Financial Services Ltd. (MAS)	September 28, 2022
73.	Mahindra & Mahindra Financial Services Limited	September 22, 2022
74.	Credit Saison Co., Ltd. (Kisestsu Saison Finance (India) Pvt Ltd)	September 27, 2022
75.	NABKISANFinance Limited	November 18, 2022
76.	Piramal Capital & Housing Finance Limited	December 22, 2022
77.	MAS Financial Services Ltd. (MAS)	December 27, 2022
78.	Aditya Birla Finance Limited	December 29, 2022
79.	NABARD	February 14, 2023
80.	Hinduja Leyland Finance Limited (HLF)	September 28, 2022
81.	JM Financial Products Limited	March 9, 2023
82.	Hero Fincorp Limited	May 29, 2023
83.	Northern Arc Capital Limited	July 25, 2023
84.	Nabsamrudhhi Finance Limited	July 26, 2023
85.	Sundaram Finance Limited	August 3, 2023
86.	Credit Saison Co., Ltd.(Kisestsu Saison Finance (India) Private Limited)	August 21, 2023
87.	Hinduja Leyland Finance Limited (HLF)	September 21, 2023
88.	Tata Capital Financial Services Limited	September 23, 2023
89.	Small Industries Development Bank of India (SIDBI)	September 25, 2023
90.	Karnataka Bank Limited	November 9, 2023
91.	Federal Bank Limited	November 21, 2023

i. Secured Facilities

a. Term Loans – Banks

(*₹ in million*)

Particulars	Six months ended		Financial Year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Opening Balance	29,200.06	16,481.93	16,481.93	11,848.61	16,909.84
Closing Balance	31,734.75	23,408.32	29,200.07	16,481.93	11,848.61
New Loans	10,695.00	10,900.00	25,300.00	14,507.50	5,275.00
Loans repaid	8,160.31	3,973.61	12,581.86	9,874.18	10,336.23

b. Term Loans – Financial Institutions

(*₹ in million*)

Particulars	Six months ended		Financial Year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Opening Balance	11,678.52	11,687.60	11,687.60	8,196.15	9,909.46
Closing Balance	15,176.72	10,244.38	11,678.52	11,687.60	8,196.14
New Loans	7,235.00	3,390.00	9,040.00	8,930.00	2,950.00

Particulars	Six months ended		Financial Year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Loans repaid	3,736.80	4,833.22	9,049.08	5,438.55	4,663.32

c. Securitisation arrangements

(*₹ in million*)

Particulars	Six months ended		Financial Year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Opening Balance	8,230.63	4,121.09	4,121.09	4,458.92	-
Closing Balance	12,405.75	7,378.87	8,230.63	4,121.09	4,458.92
New Loans	10,243.30	6,613.58	13,092.63	4,857.22	4,835.70
Loans repaid	6,068.18	3,355.80	8,983.09	5,195.05	376.78

d. ECBs

(*₹ in million*)

Particulars	Six months ended		Financial Year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Opening Balance	2,047.76	-	-	-	-
Closing Balance	2,869.42	-	2,047.76	-	-
New Loans	821.00	-	2,054.80	-	-
Loans repaid	(0.66)	-	7.04	-	-

e. NCDs

(*₹ in million*)

Particulars	Six months ended		Financial Year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Opening Balance	13,216.67	6,249.44	6,249.44	4,234.19	2,144.91
Closing Balance	14,356.23	10,958.64	13,216.67	6,249.44	4,234.19
New Loans	3,000.00	5,147.64	8,132.00	4,054.00	2,100.00
Loans repaid	1,860.44	438.44	1,164.77	2,038.75	10.72

ii. Unsecured Facilities

a. Commercial Paper

(*₹ in million*)

Particulars	Six months ended		Financial Year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Opening Balance	484.84	496.83	496.83	290.50	-
Closing Balance	-	-	484.84	496.83	290.50
New Loans	-	481.74	959.27	965.44	290.50
Loans repaid	484.84	978.57	971.26	759.11	-

b. Term loans – Financial Institutions

(*₹ in million*)

Particulars	Six months ended		Financial Year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Opening Balance	73.27	929.20	929.20	1,128.21	249.28
Closing Balance	918.23	316.94	73.27	929.20	1,128.22
New Loans	1,000.00	-	-	400.00	1,000.00
Loans repaid	155.04	612.26	855.93	598.99	121.06

As on the date of this Prospectus, our Company has received consent from the following lenders:

Sr. No.	Name of the Lenders
Term Loan	
1.	State Bank of India
2.	Karnataka Bank Limited
3.	Canara Bank
4.	Bank of Baroda
5.	Indian Overseas Bank
6.	Union Bank of India
7.	UCO Bank
8.	Punjab and Sind Bank
9.	Kotak Mahindra Bank Limited
10.	Industrial Development Bank of India (IDBI)
11.	Axis Bank Limited
12.	Bandhan Bank Limited
13.	DCB Bank Limited
14.	Karur Vysya Bank Limited

Sr. No.	Name of the Lenders
15.	Industrial Credit and Investment Corporation of India Bank (ICICI)
16.	Federal Bank Limited
17.	IDFC First Bank Limited
18.	HDFC Bank Limited
19.	SBM Bank India Limited
20.	Bank of Bahrain and Kuwait/BBK
21.	Woori Bank
22.	Standard Chartered Bank
23.	HSBC Limited
24.	Development Bank of Singapore Limited (DBS)
25.	Industrial and Commercial Bank of China Limited (ICBC)
26.	KB Kookmin Bank
27.	Equitas Small Finance Bank Limited
28.	Jana Small Finance Bank Limited
29.	Suryoday Small Finance Bank Limited
30.	Utkarsh Small Finance Bank Limited
31.	NABARD
32.	Small Industries Development Bank of India (SIDBI)
33.	NABKISAN Finance Limited
34.	Maanaveeya Development & Finance Private Limited (Oikocredit)
35.	NABFINS Limited
36.	Northern Arc Capital Limited
37.	Capri Global Capital Limited
38.	Credit Saison Co., Ltd. (Kisestsu Saison Finance (India) Private Limited)
39.	MAS Financial Services Ltd. (MAS)
40.	Nabsamruddhi Finance Limited
41.	MUDRA Bank
42.	Piramal Enterprises Limited
43.	Tata Capital Financial Services Limited
44.	Sundaram Finance Limited
45.	Hinduja Leyland Finance Limited (HLF)
46.	Mahindra & Mahindra Financial Services Limited
47.	Aditya Birla Finance Limited
48.	Hero Fincorp Limited
49.	JM Financial Products Limited
DA	
50.	Catalyst Trusteeship Limited
51.	Beacon Trusteeship Services Limited
52.	Bank of Baroda
53.	IDFC First Bank Limited
54.	Axis Bank Limited
55.	Piramal Enterprises Limited
56.	Bank of Maharashtra
PTC	
57.	Catalyst Trusteeship limited
58.	IDBI Trusteeship Services Limited
59.	Vardhman Trusteeship Private Limited
NCD	
55.	Catalyst Trusteeship Limited
56.	Vardhman Trusteeship Private Limited
56.	A.K Capital Services Limited
MLD	
58.	Vardhman Trusteeship Private Limited
59.	Yubi Securities
ECB	
60.	ResponAbility SICAV (Lux)
61.	Blue Orchard Microfinance Fund

Principal terms of our outstanding borrowings (“**Borrowings**”) availed by our Company:

1. *Tenor*: The tenor of the term loans availed by us typically ranges from 12 months to 66 months.

   The maturity period of the NCDs and MLDs issued by us typically ranges from 18 months to 72 months and 18 months to 27 months, respectively. Further, the ECBs issued by us are typically valid up to 60 months and the maturity period of the securitisation arrangements entered into by us ranges from 16 months to 22 months.

2. *Interest*: In terms of the loans availed by us, the interest rate is typically the base rate/ MCLR of a specified lender and spread per annum, subject to a minimum interest rate. The spread varies among different loans.

Our Company has also issued NCDs and MLDs to various subscribers, for which our Company has into debenture trust deeds and in terms of these facilities, a specified interest or coupon rate is to be paid per annum. The coupon rate for such facilities issued by our Company typically ranges from 9.90% per annum to 11.55% per annum. The interest rate for the term loans availed by our Company ranges from 5.15% per annum to 12.50% per annum. The securitisation arrangements entered into by us prescribe interest rates ranging from 9.15% per annum to 9.75% per annum.

Further, for certain borrowings availed by our Company, additional interest rates have been stipulated on the occurrence of certain events of default including, but not limited to, payment related default and breach of terms and conditions.

3. ***Security***: Our secured borrowings are typically secured by way of:

    a) Exclusive and continuing charge by way of hypothecation or assignment on the specific book debts arising out of the loans extended, including present and future book debts/ loan assets;

    b) First and exclusive charge on the standard receivables along with the prescribed security cover;

    c) Asset cover for the loan by way of charge over the loan assets/ book debts at a minimum prescribed limit;

    d) Undated security cheques;

    e) Lien on term deposits;

    f) Guarantee under Credit Guarantee Scheme for MFIs and guarantee of National Credit Guarantee Trustee;

    g) Cash margin in the form of fixed deposits kept under lien with the lender;

    h) Cash collaterals and security cover; and

    i) Demand promissory notes and letters of continuity for specified amounts in the form approved by the relevant lender.

4. ***Repayment:*** While certain term loans are repayable on demand, the repayment period for our term loans typically ranges from 12 months to 66 months. Further, in terms of the NCDs, MLDs and ECBs, the redemption period typically ranges from 18 months to 72 months. With respect to certain of our NCDs, trustees have the right to call for early redemption of the debentures by exercising the put option 36 months after the deemed date of allotment, on behalf of the debenture holders.

5. ***Prepayment:*** The term loans availed and NCDs, MLDs and ECBs issued by our Company typically have prepayment and early redemption provisions respectively, which allow for prepayment or early redemption respectively, with prior notice on payment of certain penalties. While few of our term loans can be repaid only on the lender's discretion, the prepayment penalty typically ranges from 1.00% to 5.00% of the amount being prepaid with respect to the term loans and 2.00% to 5.00% with respect to NCDs, MLDs and ECBs.

6. ***Penalty:*** The facilities issued and availed by our Company contain provisions prescribing penalties, over and above the prescribed interest rate, for delayed payment or default in the repayment obligations of our Company, which typically range from 1.00% to 6.00% of the amounts involved with respect to term loans and 2.00% to 5.00% with respect to NCDs, MLDs and ECBs. The penalty interest for the PTC facilities availed by us typically ranges from 2.00% to 15.00%.

7. ***Restrictive covenants:*** The loans availed by our Company typically, contain certain key covenants, which require prior approval of, or intimation to, the lenders and other relevant parties for certain specified events on corporate actions, including *inter-alia*:

    a) Change in capital structure or shareholding pattern or members or ownership of our Company;

    b) Change in the management control of our Company;

    c) Creation of further charge or any other encumbrance on the security provided for our borrowings;

    d) Change or expansion in business activities;

    e) Amendment or modification of constitutional documents of our Company;

    f) Change in accounting policies (unless expressly required by law);

    g) Invest in any funds by way of deposits, or loans or in share capital of any other concerns;

    h) Obtaining any facility from a related party;

i) Withdraw or allow being withdrawn any monies brought in by the promoters and directors or relatives of such promoters or directors;

j) Formulation of scheme of merger, demerger, amalgamation, acquisition, reorganisation, or reconstruction or implementing a new scheme of expansion;

k) Entering into hire purchase agreements or availing further loans or facilities including, against the assets offered as security;

l) Advancing loans or guarantees or letters of comfort on behalf of any other borrower;

m) Advancing loans to directors, associates, or other companies;

n) Sale or disposal of undertaking;

o) Assign or transfer all or any of our rights, benefits, or obligations under any finance document;

p) Dilution of promoter shareholding and non-maintenance of shareholding of promoters/ directors at the prescribed threshold; and

q) Declaration or payment of dividends by our Company.

8. ***Events of default:*** Borrowing arrangements entered into by our Company contain standard events of default, including *inter-alia*:

a) Change in capital structure or shareholding pattern of our Company without prior approval of the lender;

b) Creation of any further charge on the fixed assets of our Company without prior approval of the lender;

c) Violation of any term of the relevant agreement or any other borrowing agreement entered into by our Company with the lender;

d) Any change in the financial ratios of our Company beyond the prescribed limits as mentioned under various borrowing agreements;

e) Any merger, consolidation, re-organisation, scheme of arrangement or compromise between our Company and its creditors or shareholders or if our Company effects any scheme of amalgamation or reconstruction without prior approval of the lender;

f) Change in management or control of our Company without prior approval of the lender;

g) If our Company causes any material change to the nature or conduct of business, ceases to carry on its business or gives notice of its intention to do so without prior approval of the lender;

h) Non-creation of the required security as required under the loan agreement entered into between our Company and lender within the stipulated time;

i) Non-payment of instalment/ interest within stipulated time;

j) Diversion of funds for purposes other than the sanctioned purpose;

k) Change or amendment to the constitutional documents without prior approval of the lender;

l) Down-grading of credit ratings below specified limits, as stipulated by the lender;

m) If our Company fails to furnish to the lender detailed end use statement of the loan as and when so required by the lender within the time prescribed by the lender;

n) If a receiver is appointed in respect of the whole or any part of the property/assets of our Company or if any attachment, distress, execution, or other process against our Company, or any of the securities is imposed or levied upon;

o) Any government (including any political or administrative sub-division thereof), governmental authority, agency, official or entity takes or threatens any action against our Company;

p) Our Company voluntarily or involuntarily becomes the subject of proceedings under any bankruptcy or insolvency law;

q) A moratorium is declared in respect of any indebtedness of our Company or the security provider;

r) Classification of our Company, the Promoters, the Directors as wilful defaulters or fraud; and

s) All or substantially all of the undertaking, assets or properties of our Company or its interests therein are seized, nationalised, expropriated or compulsorily acquired by the authority of Government.

9. ***Consequences on occurrence of event of default***: In terms of the facility agreements and sanction letters, in case of occurrence of events of default set out above, our lenders may, among others:

a) terminate either whole or part of the facility and/ or declare that the dues and all obligations shall immediately become due and payable to the lender;

b) declare security created to be enforceable;

c) take possession of and/or transfer the assets comprised within the security;

d) appointment of observer/ nominee director on the board;

e) recall the entire facility including any outstanding amount thereto;

f) trigger cross-default provisions as prescribed in the facility documentation;

g) conversion of outstanding loan obligations into equity or other securities;

h) stipulate any additional condition as they may deem fit including but not limited to stipulation of additional security / collateral, require infusion of additional equity / funds from the promoter;

i) review the management set-up or organization of our Company; and

j) exercise such remedies as may be permitted or available to the lender under law, including RBI guidelines.

The details provided above are indicative and there may be additional terms, conditions, and requirements under the various outstanding borrowing arrangements of our Company.

For the purpose of the Offer, our Company has obtained necessary consents from our lenders as required under the relevant loan documentations for undertaking activities relating to the Offer including consequent corporate actions, such as change in our capital structure, change in the board composition, amendments to the charter documents of our Company, etc.

For further details on risk factors related to our indebtedness, refer "*Risk Factors –We are subject to certain conditions under our financing arrangements, which could restrict our ability to conduct our business and operations in the manner we desire*", on page 35.

Details of listed non-convertible debentures issued by our Company

The following table sets forth the ISIN and scrip code of the non-convertible debentures issued by our Company:

ISIN	Scrip Code	Status	Debenture Holder	Outstanding principal amount* *(in ₹ million)*	Maturity
INE046W07065	959092	Active	Blue Orchard Microfinance Fund	700.00	November 27, 2024
INE046W07115	960250	Active	Japan ASIAN Women Empowerment Fund	450.00	May 25, 2024
INE046W07149	973696	Active	Northern Arc Capital Limited and Northern Arc Money Market Alpha Trust with Northern Arc Money Market Alpha Fund	1,154.00	March 31, 2024
INE046W07172	973962	Active	Blue Orchard Microfinance Fund	380.00	May 27, 2027
INE046W07180	973973	Active	Blue Orchard Microfinance Fund	1,120.00	June 3, 2027
INE046W07198	NA	Active	Global Access Fund	932.00	December 15, 2025
INE046W07206	974076	Active	S K Finance Limited	1,000.00	January 27, 2024
INE046W07214	974086	Active	Northern Arc Capital Limited	700.00	April 29, 2024
INE046W07206	974076	Active	MAS Financial Services Limited and S K Finance Limited	1,000.00	January 27, 2024
INE046W07222	974470	Active	Vivriti Capital Private Limited, S K Finance Limited and Credavenue Securities Private Limited	1,000.00	June 22, 2024
INE046W07230	974561	Active	A. K. Capital Finance Limited, OXYZO Financial Services Private Limited and A. K. Capital Services Limited	1,000.00	January 27, 2026
INE046W07230	974561	Active	A. K. Capital Finance Limited	1,000.00	January 27, 2026
INE046W07248	974881	Active	A.K. Capital Finance Limited, A. K. Capital Services Limited, OXYZO Financial Services Private Limited, Merit Credit Corporation Limited, A. K. Wealth Management Private Limited, A. K.	1,500.00	June 5, 2026

ISIN	Scrip Code	Status	Debenture Holder	Outstanding principal amount* (in ₹ million)	Maturity
			Capital Corporation Private Limited, M. Square Financial Consultants and Auto Private Limited and Mas Financial Services Limited		
INE046W07255	974966	Active	A.K. Capital Finance Limited	750.00	July 7, 2026
INE046W07263	975004	Active	A.K. Capital Finance Limited	750.00	August 1, 2026
Total				**13,436.00**	

* *As certified by Sharp & Tannan Associates, Chartered Accountants, pursuant to the certificate dated December 21, 2023.*

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, as on the date of this Prospectus, there are no outstanding (i) criminal proceedings (including matters which are at FIR stage even if no cognizance has been taken by any court) involving the Company, the Promoters and its Directors ("**Relevant Parties**"); (ii) actions (including all penalties and show cause notices) taken by statutory or regulatory authorities against the Relevant Parties; (iii) tax matters involving the Relevant Parties regarding claims related to direct and indirect taxes; and (iv) civil litigations (including arbitration proceedings) involving the Company, Individual Promoters and its Directors based on the materiality policy adopted by the Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by the SEBI or stock exchanges against our Promoters in the last five Financial Years, including any outstanding action. As on the date of this Prospectus, there are no subsidiaries of our Company.*

For the purpose of disclosure of pending material litigation in (iv) above, our Board in its meeting held on June 26, 2023 and November 25, 2023 has considered and adopted the Materiality Policy, in terms of which, any outstanding litigation involving a claim or an amount which exceeds ₹16.39 million, being the amount equivalent to 1.00% of the PAT as per the latest Restated Financial Statements, which was ₹1,638.89 million, would be considered 'material'. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a material adverse bearing on the business, operations, performance, prospectus, reputation, results of operations or cash flows of our Company. This will also include civil litigations where the decision in one case is likely to affect the decision in similar cases even though the amount involved in an individual litigation may not exceed the amount equivalent to 1.00% of the PAT as per the Restated Financial Statements.

Further, given the nature and extent of operations of MFL, our Board has, pursuant to its resolution dated June 26, 2023, considered the outstanding civil litigation involving MFL which exceeds 1.00% of the PAT of MFL, as per the consolidated financial statements of MFL, for the Financial Year ended March 31, 2023, to be material. Accordingly, we have only disclosed all outstanding civil litigations involving MFL wherein the aggregate amount involved exceeds ₹45.98 million individually. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a material adverse bearing on the operations or performance of our Company.

For the purposes of this section, pre-litigation notices (excluding statutory/ regulatory/ governmental/ tax authorities and FIRs as applicable), have not been considered material and/ or have not been disclosed as pending matters until such litigation proceedings have been initiated before any judicial or arbitral forum.

Furthermore, except as stated in this section and in terms of the Materiality Policy, there is no pending litigation involving our Group Companies, the adverse outcome of which may have a material impact on our Company.

There are no outstanding material dues to creditors of our Company. In terms of the Materiality Policy, outstanding dues to any creditor (on the basis of trade payables) of our Company having a monetary value which exceeds 5.00% of the total trade payables of our Company as of September 30, 2023 shall be considered as 'material'. Accordingly, as on September 30, 2023, any outstanding dues exceeding ₹7.48 million have been considered as material outstanding dues for the purposes of identification of material creditors and related information in this section. Further, for outstanding dues to MSMEs, the disclosure is based on information available with our Company regarding status of the creditors under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended read with the rules and notifications thereunder.

All terms defined in a particular litigation disclosure below correspond to that particular litigation only.

Litigation involving our Company

Litigation against our Company

Criminal Litigation

1. A FIR dated November 17, 2022 was filed by Greeshma ("**Complainant**") under Sections 323, 341, 354, 451 read with Section 34 of the IPC against the employees of our Company, namely, Sujesh M S, branch manager, Rohit M G, collection executive and Akshay M.A, assistant branch manager (collectively, the "**Respondents**"), for assaulting and outraging the modesty of the Complainant. Subsequently, the Respondents filed for an anticipatory bail application bearing number 9398 dated November 18, 2022 before the High Court of Kerala (the "**High Court**"). The High Court pursuant to its order dated December 5, 2022 granted an anticipatory bail to the Respondents. The matter is currently pending investigation.

2. A criminal revision petition has been filed by Chandan A.C. under Section 397 of CrPC against our Company challenging the criminal complaint filed by Company under Section 406, 420, 426 alleging criminal breach of trust, cheating and dishonestly inducing delivery of property and mischief. The matter is currently pending before the Principal and District Sessions Judge, Hassan.

Actions taken by Regulatory and Statutory Authorities

1. The Directorate of Enforcement, Kochi Zonal Office, Ministry of Finance, Government of India ("**ED**") has issued a summon dated December 7, 2022, bearing number FEMA/SUMMON/KCZO/2022/365, to our Managing Director, under Sections 37(1) and 37(3) of the Foreign Exchange Management Act, 1999 ("**FEMA**") read with Section 131(1) of the IT Act and Section 30 of the Code of Civil Procedure, 1908, each as amended, directing him to make a personal appearance at the office of the ED to provide evidence and to produce books of accounts and other documents, *inter alia*, details of bank accounts maintained by him, his family members and our Company, details of movable and immovable properties purchased/ sold in their names, copies of income tax returns filed by our Managing Director from financial year 2016-17 onwards, details of companies, firms, concerns, where our Managing Director is a director, partner or a proprietor, source of funds together with supporting documents in relation to cash deposited amounting to ₹44,172,643 during the demonetization period and copy of financial statements including balance sheet & profit and loss of our Company from financial year 2016-17 onwards. Subsequently, similar summons dated January 4, 2023 and January 10, 2023 bearing number FEMA/SUMMON/KCZO/2022/377 and FEMA/SUMMON/KCZO/2023/399, respectively, were issued to our Managing Director (collectively referred to "**Summons**"). Our Company representatives appeared before the ED and submitted the required information and documents as required by ED pursuant to its Summons. Subsequent to the aforesaid personal hearings, neither our Managing Director nor our Company have received any further communication from the ED in this regard. For details, please see "*Risk Factors – The Directorate of Enforcement, Ministry of Finance, Government of India ("**ED**") has issued summons to our Managing Director directing him to provide certain information in relation to himself and our Company. There is no assurance that the ED will not take any action against us or our Managing Director, which may adversely impact our business and operations, financial condition and reputation*." on page 33.

2. Kerala Non-Banking Finance Welfare Association, an association and representative of non-banking financial institutions in the State of Kerala, has filed a writ petition (civil) on April 5, 2021 on behalf of its members, including our Company, before the High Court of Kerala against the State of Kerala ("**Civil Writ Petition**") challenging the notification dated January 16, 2020 ("**Notification**") for fixing the minimum rate of wages payable to employees employed in private financial institutions, such as our Company. The High Court of Kerala by way of its order dated April 20, 2021 granted an interim stay on the Notification and subsequently extended the said stay order granted until further orders, on June 30, 2022. This matter is currently pending before the High Court of Kerala. Our Company and our Promoter, Thomas Muthoot, have also received a show-cause notice dated December 17, 2020 for rectifying certain defects identified in the inspection report dated September 22, 2020 issued by Assistant Labour Officer, Attingal ("**ALO**"), and accordingly, our Company's representative appeared before the ALO on November 9, 2020 and submitted the requisite documents. The ALO filed a complaint against our Company and Thomas Muthoot under the Minimum Wages Act, 1948 before the Judicial First Class Magistrate Court I, Attingal for the alleged failure to upload the register of wages and employment electronically in form XIV and pay prescribed minimum rate of wages to workers. This matter is currently under stay in view of the stay order issued by the High Court of Kerala.

Material Civil Litigation

There is no outstanding material civil litigation involving our Company wherein the amount involved exceeds ₹16.39 million. Further, there is no outstanding litigation wherein monetary liability is not quantifiable, whose outcome would have a material adverse bearing on the business, operations, financial position or reputation of our Company.

As on the date of this Prospectus, the Ministry of Corporate Affairs or the RoC has not levied any penalty on the Company for any non-compliance with the extant provisions of the Companies Act.

Litigation by our Company

Criminal Litigation

1. Our Company has, in the ordinary course of its business, filed 10 complaints against various persons under Sections 190, 200 and 357 of the CrPC read with Sections 138 and 142 of the NI Act in relation to dishonour of cheques and recovery of dues. These matters are currently pending at different stages of adjudication before the Judicial First Class Magistrate, Ernakulam. The aggregate amount involved in these matters is ₹0.25 million.

2. Our Company has filed two complaints bearing number 1181/2023 and 1179/2023 each dated February 14, 2023 ("**Complaints**") against two individuals under Sections 190, 200 and 357 of the CrPC read with Section 25 of the PSSA in relation to recovery of dues. The dues were pertaining to default in the repayment of loans availed. The Complaints are currently pending at different stages of adjudication before the Judicial First Class Magistrate, Ernakulam. The aggregate amount involved in these matters is ₹0.05 million.

3. Our Company has filed 14 complaints against former employees of our Company and 29 complaints against third parties under Sections 190 and 200 of the CrPC read with Sections 138 and 142 of the NI Act. These matters are currently pending at different stages of adjudication before the Judicial First Class Magistrate, Ernakulam. The aggregate amount involved in these matters is ₹6.35 million.

4. Our Company, in the ordinary course of its business, has filed 190 FIRs, 76 complaints and 19 criminal petitions against its employees and third parties under several Sections of the IPC, before various police authorities and forums

alleging offences *inter alia* relating to robbery, misappropriation of funds, criminal intimidation, assault, forgery and theft committed by certain individuals. The total amount collectively involved in all the complaints, criminal petitions and FIRs is ₹115.37 million.

Litigation involving our Promoters

Litigation against our Promoters

Criminal Litigation

A. MFL

1. Abdul Kahder ("**Complainant**") filed an FIR on April 28, 2016 under Sections 457 and 380 of IPC for recovery of gold ornaments that were allegedly stolen from his residence. The charge sheet on the matter was submitted by an investigating officer before the Chief Metropolitan Magistrate, Hyderabad on September 16, 2020 which noted that the gold ornaments were allegedly stolen by Mohammed Sameer and later mortgaged with MFL which was subsequently sold through an auction. The matter is currently pending.

2. The Senior Inspector of Legal Metrology, Mallapuram ("**Senior Inspector**") filed a complaint under Sections 190 and 200 of CPC authorized under Section 14(3) of the Legal Metrology Act, 2009 before the Judicial First Class Magistrate, Manjeri, for the alleged error in recording the weight of the gold pledged in the pledge card during the course of an inspection by the Senior Inspector at MFL's trade premises on November 8, 2018. MFL has filed a counter petition before the High Court of Kerala for quashing of the complaint filed by the Senior Inspector. The matter is currently pending.

3. Sholly Rajan ("**Complainant**") had filed a petition under Section 451 of CrPC before the Judicial First Class Magistrate, Ernakulam, against the area managers of our Mattanchery and Kalamaserry branches for the interim custody of gold seized by the police, which was taken from the Complainant on account of cheating and pledged with MFL by an alleged accused. The matter is currently pending.

4. Omkar Prathap Tiwari ("**Complainant**") had filed a complaint to recover gold stolen from his premises. Pursuant to this, our Corporate Promoter, MFL, received a seizure notice by the police under Section 91 of the CrPC seeking seizure of stolen gold. On conducting internal audits at the Complainants premises, it was noted that certain gold was missing. On further investigation, it was found that the missing gold was allegedly stolen by the staff of the Complainant and pledged with various financial institutions, including MFL. The matter is currently pending.

5. Our Corporate Promoter, MFL, received a seizure notice by the police under Section 91 of the CrPC, in relation to pledged gold which formed part of case property in an ongoing theft investigation. MFL challenged the seizure notice before the High Court of Kerala, which was dismissed. Thereafter, an appeal was preferred before the High Court of Kerala, which was also dismissed. Subsequently, MFL has instituted a special leave petition bearing reference number 9539/23 before the Supreme Court against the order of the High Court dismissing the appeal. The matter is currently pending.

6. Donapuri Farjana, MFL's customer had pledged stolen gold with our Corporate Promoter at its Guntakal branch to avail loan. A complaint was filed to recover the stolen gold, pursuant to which the police had issued a notice under Section 91 of the CrPC to recover the stolen gold. Thereafter, MFL approached the High Court of Andhra Pradesh through a writ petition to which it did not receive a favourable order. Subsequently, the gold was handed over to the police. The matter is currently pending.

7. Ara Sekhar, a manager at Bajaj Finance Limited ("**Petitioner**") filed a criminal revision petition against our Corporate Promoter's branch manager of the Koraput branch to recover certain gold ornaments pledged with MFL. The matter was earlier instituted before Court of Sub-Divisional Judicial Magistrate, Koraput, which passed an order in favour of our Corporate Promoter. Subsequently, the Petitioner claimed by way of a revision petition filed, that Bajaj Finance Limited ("**Bajaj**") is the rightful custodian of the concerned gold ornaments that were pledged by different customers who have obtained loans from Bajaj. These ornaments were subsequently pledged with other financial institutions, including our Corporate Promoter, for alleged wrongful gain. The Petitioner has prayed through its revision petition filed before the Court of the Additional District and Sessions Judge, Koraput, that *inter alia*, the gold ornaments be released and that the order passed earlier by the lower court is set aside. The matter is currently pending.

B. Thomas John Muthoot

1. The Department of Central Excise, Customs & Service Tax carried out service tax assessment on Muthoot Pappachan Consultancy and Management Services Limited ("**Firm**") for the period 2007-08 to 2012-13, where Thomas John Muthoot was a partner at such time. It was alleged that Thomas John Muthoot knowingly evaded payment of service tax and failed to supply the required information. Pursuant to adjudicatory process, some service tax demands were confirmed, and penalty was imposed. The Firm filed an appeal to the Customs,

Excise and Service Tax Appellate Tribunal, Bangalore ("**CESAT**") against the same. CESTAT passed an interim order dated April 28, 2015, ordering conditional pre-deposit, and staying further recovery. The Firm effected the pre-deposit of ₹50 million and a stay on the assessment made by the department was granted by CESTAT. Thereafter, the department has filed a complaint dated June 19, 2017 before the Chief Judicial Magistrate, Kochi against Thomas John Muthoot. Thomas John Muthoot has challenged the proceedings on different grounds by filing a criminal miscellaneous case under Section 482 of the CrPC, before the Kerala High Court and sought for a stay. The Kerala High Court pursuant to its order dated June 30, 2017, has granted a stay, which is in force. The matter is currently pending.

Actions taken by Regulatory and Statutory Authorities

A. Thomas Muthoot

1. Kerala Non-Banking Finance Welfare Association, an association and representative of non-banking financial institutions in the State of Kerala, has filed a writ petition (civil) on April 5, 2021 on behalf of its members, including our Company, before the High Court of Kerala against the State of Kerala ("**Civil Writ Petition**") challenging the notification dated January 16, 2020 ("**Notification**") for fixing the minimum rate of wages payable to employees employed in private financial institutions, such as our Company. The High Court of Kerala by way of its order dated April 20, 2021 granted an interim stay on the Notification and subsequently extended the said stay order granted until further orders, on June 30, 2022. This matter is currently pending before the High Court of Kerala. Our Company and our Promoter, Thomas Muthoot, have also received a show-cause notice dated December 17, 2020 for rectifying certain defects identified in the inspection report dated September 22, 2020 issued by Assistant Labour Officer, Attingal ("**ALO**"), and accordingly, our Company's representative appeared before the ALO on November 9, 2020 and submitted the requisite documents. The ALO filed a complaint against our Company and Thomas Muthoot under the Minimum Wages Act, 1948 before the Judicial First Class Magistrate Court I, Attingal for the alleged failure to upload the register of wages and employment electronically in form XIV and pay prescribed minimum rate of wages to workers. This matter is currently under stay in view of the stay order issued by the High Court of Kerala.

Disciplinary action taken, including penalty imposed by SEBI or stock exchanges against our Promoters in the five Financial Years preceding the date of this Prospectus

A. MFL

1. Our Corporate Promoter, MFL has received an email dated August 20, 2021, from BSE imposing a fine of ₹1,000 per day in terms of the SEBI circular no. SEBI/HO/DDHS/CIR/P/2020/231 dated November 13, 2020 not being compliant with the extant provisions of Regulation 54(2) of the SEBI Listings Regulations for non-disclosure of extent and nature of security created and maintained with respect to secured listed NCDs in the financial statements for the year ended March 31, 2021 aggregating up to ₹55,460. MFL has paid the fine imposed amounting to ₹71,980 under protest and as on the date of this Prospectus it has not received any further correspondence from BSE.

2. Our Corporate Promoter, MFL has received an email dated March 31, 2023, imposing a fine of ₹5,900 for not being compliant with the extant provisions of Regulation 50(1)(d) of the SEBI Listings Regulations for non-submission of intimation of meeting of the Board held on April 26, 2022. MFL has paid the fine imposed and as on the date of this Prospectus it has not received any further correspondence from BSE.

3. Our Corporate Promoter, MFL has received an email on November 2, 2023 from BSE, imposing a fine of ₹89,000 for the delay in submission of compliances under Regulation 50(2) and 53(2) of the SEBI Listing Regulations with respect to the intimation of meeting of the annual general meeting and submission of annual report for the Financial Year 2021-2022. MFL has paid the fine imposed and as on the date of this Prospectus it has not received any further correspondence from BSE.

4. Our Corporate Promoter, MFL has received an email from BSE on October 30, 2023, imposing fine for the delay in giving intimation under Regulation 57(1) of the SEBI Listing Regulations with respect to the payment obligation of listed commercial papers issued by our Corporate Promoter. MFL has made a written representation on November 3, 2023 for the waiver of fines levied. Our Corporate Promoter has not received any further written communication from BSE in relation to this matter.

Material Civil Litigation

A. MFL

1. Our Corporate Promoter, MFL had taken physical possession of the property of P Mahalingam, mortgaged in favour of itself as security to the loan sanctioned to Santosh Hospital Private Limited ("**Santosh Hospital**"), under the SARFAESI Act for an amount aggregating to ₹390 million including accrued interest. Santosh Hospital had filed a writ petition before the Madras High Court thereby challenging the actions taken by MFL under the SARFAESI Act, including the physical possession of the Santosh Hospital taken through the court

commissioner, however, the said writ petition was dismissed. Thereafter, Santosh Hospital filed a securitization application before the Debt Recovery Tribunal, Chennai ("**DRT**") challenging the action of taking possession of the secured asset by MFL which was also dismissed. Thereafter, Santosh Hospital has filed insolvency proceedings under the IBC before the National Company Law Tribunal, Chennai ("**NCLT**") and interim resolution professional was appointed in the matter. The interim resolution professional demanded MFL to handover the possession of the assets taken by MFL under the SARFAESI Act and the same has been objected by MFL contending that the said assets does not belong to the Santosh Hospital. Subsequently, the NCLT has ordered liquidation of the Santosh Hospital pursuant to its order dated December 4, 2019 ("**Order**"). The Order was subsequently challenged in an appeal before the National Company Law Appellate Tribunal, New Delhi ("**NCLAT**"). Further, NCLAT dismissed the appeal dated February 14, 2022 filed by P Mahalingam which was subsequently challenged by P Mahalingam before the Supreme Court pursuant to a civil appeal number 3076-3077 of 2022. MFL has filed a reply to the said appeal on May 16, 2022. The Supreme Court has ordered a status quo on the matter and the matter is currently pending.

2. Our Corporate Promoter, MFL had advanced a loan of ₹250 million to Prabhu Shanti Real Estate Private Limited ("**Borrower**") against the securities shared with Tamilnad Mercantile Bank Limited ("**TMB**") on *pari passu* basis. Since the Borrower has defaulted in payments, MFL along with TMB has initiated recovery proceedings under the SARFAESI Act by issuing a demand notice. However, before the possession of assets could be taken, AU Small Finance Bank Limited ("**AU**") initiated insolvency proceedings against the Borrower which had stood as guarantor and mortgaged some of its properties to a facility granted by the AU. Subsequently, insolvency resolution proceedings were initiated, and a resolution professional was appointed in aforesaid matter. Further, MFL and TMB were included in the Committee of Creditors ("**COC**") along with other creditors in lieu of the ongoing insolvency resolution proceedings. Thereafter, resolution for liquidation of the Borrower was introduced before the COC by the resolution professional which was not accepted by majority of the creditors present in the COC. The matter is currently pending before NCLT Delhi.

3. Our Corporate Promoter, MFL had filed a writ petition dated July 24, 2021 before the High Court of Kerala at Ernakulam ("**High Court**") against certain banks. The cause of action arose on account of notices issued by such banks, including the State Bank of India, informing MFL regarding the proposal to close the current accounts being maintained with the said banks. MFL submitted that the operation of current accounts is an absolute necessity for the smooth conduct of business operations in the interest of the borrowers and other stakeholders. The High Court pursuant to its order dated July 27, 2021 granted interim relief by ordering status quo of the current accounts till August 3, 2021, which was further extended by orders of the High Court dated August 3, 2021 until August 12, 2021 and October 12, 2021 until October 31, 2021. The matter is currently pending.

B. Thomas Muthoot, Thomas John Muthoot and Thomas George Muthoot

1. M. Mathew has filed a suit before the District Court at Kottayam, against the Muthoot Pappachan Group and others alleging infringement of the trademark "MUTHOOT". It is claimed that the mark "MUTHOOT" has been registered as a trademark by M. Mathew, Chairman and Managing Director of Muthoot Mercantile Limited. Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot on behalf of "Muthoot Pappachan Group", have contended that "Muthoot" is a family name and they have the right to use the same for their business and also that the Muthoot Pappachan Group was using the same much prior to M. Mathew. The matter is currently pending.

Material Tax Litigation

A. MFL

1. Our Corporate Promoter MFL had filed a writ petition dated July 30, 2019 ("**Petition**") before the Madras High Court 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 MFL dated December 17, 2017 ("**Settlement Application**"), *inter alia* praying for stay on proceedings initiated by the Joint Commissioner of Income Tax, 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 aggregates to ₹740.6 million. The Settlement Application related to notices received under Section 147 of the IT Act, as per which the income chargeable to tax for the financial years 2011-12 to 2016-17 of MFL had not been assessed, and Section 153A of the IT 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 Madras High Court pursuant to its order dated June 29, 2022 dismissed the Petition on the grounds that the cause of action of the matter has arisen fully in Kerala and not within the territorial jurisdiction of the Madras High Court, thereby ousting its jurisdiction to entertain the petition. Accordingly, MFL filed a writ petition before the High Court of Kerala ("**High Court**") wherein the High Court had passed an order dated April 3, 2023 directing the Interim Board for Settlement to reconsider the Settlement Application of the MFL afresh. The Interim Board of Settlement has passed an order dated November 15, 2023 opining on the settlement of income under the

matter along with the interest to be charged and granting immunity to MFL from prosecution and penalty imposed under the Income Tax Act. MFL is yet to receive an updated demand notice from the assessing officer intimating the tax and interest payable on the additions as per the order passed by the Interim Board of Settlement. The matter is currently pending.

2. Our Corporate Promoter, MFL received a demand notice for assessment year 2006-07 from the Assistant Commissioner of Income Tax, Trivandrum alleging that MFL had failed to deduct tax on entire payments made to Muthoot Pappachan Consultancy and Management Services Limited, including reimbursement of expenses made towards the employees of the said firm, with a demand aggregating to ₹29.89 million. MFL submitted that the tax deducted at source is required to be made only on professional fees paid to the said firm and not on reimbursement of expenses. The Income Tax Appellate Tribunal, Kochi bench remitted back the matter to the assessing officer on the appeal made by MFL, post which the Joint Commissioner of Income Tax/Special Range/Trivandrum made disallowances of the entire demand pursuant to its order dated March 31, 2016 with a revised demand aggregating to ₹55 million, which was adjusted against refunds due to MFL. MFL has made an appeal before the Commissioner of Income Tax (Appeals), Trivandrum and the matter is currently pending.

3. Our Corporate Promoter, MFL received a demand notice for assessment year 2010-11 from the Joint Commissioner of Income Tax, Special Range, Thiruvananthapuram aggregating to ₹ 172.85 million alleging that MFL failed to deduct tax on entire payments made to Muthoot Pappachan Consultancy and Management Services Limited ("**Firm**"), including reimbursement of expenses made towards the employees of the Firm. MFL submitted that the tax deducted at source is required to be made only on professional fees paid to the Firm and not on reimbursement of expenses. MFL had remitted ₹26.5 million in financial year 16-17 against the demand. Collection of the balance demand has been stayed by the Assistant Commissioner of Income Tax, Circle-1(1), Trivandrum, pursuant to its order dated July 21, 2016, pending disposal of appeal filed by MFL before the Commissioner of Income Tax (Appeals), Trivandrum. Subsequently, MFL was required to pay an additional 5.00% of the demand aggregating to ₹8.07 million for continuation of stay of demand, which was remitted by the MFL on September 30, 2022 and stay of balance demand was granted pursuant to the order of the Assistant Commissioner of Income Tax Circle Central, Trivandrum dated October 4, 2022. The matter is currently pending.

4. Our Corporate Promoter, MFL received a demand notice for assessment year 2013-14 from the Joint Commissioner of Income Tax, Special Range, Thiruvananthapuram aggregating up to ₹ 206.52 million alleging that MFL had not furnished Form 15G/H from the debenture holders for the interest paid to them as well as disallowing reimbursement of expenses made to Muthoot Pappachan Consultancy and Management Services Limited for non-deduction of tax at source. ₹118.8 million was adjusted against refunds due to MFL and ₹13.5 million was remitted by MFL in financial year 2016-17 against the said demand. Collection of demand has been stayed by the Assistant Commissioner of Income Tax, Circle-1(1), Trivandrum pursuant to its order dated July 21, 2016, pending disposal of appeal filed by MFL before the Commissioner of Income Tax (Appeals), Trivandrum. Subsequently, MFL was required to pay an additional 5.00% of the demand aggregating to ₹4.03 million for continuation of stay of demand, which was remitted by MFL on September 30, 2022 and stay of balance demand was granted pursuant to order of the Assistant Commissioner of Income tax, Circle Central, Trivandrum dated October 4, 2022. The matter is currently pending.

5. Our Corporate Promoter, MFL received a demand notice from the Assistant Commissioner of Income Tax (TDS), Thiruvananthapuram for payment of tax deducted at source ("**TDS**") for alleging short-furnishing of details of Form 15G/H collected from customers pertaining to assessment year 2015-16 with a demand aggregating to ₹386.06 million. A total of ₹78.70 million for stay of demand was remitted and an appeal before the Commissioner of Income Tax (Appeals), Thiruvananthapuram was filed. The Commissioner of Income Tax (Appeals)-3, Kochi pursuant to its order dated December 10, 2021, partly allowed the appeal for the assessment year 2015-16 by directing the assessing officer to reconsider the demand made. Accordingly, pursuant to its order dated February 11, 2022, the original demand was modified and quantified at ₹27.04 million by the Deputy Commissioner of Income Tax (TDS), Trivandrum. MFL has filed a rectification application for giving credit to amounts remitted during the course of the proceedings which had been denied by the assessing officer in the last order issued. The Assistant Commissioner of Income Tax had filed an appeal before the Income Tax Appellate Tribunal, Cochin ("**ITAT**") against the order passed by the Commissioner of Income Tax (Appeals), Kochi. The ITAT has passed an order dated August 4, 2022, remanding the matter to the files of the Commissioner of Income Tax (Appeals) for giving an opportunity to the assessing officer for providing additional details. The matter is currently pending.

6. Our Corporate Promoter, MFL received a demand notice from the Service Tax Department for non-payment of service tax on various taxable income reflected in the Profit & Loss statement of MFL for the periods prior to FY12-13. Out of the total demand of ₹126.32 million, MFL had remitted ₹38.46 million the balance of which is disputed and pre-deposit fee of ₹0.5 million has been remitted. The pending demand relates to the assignment of receivables, wherein the department has stated that the entire receipts are liable to tax. Commissioner of GST & Central Excise pursuant to its order dated October 31, 2017 affirmed the demand

order with a total demand of ₹105.17 million, appropriated the amount paid of ₹ 38.46 million and imposed penalty aggregating to ₹78.5 million. MFL filed an appeal before the Customs Excise and Service Tax Appellate Tribunal, Bangalore, alleging that service tax has to be levied on the activity involving an identifiable consideration, where there is no consideration charged for an activity service tax cannot be levied. The matter is currently pending.

7. Our Corporate Promoter, MFL received a demand notice from the service tax department on notional consideration arrived on support services provided by MFL to its group concerns aggregating to ₹ 128.57 million. The demand also consisted of disallowance of Central Value Added Tax ("**CENVAT**") credit. MFL had availed CENVAT credit pertaining to five years together in financial year 2012-13. Citing that the credit was reported in the returns as opening balance and not as credit availed during the period, the service tax department has sought to disallow the entire credit, stating that the returns did not show any closing balance of credit as at the end of financial year 2011-12. Commissioner of GST & Central Excise pursuant to its order dated July 27, 2017 affirmed the demand order and imposed penalty aggregating to ₹84.63 million. MFL filed its appeal before the Customs Excise and Service Tax Appellate Tribunal, Bangalore alleging misrepresentation of facts in the transaction pertaining to support services to group concerns provided by MFL. The matter is currently pending.

8. The Assistant Commissioner of Income Tax, Trivandrum ("**ACIT**") pursuant to its order dated September 29, 2021 ("**Order**"), completed the assessment for the assessment year 2018-19 and demanded tax aggregating to ₹57.74 million against income charged to tax under Section 36(1)(va) of the IT Act, for disallowance of deduction claimed under Section 80IA of the IT Act, income charged to tax as miscellaneous income and commission income and disallowance of expense of previous year claimed during the year. MFL has paid an aggregate amount of ₹11.6 million towards stay of recovery and has filed an appeal against the Order alleging that the provision of Section 36(1)(va) of the IT Act are not invocable in the present scenarios and the assessing officer disallowed the employee contribution towards provide fund which was remitted before the end of the previous year. The ACIT pursuant to its order dated November 8, 2021 under Section 220(6) of the IT Act granted stay for the balance demand. The matter is currently pending.

9. The Commissioner of Central GST & Central Excise has issued an order dated August 28, 2020 (issued on September 3, 2020) and an order dated August 28, 2020 (issued on September 3, 2020) (collectively, the "**Orders**"), demanding tax aggregating to ₹26.43 million and ₹57.19 million, respectively, and interest thereon, and penalty amounting to ₹26.43 million and ₹5.72 million, respectively, for the periods 2014-15 to 2016-17 and for the period April 2016 to June 2017, respectively, relating to taxability of the amount received as collection agent towards assignment of loan receivables. The demand has been made on the ground that the activity of selling loan portfolios to other financial institutions is taxable and that the differential interest between the interest payable to the assignee and the interest charged to the borrowers is service charges, and therefore is liable to tax under Section 66B of the Finance Act, 1994. MFL has filed the appeals against the Orders before the Customs, Excise and Service Tax Appellate Tribunal, Bangalore on December 29, 2020 and the same are currently pending.

10. The Deputy Commissioner of Commercial Taxes (Audit) has issued an order dated December 19, 2023 (issued on December 19, 2023) demanding tax aggregating to ₹1,304.56 million, respectively, including interest thereon, and penalty for the period July 2017 to March 2018, alleging short declaration of outward supply on locker rent income, tax on alleged short declaration of revenue arrived by comparing nil and exempted supply as per monthly and annual returns filed and alleging tax under reverse charge mechanism on turnover of auction of gold jewellery. The matter is currently pending.

B. Thomas Muthoot

1. Our Promoter, Thomas Muthoot received a demand notice for the assessment year 2014-15 from the Deputy Commissioner of Income Tax, Central Circle, Thiruvananthapuram ("**Commissioner**") aggregating to ₹31.15 million. It was alleged that Thomas Muthoot had not declared the dividend earned from the investment made in shares falling under his name in the total income computed for the purpose of tax computation. Therefore, by virtue of the order passed by the Commissioner, a disallowance was made aggregating to ₹81.47 million. Subsequently, Thomas Muthoot had filed an appeal against the said order before the Commissioner of Income Tax (Appeals) – III, Kochi. The appeal was dismissed by order dated October 31, 2023 passed by the Commissioner of Income Tax (Appeals) – III, Kochi. The matter is currently pending.

2. Our Promoter, Thomas Muthoot received a demand notice for the assessment year 2015-16 from the Deputy Commissioner of Income Tax, Central Circle, Thiruvananthapuram ("**Commissioner**") aggregating to ₹31.41 million. It was alleged that Thomas Muthoot had not declared the dividend earned from the investment made in shares falling under his name in the total income computed for the purpose of tax computation. Therefore, by virtue of the order passed by the Commissioner, a disallowance was made aggregating to ₹51.25 million. Subsequently, Thomas Muthoot had filed an appeal against the said order before the Commissioner of Income Tax (Appeals) – III, Kochi. The appeal was dismissed by order dated October 31, 2023 passed by the Commissioner of Income Tax (Appeals) – III, Kochi. The matter is currently pending.

3. Our Promoter, Thomas Muthoot received a demand notice for the assessment year 2016-17 from the Deputy Commissioner of Income Tax, Central Circle, Thiruvananthapuram ("**Commissioner**") aggregating to ₹37.65 million. It was alleged that Thomas Muthoot had not declared the dividend earned from the investment made in shares falling under his name in the total income computed for the purpose of tax computation. Therefore, by virtue of the order passed by the Commissioner, a disallowance was made aggregating to ₹80.01 million. Subsequently, Thomas Muthoot had filed an appeal against the said order before the Commissioner of Income Tax (Appeals) – III, Kochi. The appeal was dismissed by order dated October 31, 2023 passed by the Commissioner of Income Tax (Appeals) – III, Kochi. The matter is currently pending.

4. Our Promoter, Thomas Muthoot received a demand notice for the assessment year 2020-21 from the Deputy Commissioner of Income Tax, Central Circle, Trivandrum ("**Commissioner**") aggregating to ₹89.10 million pursuant to (i) unexplained credits amounting to ₹120.73 million, (ii) disallowance of ₹19.47 million under Section 14 A of the IT Act, and (iii) disallowance of excess interest paid aggregating to ₹105.37 million under Section 36(1)(iii) of the IT Act. Subsequently, Thomas Muthoot filed a writ petition before the High Court of Kerala pursuant to which the High Court of Kerala has stayed the collection of the demand made pursuant to its order dated September 6, 2022 and directed the Commissioner of Income Tax (Appeals), Kochi to consider the appeal for stay of demand. Pursuant to the order dated October 31, 2023 passed by the Commissioner of Income Tax (Appeals) – III, Kochi, the income assessed by the assessing officer was enhanced. The matter is currently pending.

C. Thomas John Muthoot

1. Our Promoter, Thomas John Muthoot received a demand notice for assessment year 2005-06 from the Assistant Commissioner of Income Tax, Circle 1, Thiruvalla ("**Commissioner**") aggregating to ₹743.50 million alleging that Thomas John Muthoot had failed to deduct tax on interest paid amounting to ₹122.15 million. Thomas John Muthoot contended that payment of interest by a firm to a partner of the firm is exempted as tax deductible at source. The Commissioner held the firm and the partners are separate legal entities under the IT Act and therefore, under Section 40(a)(ia) of the IT Act, Thomas John Muthoot was held liable to deduct tax on the interest payment and the same was not fulfilled. Subsequently, an appeal was filed by Thomas John Muthoot before the Income Tax Appellate Tribunal, Kochi and High Court of Kerala which was dismissed pursuant to its orders dated August 28, 2014 and July 3, 2014, respectively. Subsequently, Thomas John Muthoot filed a special leave petition before the Supreme Court of India, which has been admitted. The matter is currently pending.

2. Our Promoter, Thomas John Muthoot received a demand notice for the assessment year 2006-07 from the Assistant Commissioner of Income Tax, Circle 1, Thiruvalla ("**Commissioner**") aggregating to ₹35.65 million alleging that Thomas John Muthoot had failed to deduct tax on interest paid amounting to ₹62.83 million. Thomas John Muthoot contended that payment of interest by a firm to a partner of the firm is exempted as tax deductible at source. The Commissioner held the firm and the partners are separate legal entities under the IT Act and therefore, under Section 40(a)(ia) of the IT Act Thomas John Muthoot was held liable to deduct tax on the interest payment and the same was not fulfilled. Subsequently, an appeal was filed by Thomas John Muthoot before the Income Tax Appellate Tribunal, Kochi and High Court of Kerala which was dismissed pursuant to the orders dated August 28, 2014 and July 3, 2014, respectively. Subsequently, Thomas John Muthoot filed a special leave petition before the Supreme Court of India, which has been admitted. The matter is currently pending.

3. Our Promoter, Thomas John Muthoot received a demand notice for the assessment year 2007-08 from the Assistant Commissioner of Income Tax, Circle 1, Thiruvalla ("**Commissioner**") aggregating to ₹30.47 million alleging that Thomas John Muthoot had failed to deduct tax on interest paid amounting to ₹61.58 million. Thomas John Muthoot contended that payment of interest by a firm to a partner of the firm is exempted as tax deductible at source. The Commissioner held the firm and the partners are separate legal entities under the IT Act and therefore, under Section 40(a)(ia) of the IT Act, Thomas John Muthoot was held liable to deduct tax on the interest payment and the same was not fulfilled. Subsequently, an appeal was filed by Thomas John Muthoot before the Income Tax Appellate Tribunal, Kochi and High Court of Kerala which was dismissed vide orders dated August 28, 2014 and July 3, 2014, respectively. Subsequently, Thomas John Muthoot filed a special leave petition before the Supreme Court of India, which has been admitted. The matter is currently pending.

4. Our Promoter, Thomas John Muthoot received a demand notice for the assessment year 2015-16 from the Deputy Commissioner of Income Tax, Central Circle, Thiruvananthapuram ("**Commissioner**") aggregating to ₹21.57 million. It was alleged that Thomas John Muthoot had not declared the dividend earned from the investment made in shares falling under his name in the total income computed for the purpose of tax computation. Therefore, by virtue of the order passed by the Commissioner, a disallowance was made aggregating to ₹35.84 million. Subsequently, Thomas John Muthoot had filed an appeal against the said order before the Commissioner of Income Tax (Appeals) – III, Kochi. The appeal was dismissed by order dated

October 31, 2023 passed by the Commissioner of Income Tax (Appeals) – III, Kochi. The matter is currently pending.

5. Our Promoter, Thomas John Muthoot received a demand notice for the assessment year 2020-21 from the Deputy Commissioner of Income Tax, Central Circle, Trivandrum ("**Commissioner**") aggregating to ₹166.57 million pursuant to (i) unexplained credits amounting to ₹139.95 million, (ii) disallowance of ₹23.55 million under Section 14 A of the IT Act; and (iii) disallowance of excess interest paid aggregating to ₹66.29 million under Section 36(1)(iii) of the IT Act. Subsequently, Thomas John Muthoot filed a writ petition before the High Court of Kerala pursuant to which the High Court of Kerala has stayed the collection of the demand made vide its order dated September 6, 2022 and directed the Commissioner of Income Tax (Appeals), Kochi to consider the appeal for stay of demand. Pursuant to order dated October 31, 2023 passed by the Commissioner of Income Tax (Appeals) – III, Kochi. The matter is currently pending.

D. Thomas George Muthoot

1. Our Promoter, Thomas George Muthoot received a demand notice for the assessment year 2006-07 from the Assistant Commissioner of Income Tax, Circle I, Thiruvalla, ("**Commissioner**") aggregating to ₹75.35 million alleging that Thomas George Muthoot had failed to deduct tax on interest paid amounting to ₹127.93 million and therefore, that income chargeable to tax had escaped assessment under the IT Act. Thomas George Muthoot contended that payment of interest by a firm to a partner is exempted from tax deductible at source. The Commissioner held that the partnership firm cannot be separated from the existence of its partners and therefore, the interest payment was disallowed under Section 40(a)(ia) of the IT Act. Thomas George Muthoot was held liable to deduct tax on the interest payment and the same was not fulfilled. Subsequently, an appeal was filed by Thomas George Muthoot before the Income Tax Appellate Tribunal, Kochi and High Court of Kerala which was dismissed vide orders dated August 28, 2014 and July 3, 2014, respectively. Subsequently, Thomas George Muthoot filed a special leave petition before the Supreme Court of India, which was been admitted. The matter is currently pending.

2. Our Promoter, Thomas George Muthoot received a demand notice for the assessment year 2007-08 from the Assistant Commissioner of Income Tax, Circle 1, Thiruvalla ("**Commissioner**") aggregating to ₹26.91 million alleging that Thomas George Muthoot had failed to deduct tax on interest paid amounting to ₹52.80 million and therefore, that income chargeable to tax had escaped assessment under the IT Act. Thomas George Muthoot contended that payment of interest by a firm to a partner is exempted from tax deductible at source. The Commissioner held that the partnership firm cannot be separated from the existence of its partners and therefore, the interest payment was disallowed under Section 40(a)(ia) of the IT Act. Thomas George Muthoot was held liable to deduct tax on the interest payment and the same was not fulfilled. Subsequently, an appeal was filed by Thomas George Muthoot before the Income Tax Appellate Tribunal, Kochi and High Court of Kerala which was dismissed vide orders dated August 28, 2014 and July 3, 2014 respectively. Subsequently, Thomas George Muthoot filed a special leave petition before the Supreme Court of India, which was been admitted. The matter is currently pending.

3. Our Promoter, Thomas George Muthoot received a demand notice for the assessment year 2014-15 from the Deputy Commissioner of Income Tax, Central Circle, Thiruvananthapuram ("**Commissioner**") aggregating to ₹32.86 million. It was alleged that Thomas George Muthoot had not declared the dividend earned from the investment made in shares falling under his name in the total income computed for the purpose of tax computation. Therefore, by virtue of the order passed by the Commissioner, a disallowance was made aggregating to ₹59.61 million. Subsequently, Thomas George Muthoot filed an appeal against the said order before the Commissioner of Income Tax (Appeals) – III, Kochi. The appeal was dismissed by order dated October 31, 2023 passed by the Commissioner of Income Tax (Appeals) – III, Kochi. The matter is currently pending.

4. Our Promoter, Thomas George Muthoot received a demand notice for the assessment year 2015-16 from Deputy Commissioner of Income Tax, Central Circle, Thiruvananthapuram ("**Commissioner**") aggregating to ₹28.49 million. It was alleged that Thomas George Muthoot had not declared the dividend earned from the investment made in shares falling under his name in the total income computed for the purpose of tax computation. Therefore, by virtue of the order passed by the Commissioner, a disallowance was made aggregating to ₹47.14 million. Subsequently, Thomas George Muthoot filed an appeal against the said order before the Commissioner of Income Tax (Appeals) – III, Kochi. The appeal was dismissed by order dated October 31, 2023 passed by the Commissioner of Income Tax (Appeals) – III, Kochi. The matter is currently pending.

5. Our Promoter, Thomas George Muthoot received a demand notice for the assessment year 2020-21 from the Deputy Commissioner of Income Tax, Central Circle, Thiruvananthapuram ("**Commissioner**") aggregating to ₹193.38 million pursuant to (i) unexplained credits amounting to ₹117.09 million, (ii) disallowance of ₹19.14 million under Section 14 A of the IT Act, and (iii) disallowance of excess interest paid aggregating to ₹104.62 million under Section 36(1)(iii) of the IT Act. Subsequently, Thomas George Muthoot filed a writ petition before the High Court of Kerala pursuant to which the High Court of Kerala has stayed the collection

of the demand made vide its order dated September 6, 2022 and directed the Commissioner of Income Tax (Appeals), Kochi to consider the appeal for stay of demand. Pursuant to order dated October 31, 2023 passed by the Commissioner of Income Tax (Appeals) – III, Kochi, the income stood enhanced. The matter is currently pending.

Litigation by our Promoters

Criminal Litigation

A. MFL

1. Our Promoter, MFL has filed certain complaints, FIRs and cases of fraud and cheating against customers on account of loan defaults, theft, fraud in relation to pledging of spurious gold/cash embezzlement, and against its employees on account of conspiracy, cheating, forgery, cheating, dishonest misappropriation of property, criminal breach of trust, misrepresentation, and wrongful gain under *inter alia* Sections 120-B, 342, 365, 387 397, 392, 380, 403, 406, 408, 409 and 420 of the IPC. As on the date of this Prospectus, there are 54 such matters pending before various courts and authorities at different stages of adjudication. The proceedings related to instances of theft and fraud in relation to pledging of spurious gold/cash embezzlement aggregates to ₹196.88 million, as on the date of this Prospectus. In one of the matters, Om Prakash, the defendant has filed an anticipatory bail application bearing reference number 2627/2023 and the same is pending before the AJC-III, Ranchi.

2. Our Promoter, MFL has filed four complaints against former employees of our Company under Section 200 of the CrPC read with Sections 138 and 142 of the NI Act. These matters are currently pending at different stages of adjudication before various forums. The aggregate amount involved in these matters is ₹20.98 million. In one of the matters, Jakles Somaiya, the accused has filed a criminal appeal bearing number 539/2022 against MFL and the same is pending before the Additional District Judge, Rajkot.

3. Our Corporate Promoter, MFL, has filed two complaints against its customer under Section 138 of the NI Act. The customer had pledged spurious ornaments at the Sirsi branch of MFL and the concerned parties settled the matter by arriving at certain terms of settlement. The matters arose on account of default of cheques in lieu of these settlement terms entered into between MFL and the customer. The aggregate amount involved in these matters is ₹0.91 million. The matters are currently pending.

Civil Litigation

A. Thomas Muthoot, Thomas John Muthoot, Thomas George Muthoot

1. Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot have filed an application before the Intellectual Property Appellate Board, Chennai, to remove/cancel/rectify the trademark "MUTHOOT". The mark "MUTHOOT" has been registered as a trademark by M. Mathew, Chairman and Managing Director of Muthoot Mercantile Limited. Subsequently, the application was transferred to the Intellectual Property Division of the High Court of Judicature at Madras. The matter is currently pending.

Litigation involving our Directors

Litigation against our Directors

Criminal Litigation

A. Thomas John Muthoot

(i) The Department of Central Excise, Customs & Service Tax carried out service tax assessment on Muthoot Pappachan Consultancy and Management Services Limited ("**Firm**") for the period 2007-08 to 2012-13, where Thomas John Muthoot was a partner at such time. It was alleged that Thomas John Muthoot knowingly evaded payment of service tax and failed to supply the required information. Pursuant to adjudicatory process, some service tax demands were confirmed, and penalty was imposed. The Firm filed an appeal to the Customs, Excise and Service Tax Appellate Tribunal, Bangalore ("**CESAT**") against the same. CESTAT passed an interim order dated April 28, 2015, ordering conditional pre-deposit, and staying further recovery. The Firm effected the pre-deposit of ₹50 million and a stay on the assessment made by the department was granted by CESTAT. Thereafter, the department has filed a complaint dated June 19, 2017 before the Chief Judicial Magistrate, Kochi against Thomas John Muthoot. Thomas John Muthoot has challenged the proceedings on different grounds by filing a criminal miscellaneous case under Section 482 of the CrPC, before the Kerala High Court and sought for a stay. The Kerala High Court pursuant to its order dated June 30, 2017, has granted a stay, which is in force. The matter is currently pending.

B. Bhama Krishnamuthy

(i) Rahul Kumar ("**Complainant**") filed a criminal complaint alleging attempt to murder, cheating and criminal breach of trust against Cholamandalam Investment and Finance company Limited, Bhama Krishnamurthy, Non-Executive Independent Director and others (collectively, the "**Accused**") ("**Complaint**") and obtained directions from the Magistrate Court, Bulandsher to register a FIR basis the Complaint. Sayana Police registered a FIR against the Accused vide FIR no. 0610 of 2021 dated December 3, 2021 under Sections 307, 406, 506, 504, 420 and 323 of the IPC in which summons have not been received till now. However, after investigation police filed a final report in the FIR stating that no such incident had happened as alleged by the Complainant. Subsequently, Rahul Kumar filed a protest petition before the magistrate for reinvestigation of the case and file a fresh report. In their second final report, police rejected the allegations of Rahul Kumar and filed their final report for the second time before the Judicial Magistrate, Bulandsher. The case is currently pending before the Magistrate court, Bulandsher.

Material Civil Litigation

A. Thomas Muthoot, Thomas George Muthoot, Thomas John Muthoot

(i) M. Mathew has filed a suit before the District Court at Kottayam, against the Muthoot Pappachan Group and others alleging infringement of the trademark "MUTHOOT". It is claimed that the mark "MUTHOOT" has been registered as a trademark by M. Mathew, Chairman and Managing Director of Muthoot Mercantile Limited. Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot on behalf of "Muthoot Pappachan Group", have contended that "Muthoot" is a family name and they have the right to use the same for their business and also that the Muthoot Pappachan Group was using the same much prior to M. Mathew. The matter is currently pending.

Material Tax Litigations

A. Thomas Muthoot

1. Our Promoter, Thomas Muthoot received a demand notice for the assessment year 2012-13 from the Deputy Commissioner of Income Tax, Central Circle, Thiruvananthapuram ("**Commissioner**") aggregating to ₹24.96 million. It was alleged that Thomas Muthoot had not declared the dividend earned from the investment made in shares falling under his name in the total income computed for the purpose of tax computation. Therefore, by virtue of the order passed by the Commissioner, a disallowance was made aggregating to ₹86.21 million. Subsequently, Thomas Muthoot had filed an appeal against the said order before the Commissioner of Income Tax (Appeals) – III, Kochi. The appeal was dismissed by order dated November 20, 2023 passed by the Commissioner of Income Tax (Appeals) – III, Kochi. The matter is currently pending.

2. Our Promoter, Thomas Muthoot received a demand notice for the assessment year 2014-15 from the Deputy Commissioner of Income Tax, Central Circle, Thiruvananthapuram ("**Commissioner**") aggregating to ₹31.15 million. It was alleged that Thomas Muthoot had not declared the dividend earned from the investment made in shares falling under his name in the total income computed for the purpose of tax computation. Therefore, by virtue of the order passed by the Commissioner, a disallowance was made aggregating to ₹81.47 million. Subsequently, Thomas Muthoot had filed an appeal against the said order before the Commissioner of Income Tax (Appeals) – III, Kochi. The appeal was dismissed by order dated October 31, 2023 passed by the Commissioner of Income Tax (Appeals) – III, Kochi. The matter is currently pending.

3. Our Promoter, Thomas Muthoot received a demand notice for the assessment year 2015-16 from the Deputy Commissioner of Income Tax, Central Circle, Thiruvananthapuram ("**Commissioner**") aggregating to ₹31.41 million. It was alleged that Thomas Muthoot had not declared the dividend earned from the investment made in shares falling under his name in the total income computed for the purpose of tax computation. Therefore, by virtue of the order passed by the Commissioner, a disallowance was made aggregating to ₹51.25 million. Subsequently, Thomas Muthoot had filed an appeal against the said order before the Commissioner of Income Tax (Appeals) – III, Kochi. The appeal was dismissed by order dated October 31, 2023 passed by the Commissioner of Income Tax (Appeals) – III, Kochi. The matter is currently pending.

4. Our Promoter, Thomas Muthoot received a demand notice for the assessment year 2016-17 from the Deputy Commissioner of Income Tax, Central Circle, Thiruvananthapuram ("**Commissioner**") aggregating to ₹37.65 million. It was alleged that Thomas Muthoot had not declared the dividend earned from the investment made in shares falling under his name in the total income computed for the purpose of tax computation. Therefore, by virtue of the order passed by the Commissioner, a disallowance was made aggregating to ₹80.01 million. Subsequently, Thomas Muthoot had filed an appeal against the said order before the Commissioner of Income Tax (Appeals) – III, Kochi. The appeal was dismissed by order dated October 31, 2023 passed by the Commissioner of Income Tax (Appeals) – III, Kochi. The matter is currently pending.

5. Our Promoter, Thomas Muthoot received a demand notice for the assessment year 2020-21 from the Deputy Commissioner of Income Tax, Central Circle, Trivandrum ("**Commissioner**") aggregating to ₹89.10 million pursuant to (i) unexplained credits amounting to ₹120.73 million, (ii) disallowance of ₹19.47 million under

Section 14 A of the IT Act, and (iii) disallowance of excess interest paid aggregating to ₹105.37 million under Section 36(1)(iii) of the IT Act. Subsequently, Thomas Muthoot filed a writ petition before the High Court of Kerala pursuant to which the High Court of Kerala has stayed the collection of the demand made pursuant to its order dated September 6, 2022 and directed the Commissioner of Income Tax (Appeals), Kochi to consider the appeal for stay of demand. Pursuant to the order dated October 31, 2023 passed by the Commissioner of Income Tax (Appeals) – III, Kochi, the income assessed by the assessing officer was enhanced. The matter is currently pending.

B. Thomas John Muthoot

1. Our Promoter, Thomas John Muthoot received a demand notice for assessment year 2005-06 from the Assistant Commissioner of Income Tax, Circle 1, Thiruvalla ("**Commissioner**") aggregating to ₹74.35 million alleging that Thomas John Muthoot had failed to deduct tax on interest paid amounting to ₹122.15 million. Thomas John Muthoot contended that payment of interest by a firm to a partner of the firm is exempted as tax deductible at source. The Commissioner held the firm and the partners are separate legal entities under the IT Act and therefore, under Section 40(a)(ia) of the IT Act, Thomas John Muthoot was held liable to deduct tax on the interest payment and the same was not fulfilled. Subsequently, an appeal was filed by Thomas John Muthoot before the Income Tax Appellate Tribunal, Kochi and High Court of Kerala which was dismissed pursuant to its orders dated August 28, 2014 and July 3, 2014, respectively. Subsequently, Thomas John Muthoot filed a special leave petition before the Supreme Court of India, which has been admitted. The matter is currently pending.

2. Our Promoter, Thomas John Muthoot received a demand notice for the assessment year 2006-07 from the Assistant Commissioner of Income Tax, Circle 1, Thiruvalla ("**Commissioner**") aggregating to ₹35.65 million alleging that Thomas John Muthoot had failed to deduct tax on interest paid amounting to ₹62.83 million. Thomas John Muthoot contended that payment of interest by a firm to a partner of the firm is exempted as tax deductible at source. The Commissioner held the firm and the partners are separate legal entities under the IT Act and therefore, under Section 40(a)(ia) of the IT Act Thomas John Muthoot was held liable to deduct tax on the interest payment and the same was not fulfilled. Subsequently, an appeal was filed by Thomas John Muthoot before the Income Tax Appellate Tribunal, Kochi and High Court of Kerala which was dismissed pursuant to the orders dated August 28, 2014 and July 3, 2014, respectively. Subsequently, Thomas John Muthoot filed a special leave petition before the Supreme Court of India, which has been admitted. The matter is currently pending.

3. Our Promoter, Thomas John Muthoot received a demand notice for the assessment year 2007-08 from the Assistant Commissioner of Income Tax, Circle 1, Thiruvalla ("**Commissioner**") aggregating to ₹30.47 million alleging that Thomas John Muthoot had failed to deduct tax on interest paid amounting to ₹61.58 million. Thomas John Muthoot contended that payment of interest by a firm to a partner of the firm is exempted as tax deductible at source. The Commissioner held the firm and the partners are separate legal entities under the IT Act and therefore, under Section 40(a)(ia) of the IT Act, Thomas John Muthoot was held liable to deduct tax on the interest payment and the same was not fulfilled. Subsequently, an appeal was filed by Thomas John Muthoot before the Income Tax Appellate Tribunal, Kochi and High Court of Kerala which was dismissed vide orders dated August 28, 2014 and July 3, 2014, respectively. Subsequently, Thomas John Muthoot filed a special leave petition before the Supreme Court of India, which has been admitted. The matter is currently pending.

4. Our Promoter, Thomas John Muthoot received a demand notice for the assessment year 2015-16 from the Deputy Commissioner of Income Tax, Central Circle, Thiruvananthapuram ("**Commissioner**") aggregating to ₹21.57 million. It was alleged that Thomas John Muthoot had not declared the dividend earned from the investment made in shares falling under his name in the total income computed for the purpose of tax computation. Therefore, by virtue of the order passed by the Commissioner, a disallowance was made aggregating to ₹35.84 million. Subsequently, Thomas John Muthoot had filed an appeal against the said order before the Commissioner of Income Tax (Appeals) – III, Kochi. The appeal was dismissed by order dated October 31, 2023 passed by the Commissioner of Income Tax (Appeals) – III, Kochi. The matter is currently pending.

5. Our Promoter, Thomas John Muthoot received a demand notice for the assessment year 2020-21 from the Deputy Commissioner of Income Tax, Central Circle, Trivandrum ("**Commissioner**") aggregating to ₹166.57 million pursuant to (i) unexplained credits amounting to ₹139.95 million, (ii) disallowance of ₹23.55 million under Section 14 A of the IT Act; and (iii) disallowance of excess interest paid aggregating to ₹66.29 million under Section 36(1)(iii) of the IT Act. Subsequently, Thomas John Muthoot filed a writ petition before the High Court of Kerala pursuant to which the High Court of Kerala has stayed the collection of the demand made vide its order dated September 6, 2022 and directed the Commissioner of Income Tax (Appeals), Kochi to consider the appeal for stay of demand. Pursuant to order dated October 31, 2023 passed by the Commissioner of Income Tax (Appeals) – III, Kochi. The matter is currently pending.

C. Thomas George Muthoot

1. Our Promoter, Thomas George Muthoot received a demand notice for the assessment year 2006-07 from the Assistant Commissioner of Income Tax, Circle I, Thiruvalla, ("**Commissioner**") aggregating to ₹75.35 million alleging that Thomas George Muthoot had failed to deduct tax on interest paid amounting to ₹127.93 million and therefore, that income chargeable to tax had escaped assessment under the IT Act. Thomas George Muthoot contended that payment of interest by a firm to a partner is exempted from tax deductible at source. The Commissioner held that the partnership firm cannot be separated from the existence of its partners and therefore, the interest payment was disallowed under Section 40(a)(ia) of the IT Act. Thomas George Muthoot was held liable to deduct tax on the interest payment and the same was not fulfilled. Subsequently, an appeal was filed by Thomas George Muthoot before the Income Tax Appellate Tribunal, Kochi and High Court of Kerala which was dismissed vide orders dated August 28, 2014 and July 3, 2014, respectively. Subsequently, Thomas George Muthoot filed a special leave petition before the Supreme Court of India, which was been admitted. The matter is currently pending.

2. Our Promoter, Thomas George Muthoot received a demand notice for the assessment year 2007-08 from the Assistant Commissioner of Income Tax, Circle 1, Thiruvalla ("**Commissioner**") aggregating to ₹26.91 million alleging that Thomas George Muthoot had failed to deduct tax on interest paid amounting to ₹52.80 million and therefore, that income chargeable to tax had escaped assessment under the IT Act. Thomas George Muthoot contended that payment of interest by a firm to a partner is exempted from tax deductible at source. The Commissioner held that the partnership firm cannot be separated from the existence of its partners and therefore, the interest payment was disallowed under Section 40(a)(ia) of the IT Act. Thomas George Muthoot was held liable to deduct tax on the interest payment and the same was not fulfilled. Subsequently, an appeal was filed by Thomas George Muthoot before the Income Tax Appellate Tribunal, Kochi and High Court of Kerala which was dismissed vide orders dated August 28, 2014 and July 3, 2014 respectively. Subsequently, Thomas George Muthoot filed a special leave petition before the Supreme Court of India, which was been admitted. The matter is currently pending.

3. Our Promoter, Thomas George Muthoot received a demand notice for the assessment year 2012-13 Deputy Commissioner of Income Tax, Central Circle, Thiruvananthapuram ("**Commissioner**") aggregating to ₹26.16 million. It was alleged that Thomas George Muthoot had not declared the dividend earned from the investment made in shares falling under his name in the total income computed for the purpose of tax computation. Therefore, by virtue of the order passed by the Commissioner, a disallowance was made aggregating to ₹73.92 million. Subsequently, Thomas George Muthoot filed an appeal against the said order before the Commissioner of Income Tax (Appeals) – III, Kochi. The appeal was dismissed by order dated November 20, 2023 passed by the Commissioner of Income Tax (Appeals) – III, Kochi. The matter is currently pending.

4. Our Promoter, Thomas George Muthoot received a demand notice for the assessment year 2014-15 from the Deputy Commissioner of Income Tax, Central Circle, Thiruvananthapuram ("**Commissioner**") aggregating to ₹32.86 million. It was alleged that Thomas George Muthoot had not declared the dividend earned from the investment made in shares falling under his name in the total income computed for the purpose of tax computation. Therefore, by virtue of the order passed by the Commissioner, a disallowance was made aggregating to ₹59.61 million. Subsequently, Thomas George Muthoot filed an appeal against the said order before the Commissioner of Income Tax (Appeals) – III, Kochi. The appeal was dismissed by order dated October 31, 2023 passed by the Commissioner of Income Tax (Appeals) – III, Kochi. The matter is currently pending.

5. Our Promoter, Thomas George Muthoot received a demand notice for the assessment year 2015-16 from Deputy Commissioner of Income Tax, Central Circle, Thiruvananthapuram ("**Commissioner**") aggregating to ₹28.49 million. It was alleged that Thomas George Muthoot had not declared the dividend earned from the investment made in shares falling under his name in the total income computed for the purpose of tax computation. Therefore, by virtue of the order passed by the Commissioner, a disallowance was made aggregating to ₹47.14 million. Subsequently, Thomas George Muthoot filed an appeal against the said order before the Commissioner of Income Tax (Appeals) – III, Kochi. The appeal was dismissed by order dated October 31, 2023 passed by the Commissioner of Income Tax (Appeals) – III, Kochi. The matter is currently pending.

6. Our Promoter, Thomas George Muthoot received a demand notice for the assessment year 2020-21 from the Deputy Commissioner of Income Tax, Central Circle, Thiruvananthapuram ("**Commissioner**") aggregating to ₹193.38 million pursuant to (i) unexplained credits amounting to ₹117.09 million, (ii) disallowance of ₹19.14 million under Section 14 A of the IT Act, and (iii) disallowance of excess interest paid aggregating to ₹104.62 million under Section 36(1)(iii) of the IT Act. Subsequently, Thomas George Muthoot filed a writ petition before the High Court of Kerala pursuant to which the High Court of Kerala has stayed the collection of the demand made vide its order dated September 6, 2022 and directed the Commissioner of Income Tax (Appeals), Kochi to consider the appeal for stay of demand. Pursuant to order dated October 31, 2023 passed by the Commissioner of Income Tax (Appeals) – III, Kochi, the income stood enhanced. The matter is currently pending.

Litigation by our Directors

Material Civil Litigation

A. Thomas Muthoot, Thomas George Muthoot, Thomas John Muthoot

(i) Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot have filed an application before the Intellectual Property Appellate Board, Chennai, to remove/cancel/rectify the trademark "MUTHOOT". The mark "MUTHOOT" has been registered as a trademark by M. Mathew, Chairman and Managing Director of Muthoot Mercantile Limited. Subsequently, the application was transferred to the Intellectual Property Division of the High Court of Judicature at Madras. The matter is currently pending.

Claims related to Direct and Indirect Taxes

Except as disclosed below, there are no proceedings related to direct and/ or indirect taxes pending against our Company, Promoters and Directors:

Nature of case	Number of cases	Amount involved (in ₹ million)
Our Company		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Our Promoter(s)		
Direct Tax	8^	1,618.96
Indirect Tax	6^	1,815.18
Our Directors		
Direct Tax	60*	1,134.01
Indirect Tax	Nil	Nil

^ *Includes tax litigation involving only our Corporate Promoter, MFL.*

* *Includes direct tax litigation involving our Individual Promoters, Thomas Muthoot, Thomas John Muthoot and Thomas George Muthoot..*

Outstanding dues to creditors

In terms of the Materiality Policy, creditors of our Company to whom an amount exceeding 5.00% of our total trade payables as of September 30, 2023, based on the Restated Financial Statements of our Company was outstanding, were considered 'material' creditors. Our total trade payables as of September 30, 2023, was ₹149.63 million and accordingly, creditors to whom outstanding dues as of September 30, 2023, exceed ₹7.48 million have been considered as material creditors for the purposes of disclosure in this Prospectus. Details of outstanding dues towards our material creditors are available on the website of our Company at https://muthootmicrofin.com/offerdocument-related-filings/.

Based on the Materiality Policy, details of outstanding dues owed as of September 30, 2023 by our Company, on a consolidated basis are set out below:

Type of creditors	Number of Creditors	Amount (in ₹ million)
Dues to Micro, Small and Medium Enterprises	7	3.40
Dues to Material Creditors	6	93.42
Dues to other creditors	134	52.81
Total	147	149.63

As of September 30, 2023, there are six material creditors to whom our Company owes an aggregate amount of ₹93.42 million.

Material developments

Except as disclosed in this Prospectus, there have not arisen, since the date of the last financial information disclosed in this Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Developments after September 30, 2023*" on page 416.

GOVERNMENT AND OTHER APPROVALS

Our Company requires various approvals, licenses, registrations, and permits issued by relevant governmental and regulatory authorities under various rules and regulations to carry out our present business activities and to undertake the Offer. Set out below is an indicative list of all material approvals, licenses, registrations, and permits obtained by our Company, which are material and necessary for undertaking our business, and except as mentioned below, no further material approvals are required to carry on our present business activities. Certain of our key approvals, licenses, registrations, and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures, as necessary. For further details, in connection with the applicable regulatory and legal framework within which we operate, see "Risk Factors" and "Key Regulations and Policies" on pages 31 and 208, respectively.

I. Material approvals in relation to the Offer

For details regarding the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 446.

II. Material approvals in relation to our Company

We require various approvals to carry on our business in India. We have received the following material government and other approvals pertaining to our business.

A. *Material approvals in relation to incorporation*

1. Certificate of incorporation dated April 6, 1992, issued by the RoC to our Company, in its former name, being Panchratna Stock and Investment Consultancy Services Private Limited.
2. Certificate of change of name dated June 9, 1994, issued by the RoC, consequent upon conversion of our Company to public limited company, being Panchratna Stock and Investment Consultancy Services Limited.
3. Fresh certificate of incorporation dated June 22, 1994, issued by the RoC to our Company, consequent upon change of name of our Company to Panchratna Securities Limited.
4. Fresh certificate of incorporation dated November 6, 2012, issued by the RoC to our Company, consequent upon change of name of our Company to Muthoot Microfin Limited.
5. Our Company has been allotted the corporate identity number U65190MH1992PLC066228.

B. *Material approvals in relation to our business*

The material approvals in relation to the business operations of our Company are set forth below:

1. The RBI had granted a certificate of registration dated March 18, 1998, allotting registration number 13.00365, pursuant to which our Company (under its erstwhile name, 'Panchratna Securities Limited') was registered as an NBFC under Section 45-IA of the RBI Act.
2. A fresh certificate of incorporation consequent upon change of name was issued to our Company by the RoC on November 6, 2012, post which the RBI granted a revised certificate of registration dated March 18, 1998, reflecting the change of our Company's name to Muthoot Microfin Limited, with effect from March 25, 2015. The RBI has granted NBFC-MFI status to our Company with effect from March 25, 2015, pursuant to an endorsement on our certificate of registration dated March 18, 1998.
3. Certificate of registration of special resolution confirming alteration of object clause(s) dated February 12, 2013, issued by the RoC to our Company consequent to change in objects clause of the MoA of our Company.
4. Company is registered with the CERSAI Central KYC Registry dated April 4, 2017, bearing registration code IN3480.
5. The LEI code number 3358009ADOTPMXO2DC72 granted by the Legal Entity Identifier India Limited.

C. *Approval from Taxation Authorities*

1. The permanent account number of our Company is AACP6227D.
2. The tax deduction account number of our Company is MUMP31227A.

3. Our Company has obtained goods and services tax registrations under the Central Goods and Service Tax Act, 2017, in relation to certain of our branches and regional offices for our business operations in the states and union territories of Kerala, Tamil Nadu, Madhya Pradesh, Goa, Odisha, Haryana, Delhi, Karnataka, Maharashtra, Punjab, Gujarat, Uttar Pradesh, West Bengal, Puducherry, Jharkhand, Rajasthan, Uttarakhand, Chhattisgarh, Himachal Pradesh, and Bihar.

4. Our Company has obtained professional tax registrations, in relation to certain of our branches and regional offices in the states and union territories of Bihar, Kerala, Karnataka, Odisha, Maharashtra, Gujarat, Punjab, West Bengal, Jharkhand, Puducherry, Tamil Nadu, and Madhya Pradesh.

III. Labour-related approvals

Our Company has obtained registrations under various employee and labour-related laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employees' State Insurance Act, 1948, the Payment of Gratuity Act, 1972, and the relevant shops and establishments legislations.

IV. Material approvals for our branches and regional offices

Our Company has obtained registrations in the ordinary course of business for our branches and regional offices across various states and union territories in India including trade licenses and licenses for location of business issued by relevant municipal authorities under applicable laws, registrations under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Payment of Gratuity Act, 1972, and the Employees' State Insurance Act, 1948, and shops and establishment registrations issued under the relevant state legislations, as well as registrations from the state labour welfare boards. Certain licences may have lapsed in their normal course and our Company has either made an application to the appropriate authorities for fresh registrations or for renewal of existing registrations or is in the process of making such applications. For further details, please see "*Risk Factors – We require several statutory and regulatory approvals, licenses, registrations and permissions to conduct our business and an inability to obtain or maintain such approvals, licenses, registrations and permissions in a timely manner, or at all, may adversely affect our operations*" on page 54.

V. Material approvals applied for but not received

Except as disclosed below, as on the date of this Prospectus, there are no material approvals which our Company has applied for, but which have not been received:

1. Registration of establishment under the respective state shops and establishments acts for certain of our branches and offices in the states of Gujarat, Tamil Nadu, Rajasthan, Uttar Pradesh, Odisha, and Bihar.

2. Professional tax registrations under the applicable legislations applicable for certain of our branches in the states of Tamil Nadu, and Gujarat.

3. Trade licenses under the respective municipal corporation acts for certain of our branches in the states of West Bengal, Odisha, Jharkhand, Bihar, and Chhattisgarh.

4. Goods and services tax registrations for certain of our branches and offices in the states of Kerala, Odisha, Haryana, Maharashtra, Gujarat, Jharkhand, Uttarakhand, Uttar Pradesh, Bihar, West Bengal, Rajasthan, Karnataka, Tamil Nadu, and Puducherry.

VI. Material approvals expired and renewal to be applied for

As on the date of this Prospectus, there are no material approvals of our Company that have expired, and for which renewal is to be applied for.

VII. Material approvals required but not obtained or applied for

Except as disclosed below, as on the date of this Prospectus, there are no material approvals which our Company was required to obtain but which has not been obtained or been applied for:

1. Registration of establishment under the respective state shops and establishments acts for certain of our branches in the states of Odisha, Jharkhand, Maharashtra, West Bengal, Bihar, Tamil Nadu, Uttar Pradesh and Rajasthan.

2. Payment of gratuity registration for certain of our branches in the states of Bihar, Gujarat, Jharkhand, Kerala, Maharashtra, Odisha, Rajasthan, Karnataka, Haryana, Tamil Nadu, Uttar Pradesh and West Bengal.

VIII. Intellectual Property

As on the date of this Prospectus, our Company has no registered intellectual property. For its business, our Company uses certain trademarks which are owned by our Promoters, namely, Thomas John Muthoot, Thomas George Muthoot, and Thomas Muthoot. Additionally, domain name 'www.muthootmicrofin.com' is registered in the name of our Promoter, MFL. For further details see, "*Risk Factors – We depend on the recognition of the "Muthoot" brand, and failure to use, maintain and enhance awareness of the brand would adversely affect our ability to retain and expand our base of customers*" and "*History and Certain Corporate Matters – Other material agreements*" on pages 38 and 226, respectively.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "group companies", includes (i) such companies (other than promoters and subsidiaries) with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the Board of our Company.

Pursuant to the resolutions dated June 26, 2023 and November 25, 2023 our Board has noted that in accordance with the SEBI ICDR Regulations, Group Companies of our Company shall include (i) the companies (other than our Corporate Promoter) with which there were related party transactions, as per Ind AS 24 and as disclosed in the Restated Financial Statements ("**Relevant Period**"), (ii) any other companies considered material by the Board of Director of the Company; and (iii) Companies shall be considered material, that are a part of the Promoter Group (other than the Corporate Promoter), with which there were transactions in the most recent financial year, as disclosed in the Restated Financial Statements included in the Offer Documents, exceeds individually or in the aggregate, 10% of the total restated revenue of our Company for the most recent financial year for which Restated Financial Statements are included in the Offer Documents, shall also be classified as Group Companies.

Accordingly, based on the parameters outlined above, as on the date of this Prospectus, our Company has the following Group Companies:

1. M-Liga Sports Excellence Private Limited;

2. Muthoot Exim Private Limited;

3. Muthoot Pappachan Technologies Limited; and

4. The Thinking Machine Media Private Limited.

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Companies for the previous three Financial Years, extracted from their respective audited financial statements (as applicable), are required to be hosted on the websites of the respective Group Companies. Such financial information of the Group Companies and other information provided on their respective websites does not constitute a part of this Prospectus. Such information should not be considered as part of information that any investor should consider before making any investment decision. Our Company is providing links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations.

Details of our Group Companies

1. M-Liga Sports Excellence Private Limited

Registered Office

The registered office of M-Liga Sports Excellence Private Limited is situated at Door No 66/3630, Muthoot Towers, M.G., Road, Ernakulam, Kerala 682 035, India.

Financial Information

M-Liga Sports Excellence Private Limited does not have a website. The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value are derived from the audited financial statements of M-Liga Sports Excellence Private Limited for Fiscals 2023, 2022 and 2021 and as required by the SEBI ICDR Regulations, are available on the website of our Company at https://muthootmicrofin.com/offerdocument-related-filings/.

2. Muthoot Exim Private Limited

Registered Office

The registered office of Muthoot Exim Private Limited is situated at Muthoot Towers, M.G. Road, Cochin, Ernakulam, Kerala 682 035, India.

Financial Information

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value are derived from the audited financial statements of Muthoot Exim Private Limited for Fiscals 2023, 2022 and 2021 and as required by the SEBI ICDR Regulations, are available on https://www.muthootexim.com/about.html.

3. **Muthoot Pappachan Technologies Limited**

Registered Office

The registered office of Muthoot Pappachan Technologies Limited is situated at Muthoot Centre, TC NO 14/2074-7, Punnen Road, Thiruvananthapuram, Kerala 695 039, India.

Financial Information

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value are derived from the audited financial statements of Muthoot Pappachan Technologies Limited for Fiscals 2023, 2022 and 2021 and as required by the SEBI ICDR Regulations, are available on https://mptglobal.com/company-profile.html.

4. **The Thinking Machine Media Private Limited**

Registered Office

The registered office of The Thinking Machine Media Private Limited is situated at 41/6888, Muthoot Towers, M. G. Road, Kochi, Ernakulam, Kerala 682 035, India.

Financial Information

The Thinking Machine Media Private Limited does not have a website. The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value are derived from the audited financial statements of The Thinking Machine Media Private Limited for Fiscals 2023, 2022 and 2021 and as required by the SEBI ICDR Regulations, are available on the website of our Company at https://muthootmicrofin.com/offerdocument-related-filings/.

Nature and extent of interest of our Group Companies

In the promotion of our Company

None of our Group Companies are interested in the promotion of our Company as on the date of this Prospectus.

In the properties acquired by our Company in the past three years before filing this Prospectus or proposed to be acquired by our Company

None of our Group Companies are interested in the properties acquired by our Company in the three years preceding the date of filing of this Prospectus or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc

None of our Group Companies are interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among our Group Companies and our Company

Our Group Companies are not involved in any kind of common pursuits with our Company or other Group Companies as on the date of this Prospectus.

Related business transactions within our Group Companies and significance on the financial performance of our Company

Other than the transactions disclosed in "*Other Financial Information - Related Party Transactions*" on page 387, there are no other related business transactions with our Group Companies.

Litigation involving our Group Companies

As on the date of this Prospectus, there is no pending litigation involving our Group Companies which will have a material impact on our Company.

Business interest of our Group Companies

Except in the ordinary course of business and other than the transactions disclosed in the section "*Restated Financial Statements - Notes forming part of Restated Financial Statements - Note 47 - Related Parties Disclosures*" on page 343 and "*Our Business*" on page 181, none of our Group Companies have any business interest in our Company.

Confirmations

None of our Group Companies have any securities listed on any stock exchange. Further, our Group Companies have not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Prospectus.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer including the Fresh Issue has been authorised by our Board pursuant to a resolution passed at its meeting held on May 6, 2023 and by our Shareholders pursuant to a special resolution passed at their meeting held on June 14, 2023. The Offer has been revised by the IPO Committee pursuant to its resolution passed at its meeting held on November 29, 2023.

Our Board and IPO Committee approved the Draft Red Herring Prospectus pursuant to its resolutions dated June 29, 2023 and June 30, 2023, respectively.

Our Board has approved the Red Herring Prospectus pursuant to its resolution dated December 11, 2023.

Our Board has approved this Prospectus pursuant to its resolution dated December 21, 2023

Authorisation by the Selling Shareholders

Each of the Selling Shareholders, severally and not jointly, has confirmed and authorized its participation in the Offer for Sale in relation to its portion of the Offered Shares, as set out below:

Name of the Selling Shareholder	Aggregate amount of Offer for Sale (₹ million)	Number of Equity Shares offered in the Offer for Sale	Date of board resolution/ authorization	Date of consent letter
Promoter Selling Shareholders				
Thomas John Muthoot	163.63	562,302*	-	June 26, 2023 and November 29, 2023
Thomas Muthoot	163.84	563,024*	-	June 26, 2023 and November 29, 2023
Thomas George Muthoot	163.61	562,233*	-	June 26, 2023 and November 29, 2023
Preethi John Muthoot	337.39	1,159,415*	-	June 26, 2023 and November 29, 2023
Remmy Thomas	333.87	1,147,319*	-	June 26, 2023 and November 29, 2023
Nina George	337.66	1,160,343*	-	June 26, 2023 and November 29, 2023
Investor Selling Shareholder				
GPC	500.00	1,718,213*	June 26, 2023 and December 5, 2023	June 26, 2023 and November 29, 2023

**Subject to finalisation of the Basis of Allotment*

Our Board has pursuant to a resolution passed at its meeting held on June 26, 2023 and the IPO Committee has pursuant to its resolution dated November 29, 2023 taken on record the approval/ consent for the Offer for Sale by the Selling Shareholders, as applicable.

Each of the Selling Shareholders, severally and not jointly, confirm that the Equity Shares offered by it as part of the Offer for Sale have been held in compliance with Regulation 8 of the SEBI ICDR Regulations.

In-principle Listing Approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated September 27, 2023 and September 28, 2023, respectively.

In terms of the Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, and the Master Circular -Requirement for Obtaining Prior Approval of RBI in Cases of Acquisition / Transfer of Control of NBFCs, 2015, as amended, our Company is required to seek the RBI approval for change in the shareholding of our Company beyond 26% or more of the paid-up Equity Share capital of the Company pursuant to the Offer. Accordingly, our Company had filed an application dated June 30, 2023 with the RBI seeking approval in relation to the Offer, to which we have received approval dated September 28, 2023 ("**RBI Approval**"). The RBI Approval is subject to certain conditions including, (i) the cumulative equity shareholding of GPC should not exceed 20% of the voting power of our Company, post conversion of CCPS into Equity Shares; (ii) approach the RBI for approval in case any shareholder acquires more than 26% shareholding of our Company in the Pre-IPO and, that our Company is required to submit the shareholding pattern of our Company prior and post the Offer within 15 days of allotment of Equity Shares; and (iii) the inter-promoter transfer is taken on record. The RBI Approval is valid for a period of six months.

Prohibition by SEBI, the RBI or other Governmental Authorities

Our Company, Promoters, members of our Promoter Group, Directors and the Selling Shareholders are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Our Company, Promoters or Directors have not been declared as Wilful Defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoters or Directors have not been declared as Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Company, our Promoters or Promoter Group or our Directors have been declared as Fraudulent Borrowers.

Each Selling Shareholder, severally and not jointly, has specifically confirmed that it has not been prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Directors associated with the Securities Market

Except for Thomas Muthoot, Thomas George Muthoot and Thomas John Muthoot who are also the directors of Muthoot Fincorp Limited which is registered as registered Depository Participant with SEBI, no other Director is associated with securities market related business, in any manner and there have been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Prospectus.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, members of our Promoter Group and each Selling Shareholder, severally and not jointly, confirm that it is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the eligibility criteria provided in Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

- Our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and

- Our Company has not changed its name in the last one year prior to the date of the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

The computation of net tangible assets, operating profit, net worth, monetary assets, as restated and consolidated as derived from the Restated Financial Statements, as at and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, is set forth below:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Net Tangible Assets (A) *(₹ in million)*	81,307.24	53,406.07	39,033.60
Operating Profit (B) *(₹ in million)*	4,361.88	1,758.74	1,412.79
Net Worth (C) *(₹ in million)*	16,258.49	13,365.79	8,898.90
Monetary Assets, as restated (D) *(₹ in million)*	11,504.13	9,999.15	7,449.79
Monetary Assets, as restated as a % of Net Tangible Assets (E)=(D)/(A) (in %)	14.15%	18.72%	19.09%

Notes:

1. *Net Tangible Assets = Sum of total assets excluding intangible assets, right of use assets and deferred tax assets (net) less sum of total liabilities excluding Borrowings and lease liabilities.*
2. *Operating profit / (loss) represents aggregate value of profit before tax and impairment on financial instruments.*
3. *The average restated operating profit/(loss) of the Company for the preceding three Fiscals ending March 31, 2023, March 31, 2022 and March 31, 2021 is ₹2,511.14 million.*
4. *Net worth represents our total equity, which includes equity share capital and other equity. For the purposes of the above, "net worth" as per the SEBI ICDR Regulations means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation, each as applicable for our Company on a restated basis.*
5. *Monetary assets represent aggregate value of cash and cash equivalents and other bank balances.*

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, our Promoters, members of our Promoter Group, each of the Selling Shareholders and our Directors are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Promoters or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Company, nor our Promoters, or Directors is a Wilful Defaulter (as defined in the SEBI ICDR Regulations);

(iv) None of our Promoters or Directors has been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

(v) Except the conversion of employee stock options granted pursuant to the ESOP Schemes, there are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Prospectus, see "*Capital Structure – Employee Stock Option Schemes of our Company*" on page 96;

(vi) Our Company along with Registrar to the Offer has entered into tripartite agreements dated November 28, 2016 and July 23, 2018 with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares;

(vii) The Equity Shares of our Company held by our Promoters are in the dematerialised form;

(viii) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Prospectus; and

(ix) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable accruals.

Each Selling Shareholder, severally and not jointly, has specifically confirmed that it has held the Offered Shares for a continuous period of at least one year prior to the date of the Draft Red Herring Prospectus or are otherwise eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company was required to ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000 and should our Company fail to do so, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and applicable law.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING ICICI SECURITIES LIMITED, AXIS CAPITAL LIMITED, JM FINANCIAL LIMITED AND SBI CAPITAL MARKETS LIMITED ("BRLMS"), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS AND EACH SELLING SHAREHOLDER IS, SEVERALLY AND NOT JOINTLY, RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR ITS RESPECTIVE PORTION OF THE OFFERED SHARES, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 30, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT

OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Offer were complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to this Offer have been complied with at the time of filing of this Prospectus with the Registrar of Companies in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Directors and BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information or the respective websites of any affiliate of our Company would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement, and as provided for in the Underwriting Agreement.

All information was made available by our Company and the BRLMs to the Bidders and the public at large and no selective or additional information was made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders were required to confirm and were deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Promoters, members of the Promoter Group, the Selling Shareholders and their respective group companies, their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoters, the Selling Shareholders, its Group Companies, their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer from the Selling Shareholders

The Selling Shareholders accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website muthootmicrofin.com or the respective websites of the Promoter Group, as applicable, any affiliate of our Company would be doing so at his or her own risk.

Each of the Selling Shareholder, its respective directors, affiliates, associates, and officers accept no responsibility for any statements made in this Prospectus other than those specifically made or confirmed by such Selling Shareholder in relation to itself as a Selling Shareholder and in relation to its respective proportion of the Offered Shares.

Bidders were required to confirm and were deemed to have represented to the Selling Shareholders and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. The Selling Shareholders and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Disclaimer in respect of Jurisdiction

The Offer has been made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only. This Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer were made only pursuant to this Prospectus if the recipient is in India or the offering memorandum for the Offer, which comprises this Prospectus and the international wrap for the Offer, if the recipient was outside India.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby could not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

No person outside India was eligible to Bid for Equity Shares in the Offer unless that person had received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, could not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A and referred to in this Prospectus as "U.S. QIBs") pursuant to Section 4(a) of the U.S. Securities Act, and (ii) outside the United States in offshore transactions as defined in and in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and could not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act unless made pursuant to Rule 144A under the U.S. Securities Act or another available exemption from the registration requirements of the U.S. Securities Act and in accordance with applicable securities laws of any state or other jurisdiction of the United States. The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved.

Disclaimer Clause of RBI

The Company has a valid certificate of registration dated March 18, 1998 issued by the RBI under Section 45IA of the RBI Act. Further, the Company holds a modified certificate of registration dated March 25, 2015 as an NBFC-MFI. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representation made or opinions expressed by the Company and for discharge of liability by the Company.

Disclaimer Clause of BSE

As required, a copy of this Prospectus will be submitted to BSE. The disclaimer clause as intimated by BSE to our Company is as set forth below:

"*BSE Limited ("the Exchange") has given its vide its letter dated September 27, 2023, permission to this Company to use the Exchange's name in the Offer document as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:*

a) warrant, certify or endorse the correctness or completeness of any of the contents of this Offer document; or
b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange;
c) take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company

and it should not for any reason be deemed or construed that this Offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to *independent inquiry, investigation and analysis and shall not have any claim against the Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever*."

Disclaimer Clause of NSE

As required, a copy of this Prospectus will be submitted to NSE. The disclaimer clause as intimated by BSE to our Company is as set forth below:

"*As required, a copy of this Offer document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter dated Ref.: NSE/LIST/2546 dated September 28, 2023, permission to Issuer to use the Exchange's name in the Offer document as one of the Stock Exchange on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized the draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Offer document has been cleared or approved by NSE; nor does it in any manner warrant; certify or endorse the correctness or completeness of any of the contents of this Offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer's, its promoter, its management or any scheme or project of this Issuer.*

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Listing

The Equity Shares Allotted through the Red Herring Prospectus and this Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. BSE shall be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus and this Prospectus in accordance with applicable law. Our Company was required to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/ Offer Closing Date or such period as may be prescribed by SEBI. If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders in accordance with applicable law for the delayed period.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Chief Compliance Officer, Legal Counsel to the Company as to Indian Law, Bankers to our Company, the BRLMs, the Registrar to the Offer, Statutory Auditors, CRISIL, independent chartered accountant, have been obtained; and consents in writing of the Syndicate Members, Monitoring Agency, Escrow Collection Bank(s)/Refund Bank(s)/ Public Offer Account/ Sponsor Banks to act in their respective capacities, have been obtained and have been filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents have not been withdrawn up to the time of delivery of this Prospectus for filing with the RoC.

Experts to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated June 30, 2023 from Sharp & Tannan Associates, Chartered Accountants to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of their (i) examination report, dated November 25, 2023 on our Restated Financial Statements; and (ii) their report dated December 11, 2023 on the statement of possible special tax benefits in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated June 30, 2023 from Rangamani & Co., Chartered Accountants, independent chartered accountants, to include their name as an "expert" as defined under Section 2(38) of the Companies Act with respect to the information in certificate dated December 11, 2023 and such consent has not been withdrawn as on the date of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Particulars regarding capital issues by our Company and listed group company, subsidiaries or associate entities during the last three years

Other than as disclosed in "*Capital Structure*" on page 83, our Company has not made any capital issues during the three years preceding the date of this Prospectus.

Our Company does not have any listed Group Companies.

As of the date of this Prospectus, our Company does not have any subsidiary or associate entity.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares for the last five years by our Company.

Performance vis-à-vis objects – Public/ rights issue of our Company

Except as stated in *"Capital Structure – Notes to the Capital Structure"* on page 83, our Company has not undertaken any public issue or rights issue in the five years preceding the date of this Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Company

Our Company does not have any subsidiaries.

Our Company does not have a listed Promoter, except MFL, which has listed debt on the BSE.

Price information of past issues handled by the BRLMs

1) I-Sec

(i) Price information of past issues handled by I-Sec

Sr. No.	Issue Name	Issue Size (₹ in million)	Issue Price (in ₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Blue Jet Healthcare Limited^^	8,402.67	346.00	November 1, 2023	380.00	+4.08% [+6.02%]	NA*	NA*
2	Cello World Limited^^	19,000.00	648.00(1)	November 6, 2023	829.00	+21.92% [+7.44%]	NA*	NA*
3	ESAF Small Finance Bank Limited^	4,630.00	60.00(2)	November 10, 2023	71.90	+12.87%, [+7.58%]	NA*	NA*
4	Protean eGov Technologies Limited^	4,892.02	792.00(3)	November 13, 2023	792.00	+45.21%,[+7.11%]	NA*	NA*
5	ASK Automotive Limited^^	8,339.13	282.00	November 15, 2023	303.30	+2.73% [+7.66%]	NA*	NA*
6	Gandhar Oil Refinery (India) Limited^^	5,006.92	169.00	November 30, 2023	298.00	NA*	NA*	NA*
7	Fedbank Financial Services Limited^^	10,922.64	140.00 (4)	November 30, 2023	138.00	NA*	NA*	NA*
8	India Shelter Finance Corporation Limited^^	12,000.00	493.00	December 20, 2023	620.00	NA*	NA*	NA*
9	DOMS Industries Limited^	12,000.00	790.00(5)	December 20, 2023	1,400.00	NA*	NA*	NA*
10	Inox India Limited^	14,593.23	660.00	December 21, 2023	933.15	NA*	NA*	NA*

**Data not available*
^BSE as designated stock exchange
^^NSE as designated stock exchange
(1) Discount of Rs. 61 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 648.00 per equity share.
(2) Discount of Rs. 5 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 60.00 per equity share.
(3) Discount of Rs. 75 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 792.00 per equity share.
(4) Discount of Rs. 10 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 140.00 per equity share.
(5) Discount of Rs. 75 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 790.00 per equity share.

(ii) Summary statement of disclosure

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2023-24*	16	1,64,661.14	-	-	-	2	5	4	-	-	-	-	-	-
2022-23	9	2,95,341.82	-	1	3	-	3	2	-	1	1	-	5	2
2021-22	26	7,43,520.19	-	3	6	6	4	7	3	4	5	5	4	5

** This data covers issues up to YTD*

Notes:

1. *Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company.*
2. *Similarly, benchmark index considered is "NIFTY 50" where NSE is the designated stock exchange and "S&P BSE SENSEX" where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day*

2) Axis Capital

(i) Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital:

Sr. No.	Issue name	Issue size (₹ millions)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Inox India Limited(1)	14,593.23	660.00	21-Dec-23	933.15	-	-	-
2	Flair Writing Industries Limited(2)	5,930.00	304.00	December 1, 2023	501.00	-	-	-
3	ASK Automotive Limited(2)	8,339.13	282.00	November 15, 2023	303.30	-	-	-
4	JSW Infrastructure Limited(1)	28,000.00	119.00	October 3, 2023	143.00	+41.34%, [-2.93%]	-	-
5	SignatureGlobal (India) Limited(2)	7,300.00	385.00	September 27, 2023	444.00	+35.79%, [-4.36%]	-	-
6	R R Kabel Limited^ (1)	19,640.10	1,035.00	September 20, 2023	1,179.00	+34.45%, [-1.75%]	-	-
7	TVS Supply Chain Solutions Limited(2)	8,800.00	197.00	August 23, 2023	207.05	+8.71%, [+1.53%]	+6.57%, [+1.29%]	-
8	SBFC Finance Limited!(2)	10,250.00	57.00	August 16, 2023	82.00	+51.75%, [+3.28%]	+61.14%, [-0.11%]	-
9	Cyient DLM Limited& (2)	5,920.00	265.00	July 10, 2023	403.00	+86.79%, [+1.11%]	+152.17%, [+1.54%]	-
10	Mankind Pharma Limited(2)	43,263.55	1,080.00	May 9, 2023	1,300.00	+37.61%, [+2.52%]	+74.13%, [+6.85%]	+64.36%, [+5.28%]

Source: www.nseindia.com and www.bseindia.com
(1)BSE as Designated Stock Exchange
(2)NSE as Designated Stock Exchange
^ Offer Price was ₹ 937.00 per equity share to Eligible Employees
! Offer Price was ₹ 55.00 per equity share to Eligible Employees
& Offer Price was ₹ 250.00 per equity share to Eligible Employees

Notes:

- a. *Issue Size derived from Prospectus/final post issue reports, as available.*
- b. *The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
- c. *Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
- d. *In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.*
- e. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

(ii) Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital:

Financial Year	Total no. of IPOs	Total funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2023-2024*	10	1,52,036.01	-	-	-	2	4	1	-	-	-	1	-	-

Financial Year	Total no. of IPOs	Total funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-2023	11	279,285.39	-	1	6	-	2	2	-	2	5	-	3	1
2021-2022	25	609,514.77	-	2	6	6	5	6	3	4	3	5	3	7

** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

3) JMFL

(i) Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited.

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	DOMS Industries Limited[11]	12,000.00	790.00	December 20, 2023	1,400.00	Not Applicable	Not Applicable	Not Applicable
2.	Fedbank Financial Services Limited[10]	10,922.64	140.00	November 30, 2023	138.00	Not Applicable	Not Applicable	Not Applicable
3.	Tata Technologies Limited	30,425.14	500.00	November 30, 2023	1,199.95	Not Applicable	Not Applicable	Not Applicable
4.	ASK Automotive Limited*	8,339.13	282.00	November 15, 2023	303.30	Not Applicable	Not Applicable	Not Applicable
5.	Honasa Consumer Limited*[9]	17,014.40	324.00	November 7, 2023	330.00	17.58% [7.89%]	Not Applicable	Not Applicable
6.	Cello World Limited*[8]	19,000.00	648.00	November 6, 2023	829.00	21.92% [7.44%]	Not Applicable	Not Applicable
7.	JSW Infrastructure Limited#	28,000.00	119.00	October 3, 2023	143.00	41.34% [-2.93%]	Not Applicable	Not Applicable
8.	Zaggle Prepaid Ocean Services Limited*	5,633.77	164.00	September 22, 2023	164.00	30.95% [-0.67%]	Not Applicable	Not Applicable
9.	Samhi Hotels Limited#	13,701.00	126.00	September 22, 2023	130.55	15.16% [-0.93%]	Not Applicable	Not Applicable
10.	R R Kabel Limited#[7]	19,640.10	1,035.00	September 20, 2023	1,179.00	34.45% [-1.75%]	Not Applicable	Not Applicable

Source: www.nseindia.com and www.bseindia.com
 # BSE as Designated Stock Exchange
** NSE as Designated Stock Exchange*
Notes:

1. *Opening price information as disclosed on the website of the Designated Stock Exchange.*
2. *Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.*
3. *For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of Rs. 98 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
8. *A discount of Rs. 61 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*

9. *A discount of Rs. 30 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
10. *A discount of Rs. 10 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
11. *A discount of Rs. 75 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
12. *Not Applicable – Period not completed*

(ii) Summary statement of price information of past issues handled by JMFL:

Financial Year	Total no. of IPOs	Total funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2023-2024	15	2,02,409.39	-	-	1	2	4	5	-	-	-	-	-	1
2022-2023	11	3,16,770.53	-	1	3	-	5	2	-	2	2	2	3	2
2021-2022	17	2,89,814.06	-	1	2	5	5	4	1	2	3	4		3

4) SBICAP

(i) Price information of past issues handled by SBICAP:

Sr. No.	Issue Name**	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Indian Renewable Energy Development Agency Limited#	21,502.12	32.00	November 29, 2023	50.00	-	-	-
2	Updater Services Ltd@	6,400.00	300.00	October 4, 2023	299.90	-13.73% [-1.56%]	-	-
3	JSW Infrastructure Limited@	28,000.00	119.00	October 3, 2023	143.00	41.34% [-2.93%]	-	-
4	Yatra Online Limited@	7,750.00	142.00	September 28, 2023	130.00	-11.06% [-2.63%]	-	-
5	Senco Gold Limited#	4,050.00	317.00	July 14, 2023	430.00	25.28% [-0.70%]	105.32% [1.26%]-	-
6	Tamilnad Mercantile Bank Limited @	8,078.40	510.00	September 15, 2022	510.00	-8.43% [-3.36%]	2.14% [+4.34%]	-15.82% [-2.83%]
7	Paradeep Phosphates Limited @	15,017.31	42.00	May 27, 2022	43.55	-10.24% [-3.93%]	27.50% [+7.65%]	31.19% [11.91%]
8	Life Insurance Corporation of India (1)@	205,572.31	949.00	May 17, 2022	867.20	-27.24% [-3.27%]	-28.12% [+9.47%]	-33.82% [13.76%]
9	Star Health and Allied Insurance Company Ltd (2)#	64,004.39	900.00	December 10,2021	845.00	-14.78% [+1.72%]	-29.79% [-6.66%]	-22.21% [-6.25%]
10	Tarsons Products Limited (3)@	8,738.40	662.00	November 26, 2021	700.00	-4.16% [+0.03%]	-4.46% [+0.22%]	0.20% [-5.35%]

Source: www.nseindia.com and www.bseindia.com
Notes:
* *The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days isa trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.*
** *The information is as on the date of this document.*
* *The information for each of the financial years is based on issues listed during such financial year.*
@ *The S&P BSE SENSEX index is considered as the Benchmark Index, BSE being the designated stock exchange*

 # The Nifty 50 index is considered as the Benchmark Index, NSE being the designated stock exchange

1 Price for retail individual bidders and eligible employee was Rs 904.00 per equity share and for Eligible Policy Holders and was Rs 889.00 per equity share
2 Price for eligible employee was Rs 820.00 per equity share
3 Price for eligible employee was Rs 639.00 per equity share

(ii) Summary statement of price information of past issues handled by SBICAP:

Financial Year	**Total no. of IPOs#**	**Total funds raised (₹ in millions)**	**Nos. of IPOs trading at discount on as on 30th calendar days from listing date**			**Nos. of IPOs trading at premium on as on 30th calendar days from listing date**			**Nos. of IPOs trading at discount as on 180th calendar days from listing date**			**Nos. of IPOs trading at premium as on 180th calendar days from listing date**		
			Over 50%	**Between 25% - 50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**
2023-2024*	5	67,702.11	-	-	2	-	2	-	-	-	-	-	-	-
2022-2023	3	2,28,668.02	-	1	2	-	-	-	-	1	1	-	1	-
2021-2022	10	2,17,814.28	-	-	6	1	2	1	-	3	1	3	-	3

** The information is as on the date of this Offer Document.*
 # Date of Listing for the issue is used to determine which financial year that particular issue falls into

Track record of the Book Running Lead Managers

Further, helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 are set forth in the table below:

S. No.	Name of BRLM	Website
1.	I-Sec	www.icicisecurities.com
2.	Axis Capital	www.axiscapital.co.in
3.	JMFL	www.jmfl.com
4.	SBICAP	www.sbicaps.com

Stock Market Data of Equity Shares

This being an initial public offer of Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs with whom the Bid cum Application Form was submitted by the Anchor Investor.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding four Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLMs shall compensate the investors at the rate higher of ₹100 or 15% per annum of the application amount for the period of such delay. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs were undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application was made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Book Running Lead Managers shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the applicable provisions of SEBI ICDR Regulations. In terms of the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

For helpline details of the Book Running Lead Managers pursuant to the SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see "*General Information – Book Running Lead Managers*" on page 76.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the SEBI ICDR Regulations. Bidders can contact our Company Secretary and Chief Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned herein.

Disposal of Investor Grievances by our Company

Our Company has obtained authentication on the SCORES in terms of the SEBI circular SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022 in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint, provided however, in relation to complaints pertaining to blocking/unblocking of funds, investor complaints shall be resolved on the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Each Selling Shareholder, specifically, severally and not jointly, has authorised our Company Secretary and Chief Compliance Officer and the Registrar to the Offer to redress any complaints received from Bidders in respect of its portion of the Offered Shares. Our Company has not received investor complaints in relation to the Equity Shares for the three years prior to the filing of this Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of this Prospectus.

Investors can contact the Company Secretary and Chief Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. Our Company has also appointed Neethu Ajay, as our Company Secretary and Chief Compliance Officer for the Company for the Offer. For details, see "*General Information*" on page 74.

Our Company has constituted a Stakeholders' Relationship Committee comprising of Thomas John Muthoot, Thomas Muthoot, Alok Prasad. For details, see "*Our Management - Stakeholders' Relationship Committee*" on page 238.

Exemption from complying with any provisions of SEBI ICDR Regulations

Our Company has not applied for or received any exemption from complying with any provisions of SEBI ICDR Regulations.

Other confirmations

No person connected with the Offer, except for fees or commission for services rendered in relation to the Offer, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares offered, Allotted and transferred pursuant to the Offer were subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of the Red Herring Prospectus, this Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/certificates that were executed in respect of the Offer. The Equity Shares shall also be subject to applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital, offer for sale, and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other governmental, statutory or regulatory authorities while granting its approval for the Offer, to the extent and for such time as these continue to be applicable.

The Offer

The Offer comprised a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. For details in relation to the sharing of Offer expenses amongst our Company and each of the Selling Shareholders, see "*Objects of the Offer*" on page 104.

Ranking of the Equity Shares

The Allottees upon Allotment of Equity Shares under the Offer will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares being offered and Allotted/ transferred in the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, our MoA and AoA and shall be *pari passu* with the existing Equity Shares in all respects including voting and right to receive dividends. For further details, see "*Description of Equity Shares and Terms of Articles of Association*" on page 491.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines, regulations or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of Articles of Association*" on pages 254 and 491, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹10 and the Offer Price at the lower end of the Price Band is ₹277 per Equity Share and at the higher end of the Price Band is ₹291 per Equity Share. The Anchor Investor Offer Price and the Offer Price is ₹291 per Equity Share.

The Offer Price, Price Band, Employee Discount and the minimum Bid Lot size for the Offer was decided by our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, and advertised in all editions of The Financial Express, an English national daily newspaper and all editions of Jansatta, a Hindi national daily newspaper and all editions of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date and was made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, was pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price was determined by our Company, acting through its IPO Committee in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations, after the Bid/ Offer Closing Date on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process.

At any given point of time, there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;

- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or "e-voting", in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission, consolidation or sub-division, see "*Description of Equity Shares and Terms of Articles of Association*" on page 491.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated November 28, 2016 amongst our Company, NSDL and Registrar to the Offer; and
- Tripartite agreement dated July 23, 2018 amongst our Company, CDSL and Registrar to the Offer.

For details in relation to the Basis of Allotment, see "*Offer Procedure*" on page 471.

Employee Discount

Employee discount, if any, may be offered to Eligible Employees bidding in the Employee Reservation Portion respectively. Eligible Employees bidding in the Employee Reservation Portion respectively at a price within the Price Band can make payment at Bid Amount, that is, Bid Amount net of employee discount, if any, as applicable at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion respectively at the Cut-Off Price have to ensure payment at the Cap Price, less employee discount, if any, as applicable, at the time of making a Bid.

Market Lot and Trading Lot

Since trading of the Equity Shares on the Stock Exchanges is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialised and electronic form in multiples of one Equity Share subject to a minimum Allotment of 51 Equity Shares of face value of ₹10 each. For further details on the Basis of Allotment, see "*Offer Procedure*" on page 471.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they are deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai, India.

Period of operation of subscription list

See "– *Bid/ Offer Programme*" on page 463.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, could not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A and referred to in this Prospectus as "U.S. QIBs"), pursuant to Section 4(a) U.S. Securities Act, and (ii) outside the United States, in offshore transactions, as defined in and in compliance with Regulation S and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and could not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the Sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of Sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is modified or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or modified by nominating any other person in place of the present nominee, by the holder of the Equity Shares who made the nomination, by giving a notice of such cancellation or variation to our Company. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the Registrar and Transfer Agent of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer were made only in dematerialised mode, there was no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Bid/Offer Programme

BID/OFFER OPENED ON	**MONDAY, DECEMBER 18, 2023(1)**
BID/OFFER CLOSED ON	**WEDNESDAY, DECEMBER 20, 2023(2)**

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Thursday, December 21, 2023
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about Friday, December 22, 2023
Credit of Equity Shares to dematerialized accounts of Allottees	On or about Friday, December 22, 2023
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Tuesday, December 26, 2023

* *In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled/withdrawn/deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher, for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs and shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated by the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, and the SEBI ICDR Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the Self Certified Syndicate Bank(s)(“**SCSB**”), to the extent applicable. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.*

The above timetable other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, the Selling Shareholders or the BRLMs.

Any circulars or notifications from the SEBI after the date of this Prospectus may result in changes to the listing timelines. Further, the offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three Working days of Bid/

Offer Closing Date or such time as may be prescribed by SEBI, with reasonable support and co-operation of each of the Selling Shareholders, as may be required in respect of its respective portion of the Offered Shares, the timetable may be extended due to various factors, such as any delay in receiving the final listing and trading approval from the Stock Exchanges or delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Selling Shareholder, severally and not jointly, confirms that it shall extend commercially reasonable co-operation to our Company, as may be required solely in relation to its respective Offered Shares, in accordance with applicable law, to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within three Working Days from the Bid/Offer Closing Date or such time as prescribed by SEBI.

SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post issue timeline for initial public offerings ("**IPO**"). The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Accordingly, the Offer will be made under UPI Phase III on mandatory T+3 days listing basis, subject to the timing of the Offer and any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

The Registrar to the Offer submitted the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs unblocked such applications by the closing hours of the Working Day.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within such time as prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Any circulars or notifications from SEBI after the date of this Prospectus may result in changes to the listing timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Offer Closing Date*	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RIIs, other than QIBs and Non-Institutional Investors	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and Non-Institutional Investors	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ Revision/cancellation of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Investors categories#	Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 5.00 p.m. IST on Bid/Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIIs	Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 5.00 p.m. IST on Bid/Offer Closing Date

**UPI mandate end time and date was at 5:00 pm on the Bid/Offer Closing Date.*
#QIBs and Non-Institutional Investors can neither revise their bids downwards nor cancel/ withdraw their Bids

On the Bid/ Offer Closing Date, the Bids were required to be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs and Eligible Employees Bidding in the Employee Reservation Portion.

On Bid/Offer Closing Date, extension of time could have been granted by Stock Exchanges only for uploading Bids received RIBs and Eligible Employees under the Employee Reservation Portion, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs, or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, were rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders were advised to submit their Bids one day prior to the Bid/Offer Closing Date and in any case no later than 12:00 p.m. IST on the Bid/Offer Closing Date. Any time mentioned in this Prospectus is IST. Bidders were cautioned that, in the event a large number of Bids having been received on the Bid/Offer Closing Date, it would lead to some Bids not being uploaded due to lack of sufficient time. Such Bids that could not be uploaded would not be considered for allocation under the Offer. Bids and any revision in Bids would be accepted only during Working Days during the Bid/ Offer Period. Bidders were required to note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE, respectively, Bids and any revision in Bids would not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders were to be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges was taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; or (ii) minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, if any, in accordance with applicable laws, or if the subscription level falls below the thresholds mentioned above after the Bid/Offer Closing Date, on account of withdrawal of applications or after technical rejections, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being issued or offered under the Red Herring Prospectus and this Prospectus, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023. If there is a delay beyond two days after our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum. In the event of an under-subscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Offer prior to the Equity Shares offered pursuant to the Offer for Sale.

However, in case of under-subscription in the Offer, Equity Shares up to 90% of the Fresh Issue ("**Minimum Subscription**") will be issued prior to the sale of Equity Shares in the Offer for Sale, provided that post satisfaction of the Minimum Subscription, Equity Shares will be Allotted under the Offer for Sale (i) first with the Offered Shares of the Investor Selling Shareholder; and (ii) then from the Offered Shares of the remaining Selling Shareholders in proportion to their respective portions of the Offered Shares, or in any other manner as may be mutually agreed among the Selling Shareholders. The balance Equity Shares of the Fresh Issue (i.e., 10% of the Fresh Issue) will be offered only once the entire portion of the Offered Shares are Allotted in the Offer.

Each Selling Shareholder shall reimburse, severally and not jointly, and only to the extent of the Equity Shares offered by such Selling Shareholder in the Offer, any expenses and interest incurred by our Company on behalf of such Selling Shareholder for any delays in making refunds as required under the Companies Act and any other applicable law, provided that such Selling Shareholder shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder in relation to its portion of the Offered Shares.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company ensures that the number of Bidders to whom the Equity Shares were Allotted was not less than 1,000.

No liability to make any payment of interest or expenses shall accrue to any Selling Shareholder unless the delay in making any of the payments/refund hereunder or the delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is caused solely by, and is directly attributable to, an act or omission of such Selling Shareholder and to the extent of its portion of the Offered Shares.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

Withdrawal of the Offer

Our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, reserved the right not to proceed with the Offer, in whole or in part thereof, after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks, in case of UPI Bidders, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, withdraw the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within three Working Days of the Bid/ Offer Closing Date or such other time period as prescribed under applicable law; and (ii) the final RoC approval of this Prospectus after it is filed and/ or submitted with the RoC and the Stock Exchanges. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

Restrictions, if any on transfer and transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, lock-in of our Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 83 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Description of Equity Shares and Terms of Articles of Association*" on page 491.

New financial instruments

Our Company is not issuing any new financial instruments through this Offer.

OFFER STRUCTURE

The Offer is of 33,007,054*$ Equity Shares of face value of ₹10 each for cash at a price of ₹291^ per Equity Share (including a share premium of ₹281^ per Equity Share) aggregating to 9,600.00* million comprising a Fresh Issue of 26,134,205*$ Equity Shares of face value of ₹10 each aggregating to ₹7,600.00* million and an Offer for Sale of 6,872,849 * Equity Shares of face value of ₹10 each aggregating to ₹2,000.00* million by the Selling Shareholders. The face value of Equity Shares is ₹10 each.

**Subject to finalisation of the Basis of Allotment*
$ *This includes 361,010 Equity Shares aggregating to ₹100.00 million issued at a discount of ₹14 per Equity Share to Eligible Employees applied in the Employee Reservation Portion.*
^ *A discount of ₹14 per Equity Share was offered to Eligible Employees Bidding in the Employee Reservation Portion*

The Offer included a reservation of 361,010* Equity Shares of face value of ₹10 each, aggregating to ₹100.00^ million, for subscription by Eligible Employees. The Employee Reservation Portion constitutes 0.21% of our post-Offer paid-up Equity Share capital. The Offer less the Employee Reservation Portion is the Net Offer.

**Subject to finalisation of Basis of Allotment*
^After Employee Discount

The Offer and Net Offer constitute 19.36% and 19.15% of the post-Offer paid-up Equity Share capital of our Company, respectively.

The Offer is being made through the Book Building Process.

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation* (2)	361,010 Equity Shares of face value of ₹10 each ##	16,323,021 Equity Shares of face value of ₹10 each	4,896,907 Equity Shares of face value of ₹10 each available for allocation or Net Offer less allocation to QIB Bidders and RIBs	11,426,116 Equity Shares of face value of ₹10 each available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/allocation	The Employee Reservation Portion constitutes 0.21% of the post-Offer paid-up Equity Share capital of our Company i.e. 361,010	Not more than 50% of the Net Offer allotted to QIB Bidders. However, up to 5% of the Net QIB Portion was made available for allocation on a proportionate basis to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion were also eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion was added to the Net QIB Portion	Not less than 15% of the Net Offer. The allotment to each Non-Institutional Bidder was not less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, was made available for allocation out of which (a) one third of such portion available to Non-Institutional Bidders was reserved for applicants with an application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion available to Non-Institutional Bidders was reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either the sub-categories mentioned above may be allocated to applicants in the other sub-category of Non-Institutional Bidders	Not less than 35% of the Net Offer
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate#; the value of allocation to an Eligible Employee did not exceed ₹200,000 (net of the	Proportionate as follows (excluding the Anchor Investor Portion):	The Equity Shares available for allocation to Non-Institutional Bidders under the Non-	The allotment to each RIB was not less than the minimum Bid Lot, subject to availability of Equity

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
	Employee Discount). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹200,000, subject to total Allotment to an Eligible Employee not exceeding ₹500,000	a) 326,461 Equity Shares of face value of ₹10 each were made available for allocation on a proportionate basis to Mutual Funds only; and b) 6,202,748 Equity Shares of face value of ₹10 each were made available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. 9,793,812 Equity Shares of face value of ₹10 each were allocated on a discretionary basis to Anchor Investors of which one-third was made available for allocation to domestic Mutual Funds only, subject to valid Bids having been received from Mutual Funds at or above the Anchor Investor Allocation Price	Institutional Portion, were subject to the following: a) one third of the portion available to Non-Institutional Bidders being 1,632,303 Equity Shares of face value of ₹10 each were reserved for Bidders Bidding more than ₹200,000 and up to ₹1,000,000; and b) two third of the portion available to Non-Institutional Bidders being 3,264,604 Equity Shares of face value of ₹10 each were reserved for Bidders Bidding more than ₹1,000,000. Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above, may be allocated to Bidders in the other sub-category of Non-Institutional Portion in accordance with SEBI ICDR Regulations. The allotment of specified securities to each Non-Institutional Bidder was not less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, were allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations. For details, see "*Offer Procedure*" on page 471.	Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For further details, see "*Offer Procedure*" on page 471.
Minimum Bid	Such number of Equity Shares in multiples of 51 Equity Shares of face value of ₹10 each	51 Equity Shares of face value of ₹10 each in multiples of 51 Equity Shares of face value of ₹10 each such that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of 51 Equity Shares of face value of ₹10 each such that the Bid Amount exceeds ₹ 200,000	51 Equity Shares of face value of ₹10 each and in multiples of 51 Equity Shares of face value of ₹10 each thereafter
Maximum Bid	Such number of Equity Shares in multiples of 51 Equity Shares of face value of ₹10 each, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion did not	Such number of Equity Shares in multiples of 51 Equity Shares of face value of ₹10 each not exceeding the size of the Net Offer, (excluding the Anchor portion) subject to applicable limits	Such number of Equity Shares in multiples of 51 Equity Shares of face value of ₹10 each not exceeding the size of the Net Offer, (excluding the QIB portion) subject to	Such number of Equity Shares in multiples of 51 Equity Shares of face value of ₹10 each so that the Bid Amount did not exceed ₹ 200,000

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
	exceed ₹500,000, less Employee Discount, if any		limits applicable to the Bidder	
Mode of Bidding	Through ASBA process only (except Anchor Investors). In case of UPI Bidders, ASBA process will include the UPI Mechanism.			
Bid Lot	51 Equity Shares of face value of ₹10 each and in multiples of 51 Equity Shares of face value of ₹10 each thereafter			
Mode of Allotment	Compulsorily in dematerialised form			
Allotment Lot	51 Equity Shares of face value of ₹10 each and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply(4)	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the GoI through resolution F. No.2/3/2005-DD-II dated November 23, 2005, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs, in accordance with applicable laws.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices which are re-categorised as Category II FPIs and registered with SEBI.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)
Terms of Payment	**In case of Anchor Investors:** Full Bid Amount was payable by the Anchor Investors at the time of submission of their Bids(3) **In case of all other Bidders:** Full Bid Amount was blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank(s) through the UPI Mechanism (other than Anchor Investors) that is specified in the ASBA Form at the time of submission of the ASBA Form			

* *Subject to finalisation of Basis of Allotment*

 # Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion was considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion the unsubscribed portion would be available for

allocation and Allotment, proportionately to all Eligible Employees who had Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of the Employee Discount). Further, an Eligible Employee Bidding in the Employee Reservation Portion could also Bid in the Net Offer and such Bids would not be treated as multiple Bids subject to applicable limits. The undersubscribed portion, if any, in the Employee Reservation Portion was to be added back to the Net Offer.

Our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, offered a discount of 4.81% to the Offer Price (equivalent of ₹ 14 per Equity Share) to Eligible Employees Bidding in the Employee Reservation Portion, , and which was announced at least two Working Days prior to the Bid / Offer Opening Date.

(1) *Our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, allocated 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis subject to there having been (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion was up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion was more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof was permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor was required to make a minimum Bid of such number of Equity Shares, that the Bid Amount was at least ₹ 100 million. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids having been received at or above the price at which allocation was made to Anchor Investors, which price was determined by the Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations.*

(2) *Subject to valid Bids having been received at or above the Offer Price. This Offer is made in accordance with the Rule 19(2)(b) of the SCRR and is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations.*

(3) *Full Bid Amount was payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms, provided that any difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Offer Price, was payable by the Anchor Investor Pay-in Date as mentioned in the CAN. For details of terms of payment of applicable to Anchor Investors, see General Information Document available on the website of the Stock Exchanges and the BRLMs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.*

(4) *In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder was required in the Bid cum Application Form and such First Bidder was deemed to have signed on behalf of the joint holders. Bidders were required to confirm and were deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares. Further, a Bidder Bidding in the Employee Reservation Portion could also Bid under the Net Offer and such Bids were not to be treated as multiple Bids. To clarify, an Eligible Employee Bidding in the Employee Reservation Portion above ₹500,000 (net of Employee Discount, if any) was not allowed to Bid in the Net Offer as such Bids were to be treated as multiple Bids.*

(5) *Subject to valid bids being received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, was to be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, and the Designated Stock Exchange, subject to applicable laws.*

Eligible Employees Bidding in the Employee Reservation Portion at a price within the Price Band could make payment based on Bid Amount, at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, at the time of making a Bid.

The Bids by FPIs with certain structures as described under "*Offer Procedure - Bids by FPIs*" on page 477 and having same PAN were collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) were proportionately distributed.

Bidders were required to confirm and were deemed to have represented to our Company, each of the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges was taken as the final data for the purpose of Allotment.

OFFER PROCEDURE

All Bidders were required to read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which was part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, including in relation to the process for Bids by UPI Bidders. The investors were required to note that the details and process provided in the General Information Document was to be read along with this section.

Additionally, all Bidders could refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) disposal of applications; and (xiii) interest in case of delay in Allotment or refund.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective until June 30, 2019. Pursuant to its circular SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, the SEBI has increased the UPI limit from ₹ 2,00,000 to ₹ 5,00,000 for all the individual investors applying in public issues.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by UPI Bidders through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023 ("**T+3 Press Release**"). Accordingly, the Offer will be undertaken pursuant to the processes and procedures under UPI Phase III on mandatory T+3 listing basis, subject to any circulars, clarification or notification issued by the SEBI pursuant to the T+3 Press Release.*

The Offer was undertaken pursuant to the processes and procedures under UPI Phase III on mandatory T+3 listing basis, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI pursuant to the T+3 Press Release. Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, in accordance with the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and the BRLMs shall continue to coordinate with intermediaries involved in the said process.

Our Company, the Selling Shareholders and the BRLMs, members of the syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the GID and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Bidders were advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and did not exceed *the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and this Prospectus, when filed.*

Further, our Company, the Selling Shareholders and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

Book Building Procedure

This Offer has been made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. The Offer has been made through the Book Building Process and is in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein in terms of Regulation 32(1) of the SEBI ICDR Regulations, not more than 50% of the Net Offer was allocated on a proportionate basis to QIBs, provided that our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, could allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion was made available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion was made available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids having been received at or above the Offer Price. Further, subject to availability of Equity Shares in the respective categories, not less than 15% of the Net Offer was made available for allocation to Non-Institutional Bidders out of which (a) one third of such portion was reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion was reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Net Offer was made available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids having been received at or above the Offer Price. Further, 361,010 Equity Shares of face value of ₹10 each, aggregating to ₹100 million were made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion.

Subject to valid Bids having been received at or above the Offer Price, under-subscription, if any, in any category, except in the QIB Portion, was allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, and the Designated Stock Exchange subject to receipt of valid Bids having been received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

Bidders were required to ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors were required to note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which did not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID (for UPI Bidders), were to be treated as incomplete and were to be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

However, they may get the Equity Shares re-materialised subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws. **Phased implementation of UPI**

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: This phase had become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide the T+3 Press Release. In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. Accordingly, the Offer will be undertaken pursuant to the processes and procedures under UPI Phase III on mandatory T+3 listing basis, subject to any circulars, clarification or notification issued by the SEBI pursuant to the T+3 Press Release.

The processing fees for application made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time and such payment of processing fees to the SCSBs shall be made in compliance with circular prescribed by SEBI and applicable law. The Offer was made under UPI Phase III of the UPI Circular.

All SCSBs offering facility of making application in public issues also provided facility to make application using UPI. Our Company was required to appoint one of the SCSBs as the Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 ("**UPI Streamlining Circular**"), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streamlining Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs wereundertaken pursuant to an application made by the SCSBs to the BRLMs, and such application was made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

The Offer has been made under UPI Phase III of the UPI Circulars and the same was advertised in all editions of The Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and all edition of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located) each with wide circulation, on or prior to the Bid/ Offer Opening Date and such advertisement was also made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Company has appointed certain of the SCSBs as the Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the UPI Bidders.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus were made available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form was also available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date.

Copies of the Anchor Investor Application Form were made available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) were required to mandatorily participate in the Offer only through the ASBA process, which shall include the UPI Mechanism in case of UPI Bidders. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

UPI Bidders were required to provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that did not contain the UPI ID were liable to be rejected.

ASBA Bidders were required to provide either (i) the bank account details and authorisation to block funds in their respective ASBA Accounts, or (ii) the UPI ID, as applicable in the relevant space provided in the ASBA Form. The ASBA Forms that did not contain such details were liable to be rejected.

Since the Offer is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

(i) UPI Bidders may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) QIBs and Non-Institutional Bidders (other than Non-Institutional Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

The ASBA Bidders, including UPI Bidders, were required to ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which shall be effective from September 1, 2022.

ASBA Bidders were required to ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp were liable to be rejected. UPI Bidders, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs (except UPI Bidders). ASBA Bidders were required to ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount could be blocked by the SCSB or the Sponsor Bank(s), as applicable at the time of submitting the Bid.

Anchor Investors are not permitted to participate in the Offer through the ASBA process. For Anchor Investors, the Anchor Investor Application Form were made available with the BRLMs.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue
Anchor Investors	White
Eligible Employees Bidding in the Employee Reservation Portion	Pink

* *Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms and the Abridged Prospectus was also available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors was made available at the offices of the BRLMs.

(3) Bid cum Application Forms for Eligible Employees was made available at the Registered Office of the Company.

In case of ASBA forms, the relevant Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges and the Stock Exchanges validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. The Stock Exchanges were required to accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on application monies blocked. For UPI Bidders, the Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded. The Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders) Designated Intermediaries (other than SCSBs) submitted/ delivered the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds.The Sponsor Bank(s) initiated request for blocking of funds through NPCI to UPI Bidders, who were required to accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI was required to maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate the UPI Bidders in case of failed transactions was with the concerned entity (i.e., the Sponsor

Bank(s), NPCI or the Bankers to the Offer) at whose end the lifecycle of the transaction has come to a halt. The NPCI was required to share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability.

The Sponsor Bank(s) undertook a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and also ensured that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) undertook reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and shared reports with the Book Running Lead Managers in the format and within the timelines as specified under the SEBI UPI Circulars. Sponsor Bank(s) and issuer banks downloaded UPI settlement files and raw data files from the NPCI portal after every settlement cycle and did a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI coordinated with issuer banks and Sponsor Bank(s) on a continuous basis.

For ensuring timely information to investors, SCSBs were required to send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. For all pending UPI Mandate Requests, the Sponsor Bank(s) initiated requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm IST on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time lapsed. Further, modification/cancellation of Bids (if any) shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/ Offer Opening Date until the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in accordance with SEBI circular no: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.

Electronic registration of Bids

a) The Designated Intermediary could register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries could also set up facilities for off-line electronic registration of Bids, subject to the condition that they would subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer, subject to applicable laws.

b) On the Bid/Offer Closing Date, the Designated Intermediaries could upload the Bids until such time as was permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus and this Prospectus.

c) Only Bids that were uploaded on the Stock Exchanges Platform were considered for allocation/Allotment. The Designated Intermediaries are given until 5:00 pm IST on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) sent the bid information to the Registrar to the Offer for further processing.

Participation by Promoters and Promoter Group of the Company, the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members were not allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members could Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis or in any other manner as introduced under applicable laws and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, were required to be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices which are associates of the BRLMs) or pension fund sponsored by entities which are associate of the BRLMs nor; (ii) any person related to the Promoters or Promoter Group shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights was deemed to be a "person related to the Promoter or Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoter or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor was deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercised control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs. Further, persons related to our Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Portion.

Except to the extent of participation in the Offer for Sale by the Promoter, the Promoter Group will not participate in the Offer.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate was required to be lodged along with the Bid cum Application Form. Failing this, our Company, acting through its IPO Committee in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations, reserved the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds were required to specifically state names of the concerned schemes for which such Bids were made.

In case of a Mutual Fund, a separate Bid could be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund was not treated as multiple Bids provided that the Bids clearly indicated the scheme concerned for which the Bid had been made.

No Mutual Fund scheme could invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% was not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes could own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible Employees

The Bid was for a minimum of 51 Equity Shares of face value of ₹10 each and in multiples of 51 Equity Shares of face value of ₹10 each thereafter so as to ensure that the Bid Amount payable by the Eligible Employee did not exceed ₹ 500,000 (net the Employee Discount).

However, the initial allocation to an Eligible Employee in the Employee Reservation Portion did not exceed ₹ 200,000. Allotment in the Employee Reservation Portion is as detailed in the section "*Offer Structure*" on page 467.

However, Allotments to Eligible Employees in excess of ₹200,000 shall be considered on a proportionate basis, in the event of under-subscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. Subsequent under-subscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer.

Eligible Employees Bidding in the Employee Reservation Portion could Bid at the Cut-off Price.

Bids under the Employee Reservation Portion by Eligible Employees was:

(i) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. Pink colour form).

(ii) Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) were eligible to apply in the Offer under the Employee Reservation Portion.

(iii) In case of joint bids, the Sole Bidder or the First Bidder were required to be the Eligible Employee.

(iv) Bids by Eligible Employees could be made at Cut-off Price.

(v) Only those Bids, which were received at or above the Offer Price (net the Employee Discount) would be considered for allocation under this portion.

(vi) The Bids must be for a minimum of 51 Equity Shares of face value of ₹10 each and in multiples of 51 Equity Shares of face value of ₹10 each thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹500,000 (net the Employee Discount).

(vii) Eligible Employees bidding in the Employee Reservation Portion can Bid through the UPI mechanism

(viii) If the aggregate demand in this portion is less than or equal to 361,011 Equity Shares of face value of ₹10 each at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(ix) Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion were not treated as multiple Bids. Our Company reserved the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

(x) Eligible Employees were required to mention their employee number at the relevant place in the Bid cum Application Form or Revision Form

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion were made available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.

If the aggregate demand in this portion was greater than 361,011 Equity Shares of face value of ₹10 each at or above the Offer Price, the allocation was made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Offer Procedure*" on page 471.

Bids by Eligible NRIs

Eligible NRIs Bidding on non-repatriation basis were advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis were advised to use the Bid cum Application Form meant for Non-Residents (blue in colour). Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment.

Eligible NRIs were required to obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms were required to authorise their respective SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non- Resident External ("**NRE**") accounts, or FCNR accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms were required to authorize their respective SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Eligible NRIs applying on a non-repatriation basis in the Offer through the UPI Mechanism were advised to enquire with their relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Participation of Eligible NRIs in the Offer was subject to compliance with the FEMA NDI Rules. In accordance with the FEMA NDI Rules, the total holding by any individual NRI, on a repatriation basis, did not exceed 5% of the total paid-up Equity Share capital on a fully diluted basis or was not to exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together was not to exceed 10% of the total paid-up equity capital on a fully diluted basis or was not to exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% could be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs would be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Offer, provided the UPI facility was enabled for their NRE/ NRO accounts.

For further details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 490.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA NDI Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs were required to be made, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid was made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs were considered at par with Bids/Applications from individuals.

Bids by FPIs

An FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognised stock exchange in India, and/or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our total paid-up Equity Share capital on a fully diluted basis. Further, in terms of the FEMA NDI Rules, the total holding by each FPI (or a group) was required to be less than 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis.

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations was required to be attached to the Bid cum Application Form, failing which our Company reserved the right to reject any Bid without assigning any reason. FPIs who wished to participate in the Offer were advised to use the Bid cum Application Form for Non-Residents (blue in colour).

As specified in the General Information Document, it is hereby clarified that bids received from FPIs bearing the same PAN were to be treated as multiple Bids and were liable to be rejected, except for Bids from FPIs that utilized the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations ("**MIM Structure**"), provided such Bids were made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, were liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids were liable to be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 21(1) of the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Participation of FPIs in the Offer shall be subject to the FEMA NDI Rules.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder was required to not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Prospectus read with the General Information Document, Bid Cum Application Forms were liable to be rejected in the event that the Bid in the Bid cum Application Form "*exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of this Prospectus.*"

For example, an FPI was required to ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI**

Group") shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital shall be liable to be rejected.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance finds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹ 250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013 (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable was required to be lodged along with the Bid cum Application Form. Failing this, our Company reserved the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, in their absolute discretion, reserved the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations as amended, *inter alia*, prescribe the investment restrictions on VCFs, and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI was required to not exceed 25% of the corpus of the VCF or FVCI. Further, subject to FEMA NDI Rules, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in an investee company directly or through investment in the units of other AIF. A Category III AIFs cannot invest more than 10% of the investible funds in an investee company directly or through investment in the units of other AIF. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Pursuant to the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Our Company, the Selling Shareholders, severally and not jointly, and the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA NDI Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, was required to be attached to the Bid cum Application Form. Failing this, our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, reserved the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"). and the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banking company's own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company, subject to prior approval of the RBI, if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company; (iii) hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above.

Further, the aggregate investment by a banking company in all its subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments, cannot exceed 20% of the banking company's paid up share capital and reserves.

The banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make investment in a (i) subsidiary or a financial services company that is not a subsidiary (with certain exceptions prescribed); and (ii) non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in para 5(a)(v)(c)(i) of the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer were required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs were required to ensure that for making applications on their own account using ASBA, they had a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds were to be available in such account for such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI was required to be attached to the Bid cum Application Form. Failing this, our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, reserved the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates.

Insurance companies participating in the Offer were advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund was required to be attached to the Bid cum Application Form. Failing this, our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, reserved the right to reject any Bid, without assigning any reason thereof.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, were required to be attached to the Bid cum Application Form. Failing this, our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, reserved the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below.

1. Anchor Investor Application Forms were made available for the Anchor Investor Portion at the offices of the Book Running Lead Managers.

2. The Bid was required to be for a minimum of such number of Equity Shares so that the Bid Amount exceeded ₹ 100 million. A Bid could not be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund were aggregated to determine the minimum application size of ₹ 100 million.

3. One-third of the Anchor Investor Portion was reserved for allocation to domestic Mutual Funds.

4. Bidding for Anchor Investors opened one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.

5. Our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion was not less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion was up to ₹ 100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion was more than ₹ 100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.

6. Allocation to Anchor Investors was completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, were made available in the public domain by the Book Running Lead Managers before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

7. Anchor Investors could not withdraw or lower the size of their Bids at any stage after submission of the Bid.

8. If the Offer Price was greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price was payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price was lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors was at the higher price, i.e., the Anchor Investor Offer Price.

9. Equity Shares Allotted in the Anchor Investor Portion will be locked in, in accordance with the SEBI ICDR Regulations. 50% Equity Shares allotted to Anchor Investors shall be locked–in for a period of 90 days from the date of Allotment, whereas, the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

10. Neither the (a) Book Running Lead Managers (s) or any associate of the Book Running Lead Managers (other than mutual funds sponsored by entities which are associate of the Book Running Lead Managers or insurance companies promoted by entities which are associate of the Book Running Lead Managers or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Managers or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Managers) or pension fund sponsored by entities which are associate of the Book Running Lead Managers nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group were allowed to apply under the Anchor Investors category.

11. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion were not considered multiple Bids.

    For more information, please read the General Information Document.

The information set out above was given for the benefit of the Bidders. Our Company, the Selling Shareholders, severally and not jointly and the Book Running Lead Managers are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Prospectus. Bidders were advised to make their independent investigations and ensure that any single Bid from them did not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as will be specified in the Red Herring Prospectus and this Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revised his or her Bid, he /she were required tosurrender the earlier Acknowledgement Slip and could request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges

General Instructions

QIB Bidders and Non-Institutional Bidders were not allowed to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date.

***Do's*:**

1. Ensure that your PAN is linked with Aadhaar and you are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021;

2. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

3. Ensure that you have Bid within the Price Band;

4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

5. Ensure that you (other than in the case of Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number) in the Bid cum Application Form if you are not an UPI Bidder in the Bid cum Application Form and if you are an UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

6. UPI Bidders through the SCSBs and mobile applications were required to ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders were required to ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) were required to submit the Bid cum Application Form in the manner set out in the GID;

8. Ensure that you mandatorily have funds equal to or higher than the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

9. If the First Bidder is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number in the Bid cum Application Form (for all ASBA Bidders other than UPI Bidders);

10. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

11. Ensure that you request for and receive a stamped acknowledgement counterfoil or acknowledgment specifying the application number as a proof of having accepted Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

12. The ASBA bidders were required to ensure that bids above ₹ 500,000, are uploaded only by the SCSBs;

13. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

14. UPI Bidders Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

15. Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs or the relevant Designated Intermediary, as applicable;

16. UPI Bidders in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

17. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

18. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

19. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/Dop/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular no. MRD/DoP/SE/Cir- 8 /2006 dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned were liable to be rejected;

20. Ensure that the Demographic Details are updated, true and correct in all respects;

21. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

22. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

23. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;

24. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

25. UPI Bidders who wish to Bid should submit Bid with the Designated Intermediaries, pursuant to which the UPI Bidder should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;

26. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

27. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

28. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5:00 pm on the Bid/Offer Closing Date;

29. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

30. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which was required to be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

31. Bids by Eligible NRIs for a Bid Amount of less than ₹200,000 would be considered under the retail category for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the non-institutional category for allocation in the Offer;

32. UPI Bidders were required to ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, an UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Banks to block the Bid Amount mentioned in the Bid Cum Application Form; and

33. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

34. Bidders (except UPI Bidders) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Bank(s) issues the Mandate Request, the RIBs would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner.

35. UPI Bidders who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner.

The Bid cum Application Form was liable to be rejected if the above instructions, as applicable, were not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which was not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 was liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

3. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

4. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

5. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

6. Do not submit the Bid for an amount more than funds available in your ASBA account;

7. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;

8. In case of ASBA Bidders, do not submit more than one ASBA Form ASBA Account;

9. If you are an UPI Bidder, do not submit more than one Bid cum Application Form for each UPI ID;

10. Anchor Investors should not Bid through the ASBA process;

11. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

12. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

13. Do not submit the General Index Register (GIR) number instead of the PAN;

14. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

15. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

16. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

17. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

18. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

19. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

20. Do not Bid for Equity Shares more than what is specified for each category;

21. If you are a QIB, do not submit your Bid after 3 p.m. IST on the QIB Bid/Offer Closing Date;

22. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

23. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs or Eligible Employees Bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;

24. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres. If you are UPI Bidder, do not submit the ASBA Form directly with SCSBs;

25. If you are an UPI Bidder which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;

26. Do not Bid if you are an OCB;

27. UPI Bidders using the incorrect UPI handle or using a bank account of an SCSB and/ or mobile applications which is not mentioned in the list provided on the SEBI website is liable to be rejected;

28. Do not submit the Bid cum Application Forms to any non-SCSB bank;

29. Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by UPI Bidder);

30. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders) and ₹500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion (net of Employee Discount);

31. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders; and

32. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members were required to ensure that they do not upload any bids above ₹500,000.

The Bid cum Application Form was liable to be rejected if the above instructions, as applicable, were not complied with.

Grounds for technical rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders were requested to note that Bids maybe rejected on the following additional technical grounds:

(a) Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

(b) Bids which did not contain details of the Bid Amount and the bank account details in the ASBA Form;

(c) Bids submitted on a plain paper;

(d) Bids submitted by UPI Bidders through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

(e) Bids under the UPI Mechanism submitted by UPI Bidders using third-party bank accounts or using a third-party linked bank account UPI ID (subject to availability of information regarding third-party account from Sponsor Bank(s));

(f) Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Managers;

(g) Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;

(h) ASBA Form by the UPI Bidders using third party bank accounts or using third party linked bank account UPI IDs;

(i) ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

(j) Bids submitted without the signature of the First Bidder or Sole Bidder;

(k) The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

(l) Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

(m) GIR number furnished instead of PAN;

(n) Bids by RIBs with Bid Amount of a value of more than ₹200,000;

(o) Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

(p) Bids accompanied by stock invest, money order, postal order, or cash; and

(q) Bids uploaded by QIBs after 4.00 pm on the QIB Bid/Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/Offer Closing Date, and Bids by RIBs and Eligible Employees uploaded after 5.00 p.m. on the Bid/Offer Closing Date, unless extended by the Stock Exchanges. On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received RIBs and Eligible Employees under the Employee Reservation Portion, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

Further, in case of any pre-Offer or post -Offer related issues regarding share certificates/ demat credit/refund orders/unblocking etc., investors can reach out the Company Secretary and Chief Compliance Officer. For further details of the Company Secretary and Chief Compliance Officer, see "*General Information*" and "*Our Management*" on pages 74 and 228, respectively.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchanges, along with the Book Running Lead Managers and the Registrar, were required to ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the Red Herring Prospectus and this Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the RIBs, Non-Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

The allocation to each NIB was not less than ₹200,000, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.

The allotment of Equity Shares to each RIB was not less than the minimum bid lot, subject to the availability of shares in RIB category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Anchor Investor Escrow Accounts

Our Company, acting through its IPO Committee in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, havedecided the list of Anchor Investors to whom the CAN was sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names were notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account were required to be drawn in favour of:

(a) In case of resident Anchor Investors: "MUTHOOT MICROFIN LIMITED – ANCHOR INVESTOR – R"

(b) In case of Non-Resident Anchor Investors: "MUTHOOT MICROFIN LIMITED – ANCHOR INVESTOR – NR"

Anchor Investors were required to note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Banks and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Our Company, after filing the Red Herring Prospectus with the RoC, published a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of The Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and all edition of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located) each with wide circulation.

In the pre-Offer advertisement, we stated the Bid/ Offer Opening Date and the Bid/ Offer Closing Date. This advertisement was in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment advertisement

Our Company, the Book Running Lead Managers and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading of Equity Shares on the Stock Exchanges, websites of Company, BRLMs and Registrar to the Offer, disclosing the date of commencement of trading of the Equity Shares on the Stock Exchange in all editions of The Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and all edition of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located) each with wide circulation.

The information set out above was given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders, severally and not jointly and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus, the Bid/ Offer Closing Date and this Prospectus. Bidders/applicants were advised to make their independent investigations and ensure that the number of Equity Shares Bid for did not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and Filing with the RoC

(a) Our Company, the Selling Shareholders, Registrar and the Underwriters have entered into an Underwriting Agreement dated December 21, 2023.

(b) After signing the Underwriting Agreement, this Prospectus was filed with the RoC in accordance with applicable law. The Prospectus contains details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and is complete in all material respects.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). For more information, see "*Terms of the Offer*" on page 461.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/ Offer Closing Date or such other period as may be prescribed;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the

prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;

- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the unsuccessful Bidder within two Working Days from the Bid/ Offer Closing Date or such other prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- Promoters' contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;

- that if our Company does not proceed with the Offer after the Bid/ Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;

- that if the Offer is withdrawn after the Bid/ Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently; and

- no further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

Each Selling Shareholder severally and not jointly, in respect of itself as a Selling Shareholder and its portion of the Equity Shares offered by it in the Offer, undertakes the following in respect of itself and its respective portion of the Offered Shares:

- its Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;

- it shall provide reasonable cooperation to our Company in relation to the Offered Shares, (a) for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges, and/ or (b) refund orders (if applicable);

- that it shall provide such reasonable assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to the respective portion of the Offered Shares;

- it shall deposit its portion of Offered Shares in an escrow demat account in accordance with the Share Escrow Agreement;

- it is the legal and beneficial owner of the Offered Shares that such Offered Shares shall be transferred in the Offer, free from liens, charges and encumbrances; and

- it shall not have recourse to the proceeds of the Offer, which shall be held in escrow in its favour, until the final approval for listing and trading of the Equity Shares from the Stock Exchanges where listing is sought has been received.

Utilisation of Offer Proceeds

Our Company and the Selling Shareholders, severally and not jointly, specifically confirm that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

Impersonation

Attention of the Bidders was specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who –*

(a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

(b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447*."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1.00 million or 1% of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5.00 million or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DPIIT (formerly Department of Industrial Policy & Promotion) issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the "**FDI Policy**"), which consolidates and supersedes all previous press note, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020.

In terms of Press Note 3 of 2020, dated April 17, 2020 ("**Press Note**"), issued by the DPIIT, the FDI Policy and the FEMA (Non-debt Instruments) Rules has been amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Further, in accordance with the amendment to the Companies (Share Capital and Debentures) Rules, 2014 vide notification dated May 4, 2022 issued by Ministry of Corporate Affairs, a declaration shall be inserted in the share transfer form stipulating whether government approval shall be required to be obtained under Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to transfer of shares, as applicable. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the FEMA Non-debt Instruments Rules and FDI Policy read with Press Note, 100% foreign direct investment is permitted under the automatic route for NBFCs, however, investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Offer Procedure – Bids by Eligible NRIs*" and "*Offer Procedure – Bids by FPIs*" on page 477.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, could not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A and referred to in this Prospectus as "U.S. QIBs") pursuant to Section 4(a) of the U.S. Securities Act, and (ii) outside the United States, in offshore transactions, as defined in and in compliance with Regulation S and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and could not be offered or sold, and Bids may not be made by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction. The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders were advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. The main provisions of the Articles of Association of our Company are detailed below.

Authorised share capital

The authorised share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of applicable law for the time being in force.

New capital part of the existing capital

Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Sub-division, consolidation and cancellation of share certificate

Subject to the provisions of the Act, the Company in its General Meetings may, by an Ordinary Resolution, from time to time:

(a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

(b) divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;

(c) cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;

(d) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of Members shall require applicable approvals under the Act; and

(e) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

Reduction of capital

The Company may, by a Special Resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act—

(a) its share capital; and/or

(b) any capital redemption reserve account; and/or

(c) any share premium account

and in particular without prejudice to the generality of the foregoing power may be: (i) extinguishing or reducing the liability on any of its shares in respect of share capital not paid up; (ii) either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or (iii) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

Dematerialisation of securities

(a) The Company shall recognise interest in dematerialised securities under the Depositories Act, 1996.

Subject to the provisions of the Act, either the Company or the investor may exercise an option to issue (in case of the Company only), deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and other applicable laws.

(b) Dematerialisation/Re-materialisation of securities

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, re materialise its securities held in Depositories and/or offer its fresh securities in the dematerialised form pursuant to the Depositories Act, 1996 and the regulations framed thereunder, if any.

(c) Option to receive security certificate or hold securities with the Depository

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its Record, the name of the allottees as the beneficial owner of that Security.

(d) Securities in electronic form

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository.

(e) Beneficial owner deemed as absolute owner

Except as ordered by a court of competent jurisdiction or by applicable law required and subject to the provisions of the Act, the Company shall be entitled to treat the person whose name appears on the applicable register as the holder of any security or whose name appears as the beneficial owner of any security in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such securities or (except only as by these Articles otherwise expressly provided) any right in respect of a security other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two or more persons or the survivor or survivors of them.

(f) Register and index of beneficial owners

The Company shall cause to be kept a register and index of Members with details of securities held in materialised and dematerialised forms in any media as may be permitted by law including any form of electronic media in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of Members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India, a branch Register of Members, of Members resident in that state or country.

Buy back of shares

Notwithstanding anything contained in these Articles, but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

Annual general meetings

(a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year and not more than fifteen months shall elapse between the dates of two annual general meetings.

(b) An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act.

Extraordinary general meetings

All General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting". Provided that, the Board may, whenever it thinks fit, call an Extraordinary General Meeting.

Extraordinary meetings on requisition

The Board shall, on the requisition of Members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Act.

Notice for general meetings

All General Meetings shall be convened by giving not less than clear twenty-one (21) days' notice, in such manner as is prescribed under the Act, specifying the place, date and hour of the meeting and a statement of the business proposed to be transacted at such a meeting, in the manner mentioned in the Act. Notice shall be given to all the Members and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any Member or other person to whom it should be given shall not invalidate the proceedings of any General Meetings.

The Members may participate in General Meetings through such modes as permitted by applicable laws.

Shorter notice admissible

Upon compliance with the relevant provisions of the Act, an Annual General Meeting or any General Meeting may be convened by giving a shorter notice than twenty-one (21) days if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

Voting rights of members

Subject to any rights or restrictions for the time being attached to any class or classes of shares:

(a) On a show of hands every Member holding Equity Shares and present in person shall have one vote.
(b) On a poll, every Member holding Equity Shares therein shall have voting rights in proportion to his share in the paid-up Equity Share capital.
(c) A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

Number of directors

Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

Board composition

(a) The Board of the Company shall at all times be constituted in compliance with the applicable law including the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) Notwithstanding anything to the contrary contained in these Articles, pursuant to Regulation 23(6) read along with Regulation 2(1)(r) of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, a debenture trustee has the right to nominate any person to be appointed on the Board of the Company in terms of clause (e) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 and such nominated person shall be appointed as a Director on the Board of Directors of the Company, at the earliest and not later than one month from the date of receipt of nomination from the debenture trustee(s).

Meetings of the Board

(a) The Board of Directors shall meet at least four (4) times a year with a maximum gap of one hundred and twenty (120) days between two (2) meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act. Place of meetings of the Board shall be at a location as specified in the notice convening the meeting.

(b) The chairman may, at any time, and the secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of at least seven (7) days in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.

(c) The notice of each meeting of the Board shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting.

(d) To the extent permissible by applicable law, the Directors may participate in a meeting of the Board or any committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are material, have been entered into by our Company. These contracts, copies of which were attached to the copy of the Red Herring Prospectus filed with the RoC, and also the documents for inspection referred to hereunder were made available for inspection at our Registered Office, from 10.00 a.m. to 5.00 p.m. IST on Working Days and at https://muthootmicrofin.com/offerdocument-related-filings/ from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date (except for such documents or agreements executed after the Bid/ Offer Closing Date).

A. Material contracts for the Offer

1. Offer Agreement dated June 30, 2023, as amended pursuant to an amendment agreement dated November 30, 2023 between our Company, the Selling Shareholders and the BRLMs.

2. Registrar Agreement dated June 29, 2023 between our Company, the Selling Shareholders and the Registrar to the Offer.

3. Cash Escrow and Sponsor Bank Agreement dated December 11, 2023 between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s).

4. Share Escrow Agreement dated December 11, 2023 between the Selling Shareholders, our Company, Registrar to the Offer and the Share Escrow Agent.

5. Syndicate Agreement dated December 11, 2023 between our Company, the Registrar, the Selling Shareholders, the BRLMs and the Syndicate Members.

6. Monitoring agency agreement dated December 11, 2023 between our Company and the Monitoring Agency.

7. Underwriting Agreement dated December 21, 2023 between our Company, the Selling Shareholders, Registrar and the Underwriters.

B. Other material contracts in relation to our Company

1. Share subscription agreement dated December 21, 2016 executed amongst MFL, Thomas John Muthoot, Thomas George Muthoot, Thomas Muthoot, Preethi John Muthoot, Nina George, Remmy Thomas, Creation and our Company.

2. Amended and restated shareholders' agreement dated November 2, 2021 entered into between and amongst the Company, MFL, Thomas Muthoot, Thomas George Muthoot, Thomas John Muthoot, Nina George, Preethi John Muthoot, Remmy Thomas, Creation and GPC and as amended pursuant to the first amendment agreement dated June 26, 2023 and the second amendment agreement dated November 29, 2023.

3. Share subscription agreement dated November 2, 2021, executed between our Company, MFL, Thomas Muthoot, Thomas George Muthoot, Thomas John Muthoot, Nina George Muthoot, Preethi John Muthoot, Remmy Thomas and GPC and as amended pursuant to the amendment agreement to the share subscription agreement dated June 26, 2023.

4. Principal License Agreement dated February 14, 2017 and the Supplemental Agreement thereto dated December 1, 2021, executed between Thomas John Muthoot, Thomas George Muthoot, Thomas Muthoot and our Company.

C. Material documents

1. Certified copies of the Memorandum and Articles of Association of our Company, as amended from time to time.

2. Certificate of incorporation dated April 6, 1992 issued by the RoC to our Company.

3. Fresh certificate of incorporation dated June 9, 1994 issued by the RoC to our Company consequent upon change of name of our Company to Panchratna Stock and Investment Consultancy Services Limited.

4. Fresh certificate of incorporation dated June 22, 1994 issued by the RoC, consequent upon change of name of our Company to Panchratna Securities Limited.

5. Fresh certificate of incorporation dated November 6, 2012 issued by RoC consequent upon change of name of our Company to Muthoot Microfin Limited.

6. Certificate of registration of special resolution confirming alteration of the object clauses (s) dated February 12, 2013, issued by the RoC to our Company consequent to change in objects clause of the MoA of our Company.

7. Certificate of registration dated March 18, 1998 by RBI, allotting registration number 13.00365, pursuant to which our Company (under its erstwhile name, '*Panchratna Securities Limited'*) was registered as an NBFC under Section 45-IA of the RBI Act.

8. Revised certificate of registration dated March 18, 1998 by RBI reflecting the change of our Company's name to Muthoot Microfin Limited, with effect from March 25, 2015.

9. RBI endorsement on our certificate of registration dated March 18, 1998 granting NBFC-MFI status to our Company with effect from March 25, 2015.

10. Resolutions of the Board of Directors and Shareholders' dated May 6, 2023 and June 14, 2023, authorising the Offer and other related matters.

11. Resolution of the IPO Committee dated November 29, 2023 revising the Offer and other related matters.

12. Resolutions of the Board of Directors and IPO Committee dated June 29, 2023 and June 30, 2023, respectively, approving the Draft Red Herring Prospectus.

13. Resolution of the Board of Directors dated December 11, 2023 approving the Red Herring Prospectus.

14. Resolution of the Board of Directors dated December 21, 2023, 2023 approving this Prospectus.

15. Copies of the annual reports of our Company for the last three Financial Years.

16. Consent letters received from the following shareholders for participation in the Offer for Sale:

Sr. No.	Name of the Selling Shareholder	Date of the consent letter
1.	Thomas John Muthoot	June 26, 2023 and November 29, 2023
2.	Thomas Muthoot	June 26, 2023 and November 29, 2023
3.	Thomas George Muthoot	June 26, 2023 and November 29, 2023
4.	Preethi John Muthoot	June 26, 2023 and November 29, 2023
5.	Remmy Thomas	June 26, 2023 and November 29, 2023
6.	Nina George	June 26, 2023 and November 29, 2023
7.	GPC	June 26, 2023 and November 29, 2023

17. CRISIL consent letter dated November 27, 2023 for the CRISIL Report.

18. The report titled "*Industry Report on Microfinance*" dated November 27, 2023 prepared by CRISIL, which has been commissioned by and paid for by our Company pursuant to an engagement letter with CRISIL dated May 29, 2023, exclusively for the purposes of the Offer.

19. The examination report of the Statutory Auditor dated November 25, 2023 on our Company's Restated Financial Statements, included in this Prospectus.

20. The statement of special tax benefits dated December 11, 2023 from the Statutory Auditor.

21. Consent of the Directors, the BRLMs, the Syndicate Members, Domestic Legal Counsel to our Company, Registrar to the Offer, Escrow Collection Bank, Public Offer Account Bank, Refund Bank, Sponsor Banks, Monitoring Agency, Bankers to our Company, Company Secretary and Chief Compliance Officer as referred to in their specific capacities.

22. Certificate dated December 11, 2023 issued by Rangamani & Co., Chartered Accountants certifying the KPIs of the Company.

23. Resolutions dated June 29, 2023, November 28, 2023 and December 11, 2023 passed by the Audit Committee approving the KPIs for disclosure.

24. Consent dated June 30, 2023, of our Statutory Auditor, namely, Sharp and Tannan Associates, Chartered Accountants, holding a valid peer review certificate from ICAI, to include: (i) their name in this Prospectus; (ii) to include their examination report dated November 25, 2023 on the Restated Financial Statements and the Statement of Tax Benefits dated December 11, 2023 in this Prospectus, respectively; and; (iii) to be named as an "Expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Statutory Auditor of our Company and in respect of (a) their examination reports on the Restated

Financial Statements dated November 25, 2023 and (b) the Statement of Tax Benefits dated December 11, 2023, included in this Prospectus.

25. Due Diligence Certificate dated June 30, 2023, addressed to SEBI from the BRLMs.

26. In-principle listing approvals dated September 27, 2023 and September 28, 2023, issued by BSE and NSE, respectively.

27. Approval received from RBI by way of its letter bearing reference no. CO.DOS.DSD.No.S5077/02-13-001/2023-2024 dated September 28, 2023, in relation to the change in the shareholding of the Company.

28. Tripartite agreement dated November 28, 2016, between our Company, NSDL and the Registrar to the Offer.

29. Tripartite agreement dated July 23, 2018, between our Company, CDSL and the Registrar to the Offer.

30. Application dated June 30, 2023, submitted by our Company to the RBI seeking prior approval in relation to the Offer.

31. SEBI observation letter dated July 24, 2023 and October 26, 2023.

32. Certificate on corporate governance dated December 11, 2023 issued by Sharp & Tannan Associates.

33. Certificate on capitalisation statement dated December 11, 2023 issued by Sharp & Tannan Associates.

34. Certificate on financial indebtedness dated December 11, 2023 issued by Sharp & Tannan Associates.

35. Certificate on outstanding dues to MSMEs, Material Creditors and Other Creditors dated December 11, 2023 issued by Sharp & Tannan Associates.

36. Certificate on ESOP Schemes dated December 11, 2023 issued by Sharp & Tannan Associates.

37. Certificate on remuneration paid to Director, the Key Managerial Personnel and Senior Managerial Personnel dated December 11, 2023 issued by Sharp & Tannan Associates.

38. Certificate on eligibility criteria dated December 11, 2023 issued by Sharp & Tannan Associates.

39. Certificate on share capital build-up dated December 11, 2023 issued by Sharp & Tannan Associates.

40. Certificate on statement of special tax benefits dated December 11, 2023 issued by Sharp & Tannan Associates.

41. Certificate on promoter's contribution dated December 11, 2023 issued by Sharp & Tannan Associates.

42. Certificate on non-payment of statutory dues dated December 11, 2023 issued by Rangamani & Co., Chartered Accountants.

43. Certificate on (i) details of price at which specified securities were acquired by the Promoters, Promoter Group, Selling Shareholders, shareholders entitled with right to nominate directors or any other rights in the immediately preceding three years; (ii) the average cost of acquisition of Equity Share held by the Promoters and Selling Shareholders; (iii) weighted average price at which the Equity Shares were acquired by the Promoter and Selling Shareholders in the last one year; (iv) weighted average cost of acquisition of all shares transacted in last immediately preceding three years, eighteen months and one year; and (v) weighted average cost of acquisition of Equity Share held by Selling Shareholders (on fully diluted basis) dated December 11, 2023 issued by Rangamani & Co., Chartered Accountants.

44. Certificate on related party transaction dated December 11, 2023 issued by Rangamani & Co., Chartered Accountants.

45. Certificate on basis for offer price dated December 11, 2023 issued by Rangamani & Co., Chartered Accountants.

46. Certificate on business, operational and financial information dated December 11, 2023 issued by Rangamani & Co., Chartered Accountants.

47. Letter dated November 29, 2023 containing a brief description of bodies corporates and partnership firms forming part of the Promoter Group.

48. Investor Complaint received by e-mail dated December 18, 2023 and December 19, 2023.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements, disclosures and undertakings made in this Prospectus are true and correct.

Signed by the Director of our Company

Thomas Muthoot
Managing Director

Place: Ernakulam

Date: December 21, 2023

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements, disclosures and undertakings made in this Prospectus are true and correct.

Signed by the Director of our Company

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Thomas John Muthoot
Non-Executive Director

Place: Trivandrum

Date: December 21, 2023

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements, disclosures and undertakings made in this Prospectus are true and correct.

Signed by the Director of our Company

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Thomas George Muthoot
Non-Executive Director

Place: Ernakulam

Date: December 21, 2023

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements, disclosures and undertakings made in this Prospectus are true and correct.

Signed by the Director of our Company

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Akshaya Prasad
Non-Executive Director

Place: LONDON

Date: December 21, 2023

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements, disclosures and undertakings made in this Prospectus are true and correct.

Signed by the Director of our Company

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John Tyler Day
Non-Executive Director

Place: Dallas, Texas, USA

Date: December 21, 2023

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements, disclosures and undertakings made in this Prospectus are true and correct.

Signed by the Director of our Company

Alok Prasad
Non-Executive Independent Director

Place: Delhi

Date: December 21, 2023

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements, disclosures and undertakings made in this Prospectus are true and correct.

Signed by the Director of our Company

Thai Salas Vijayan
Non-Executive Independent Director

Place: Trivandrum

Date: December 21, 2023

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements, disclosures and undertakings made in this Prospectus are true and correct.

Signed by the Director of our Company

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Bhama Krishnamurthy
Non-Executive Independent Director

Place: Mumbai

Date: December 21, 2023

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements, disclosures and undertakings made in this Prospectus are true and correct.

Signed by the Director of our Company

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Pushpy Babu Muricken
Non-Executive Independent Director

Place: Kochi

Date: December 21, 2023

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements, disclosures and undertakings made in this Prospectus are true and correct.

Signed by the Director of our Company

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Anand Raghavan
Non-Executive Independent Director

Place: London

Date: December 21, 2023

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements, disclosures and undertakings made in this Prospectus are true and correct.

Signed by the Chief Financial Officer of our Company

Praveen T.
Chief Financial Officer

Place: Ernakulam

Date: December 21, 2023

DECLARATION BY SELLING SHAREHOLDER

I, Thomas John Muthoot, hereby confirm, certify and declare that all statements, disclosures and undertakings specifically made, confirmed or undertaken by me in this Prospectus about or in relation to me, as a Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility, for any other statements, disclosures and undertakings including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Prospectus.

Thomas John Muthoot

Place: Trivandrum

Date: December 21, 2023

DECLARATION BY SELLING SHAREHOLDER

I, Thomas Muthoot, hereby confirm, certify and declare that all statements, disclosures and undertakings specifically made, confirmed or undertaken by me in this Prospectus about or in relation to me, as a Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility, for any other statements, disclosures and undertakings including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Prospectus.

Thomas Muthoot

Place: Ernakulam

Date: December 21, 2023

DECLARATION BY SELLING SHAREHOLDER

I, Thomas George Muthoot, hereby confirm, certify and declare that all statements, disclosures and undertakings specifically made, confirmed or undertaken by me in this Prospectus about or in relation to me, as a Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility, for any other statements, disclosures and undertakings including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Prospectus.

Thomas George Muthoot

Place: Ernakulam

Date: December 21, 2023

DECLARATION BY SELLING SHAREHOLDER

I, Preethi John Muthoot, hereby confirm, certify and declare that all statements, disclosures and undertakings specifically made, confirmed or undertaken by me in this Prospectus about or in relation to me, as a Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility, for any other statements, disclosures and undertakings including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Prospectus.

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Preethi John Muthoot

Place: Trivandrum

Date: December 21, 2023

DECLARATION BY SELLING SHAREHOLDER

I, Remmy Thomas, hereby confirm, certify and declare that all statements, disclosures and undertakings specifically made, confirmed or undertaken by me in this Prospectus about or in relation to me, as a Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility, for any other statements, disclosures and undertakings including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Prospectus.

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Remmy Thomas

Place: Ernakulam

Date: December 21, 2023

DECLARATION BY SELLING SHAREHOLDER

I, Nina George, hereby confirm, certify and declare that all statements, disclosures and undertakings specifically made, confirmed or undertaken by me in this Prospectus about or in relation to me, as a Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility, for any other statements, disclosures and undertakings including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Prospectus.

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Nina George

Place: Ernakulam

Date: December 21, 2023

DECLARATION BY SELLING SHAREHOLDER

We, Greater Pacific Capital WIV Ltd, hereby confirm, certify and declare that all statements, disclosures and undertakings specifically made, confirmed or undertaken by us in this Prospectus about or in relation to us, as an Investor Selling Shareholder and our portion of the Offered Shares, are true and correct. We assume no responsibility, for any other statements, disclosures and undertakings including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Prospectus.

Signed for and on behalf of **Greater Pacific Capital WIV Ltd**

Authorised signatory: Joe Sealy

Place: LONDON

Date: December 21, 2023