(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

No. _____
Addressed to: _____

PLACEMENT MEMORANDUM

MUTHOOT MICROFIN LIMITED
("Issuer" / "Company")

A public limited company incorporated under the Companies Act, 1956

Placement Memorandum for issue of Debentures on a private placement basis
Dated: July 29, 2022

Issue of up to 700 (Seven Hundred) Secured, Rated, Listed, Redeemable, Taxable, Principle Protected, Market Linked, Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) on a private placement basis (the "Issue").

PART A: DISCLOSURES AS PER SEBI DEBT LISTING REGULATIONS:

Please see below the disclosures as required under the terms of the SEBI Debt Listing Regulations (as defined below):

S.no	Particulars	Relevant Disclosure
1.	**Corporate Identity Number of the Issuer:**	U65190MH1992PLC066228
2.	**Permanent Account Number of the Issuer:**	AAACP6227D
3.	**Date and place of Incorporation of the Issuer:**	Date of incorporation: April 06, 1992; and Place of incorporation: Mumbai
4.	**Latest registration / identification number issued by any regulatory authority which regulates the Issuer (in this case Reserve Bank of India):**	RBI Registration Number: 13.00365
5.	**Registered Office address of the Issuer:**	13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra
6.	**Corporate Office address of the Issuer:**	5th Floor, Muthoot Towers, M G Road, Kochi, Kerala - 682035.
7.	**Telephone No of the Issuer:**	+91 - 484 – 4277500
8.	**Details of Compliance officer of the Issuer:**	Name: Ms. Neethu Ajay, Company Secretary

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

		Contact Details: Muthoot Microfin Ltd., 5th Floor, Muthoot Towers, M.G. Road, Kochi - 682 035 Telephone Number: 0484 - 4277580 Email address: neethu.ajay@muthoot.com
9.	**Details of Company Secretary of the Issuer:**	Name: Ms. Neethu Ajay, Company Secretary Contact Details: Muthoot Microfin Ltd., 5th Floor, Muthoot Towers, M.G. Road, Kochi - 682 035 Telephone Number: 0484 - 4277580 Email address: neethu.ajay@muthoot.com
10.	**Details of Chief Financial Officer of the Issuer:**	Name: Mr. Praveen T Telephone Number: +91 85899 87603, +91 – 484 - 2351494 Email address: praveen.t@muthoot.com
11.	**Details of Promoters of the Issuer:**	Name: Muthoot Fincorp Limited, Thomas John Muthoot, Thomas George Muthoot, Thomas Muthoot, Nina George, Remmy Thomas and Preethi John Telephone Number: 0484-4277500 Email address: info@muthoot.com
12.	**Website address of the Issuer:**	www.muthootmicrofin.com
13.	**Email address of the Issuer:**	praveen.t@muthoot.com
14.	**Details of debenture trustee for the Issue:**	Name: Catalyst Trusteeship Limited Address: Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400 098 Logo: CATALYST Telephone Number: 022- 49220507 Email address: compliancectl-mumbai@ctltrustee.com Contact person: Mr. Umesh Salvi
15.	**Details of credit rating agency for the Issue:**	Name: CRISIL Limited Address: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai -400076 Logo: CRISIL An S&P Global Company Telephone Number: 022-33423000 Email address: poojadevi.yadav@ext-crisil.com Contact person: Pooja Devi Yadav
16.	**Date of placement memorandum / Placement Memorandum**	July 29, 2022
17.	**Type of placement memorandum / Placement Memorandum**	This Placement Memorandum is being issued in relation to the private placement basis of Debentures (which are being issued under the terms hereof in a single series).

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

18.	**The nature, number, price and amount of securities offered and issue size (base issue or green shoe), as may be applicable**	Issue of 700 (Seven Hundred) Secured, Rated, Listed, Redeemable, Taxable, Principle Protected, Market Linked, Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) on a private placement basis (the "**Issue**").
19.	**The aggregate amount proposed to be raised through all the stages of offers of non-convertible securities made through the shelf placement memorandum;**	Not applicable.
20.	**Details of Registrar to the Issue:**	Name: **KFin Technologies Private Limited** Address: Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakrumguda, Hyderabad- 500 032 Logo: KFINTECH Telephone Number: 040-23420818 Fax number: 040-23420814 Website: www.karvycomputershare.com Email address: amit.verma@karvy.com; support@karvy.com
21.	**Issue Schedule**	Date of opening of the Issue: July 29, 2022 Date of closing of the Issue: July 29, 2022 Date of earliest closing of the Issue (if any): N.A. The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.
22.	**Credit Rating of the Issue**	The Debentures proposed to be issued by the Issuer have been rated by CRISIL Limited ("**Rating Agency**" / "**CRISIL**") The Rating Agency has *vide* its letters and rating rationale dated 28th July, 2022 assigned a rating of "CRISIL PPMLD A" (pronounced as "CRISIL PPMLD A") with 'stable' outlook in respect of the Debentures. The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to **Annexure II** of this Placement Memorandum for the letters dated 28th July, 2022 and rating rationale dated 28th July, 2022 from the Rating Agency assigning the credit rating abovementioned and the press release by the Rating Agency in this respect.
23.	**All the ratings obtained for the private placement of Issue**	Please refer to S.no 22 above.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

24.	**The name(s) of the stock exchanges where the securities are proposed to be listed**	The Debentures are proposed to be listed on the wholesale debt market of the BSE Limited / Bombay Stock Exchange ("**BSE**").
25.	**The details about eligible investors;**	The following categories of investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form ("**Eligible Investors**"): (i) Mutual Funds (ii) NBFCs (iii) Provident Funds and Pension Funds (iv) Corporates (v) Banks (vi) Foreign Institutional Investors (FIIs) (vii) Qualified Foreign Investors (QFIs) (viii) Foreign Portfolio Investors (FPIs) (ix) Insurance Companies (x) Alternative investment funds (xi) Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures. All potential investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures. **Note:** Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.
26.	**Coupon / dividend rate, coupon / dividend payment frequency, redemption date, redemption amount and details of debenture trustee**	In respect of the Coupon Rate, the Coupon Payment Frequency, the Redemption Date and Redemption Amount in respect of the Debentures, please refer to Section 5.37 (*Issue Details*) of this Placement Memorandum. The details of Debenture Trustee are provided under S. No. 14 above.
27.	**Nature and issue size, base issue and green shoe option, if any, shelf or tranche size, each as may be applicable**	Issue of up to 700 (Seven Hundred) Secured, Rated, Listed, Redeemable, Taxable, Principle Protected, Market Linked Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) on a private placement basis (the "**Issue**").

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

28.	**Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters:**	Not applicable.
29.	**Inclusion of a compliance clause in relation to electronic book mechanism and details pertaining to the uploading the placement memorandum on the Electronic Book Provider Platform, if applicable.**	Not applicable.

Background
This Placement Memorandum is related to the Debentures to be issued by Muthoot Microfin Limited (the "**Issuer**" or "**Company**") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Placement Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on September 29, 2021 and the Board of Directors of the Issuer on May 10, 2022 read with the resolution passed by the Debenture Issue Committee of the Board of Directors dated May 13, 2022 and the Memorandum and Articles of Association of the Company. Pursuant to the resolution passed by the Company's shareholders dated September 29, 2021 in accordance with provisions of the Companies Act, 2013, the Company has been authorised to raise funds, by way of issuance of non-convertible debentures, upon such terms and conditions as the Board may think fit for aggregate amounts not exceeding Rs. 7500,00,00,000/- (Rupees Seven Thousand and Five Hundred Crores only). The present issue of Debentures in terms of this Placement Memorandum is within the overall powers of the Board as per the above shareholder resolution(s). This Issue does not form part of non-equity Tier-II / regulatory capital mentioned under Chapter V of the SEBI Debt Listing Regulations and the Issuer hereby confirms that Chapter V of the SEBI Debt Listing Regulations is not applicable to the present Issue.

Issuer's Absolute Responsibility
The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Placement Memorandum contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in the Placement Memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

Issue Schedule	
Issue Opening Date	July 29, 2022
Issue Closing Date	July 29, 2022
Pay In Date	July 29, 2022
Deemed Date of Allotment	July 29, 2022

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

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For Muthoot Microfin Limited
Praveen T
Chief Financial Officer

SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Placement Memorandum.

Allot/Allotment/Allotted	The allotment of the Debentures pursuant to this Issue.
Applicable Law	Includes all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
Application Form	The form used by the recipient of this Placement Memorandum, to apply for subscription to the Debentures, which is in the form annexed to this Placement Memorandum and marked as **Annexure IV**.
Board / Board of Directors	The Board of Directors of the Issuer.
Business Day	Shall mean any day of the week other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 or a Sunday, on which banks are open for general business in Mumbai, and "**Business Days**" shall be construed accordingly.
CDSL	Central Depository Services (India) Limited.
CERSAI	shall mean the Central Registry of Securitisation Asset Reconstruction and Security Interest.
Company/Issuer	Muthoot Microfin Limited
Crore	Ten Million
Debentures/NCDs	Up to 700 (Seven Hundred) Secured, Rated, Listed, Redeemable, Taxable, Principle Protected, Market Linked, Non-Convertible Debentures bearing a face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) on a private placement basis.
Debenture Holders / Investors	The holders of the Debentures issued by the Issuer, which shall include the registered transferees of the Debentures from time to time.
Debenture Trustee	Catalyst Trusteeship Limited
Debenture Trustee Agreement	Agreement executed / to be executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trust Deed	Shall mean the debenture trust deed executed / to be executed by and between the Debenture Trustee and the Company *inter alia* setting out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
Deed of Hypothecation	shall mean the unattested deed of hypothecation executed by the Company in favour of the Debenture Trustee, on or about the date hereof, to evidence creation of a first ranking exclusive charge by the Company in favour of the Debenture Trustee for the benefit of the Debenture Holder(s) over the Hypothecated Receivables, both present and future;
Deemed Date of Allotment	July 29, 2022
Demat	Dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 2018, as amended from time to time.
Depositories	NSDL and CDSL
Depository Participant / DP	A depository participant as defined under the Depositories Act
Director(s)	Director(s) of the Issuer.
Disclosure Document / Placement Memorandum	This document which sets out the terms and conditions for the issue and offer of the Debentures by the Issuer on a private placement basis and contains the relevant information in this respect.
DP ID	Depository Participant Identification Number.
Due Date	Any date on which the holders of the Debentures are entitled to any Payments whether on maturity or otherwise prior to the scheduled Redemption Date or upon acceleration, in accordance with the terms of the Transaction Documents.
EFT	Electronic Fund Transfer
Eligible Investors	Shall have the meaning specified in S.no 25 of Part A (*Disclosures*) above.
Final Settlement Date	Shall mean the date on which the entire outstanding amounts payable by the Company in relation to the Debentures including the principal amounts in respect of the Debentures, the Coupon accrued thereon (if any), the Default Interest (if any), additional interest, costs, fees, charges, etc. and any payments and all obligations of the Company under the Transaction Documents have been irrevocably and unconditionally discharged in full, to the satisfaction of the Debenture Trustee as notified by the Debenture Trustee in writing to the Company;
Financial Indebtedness	Shall mean any indebtedness for or in respect of: (a) monies borrowed; (b) any amount availed of by acceptance of any credit facility; (c) any amount raised pursuant to the issuance of any notes, bonds, debentures, loan stock or any other similar securities or instruments; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted principles of accounting in India, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables sold in the ordinary course of business or to the extent that they are sold on a non-recourse basis); (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; (i) the amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into such agreement is to raise finance;

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

	(j) any put option, guarantees, keep fit letter(s), letter of comfort, etc. by whatever name called, which gives or may give rise to any financial obligation(s); (k) any preference shares (excluding any compulsorily convertible preference shares); or (l) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) above;
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year
Governmental Authority	The President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same, any municipal or local government authority, any authority or private body exercising powers conferred by applicable law and any court, tribunal or other judicial or quasi-judicial body and shall include, without limitation, a stock exchange and any regulatory body.
IBC	shall mean the Insolvency and Bankruptcy Code, 2016, and the rules and regulations made thereunder which are in effect from time to time and shall include any other statutory amendment or re-enactment thereof.
IND AS	shall mean the Indian generally accepted accounting principles issued under the Companies (Indian Accounting Standards) Rules, 2015, as amended, together with any pronouncements issued under applicable law thereon from time to time and applied on a consistent basis by the Company.
Information Utility	means the National E-Governance Services Limited or any other entity registered as an information utility under the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017.
Issue	Private Placement of the Debentures.
Issue Closing Date	July 29, 2022
Issue Opening Date	July 29, 2022
MFI	Micro Finance Institution
Majority Debenture Holders	shall mean Debenture Holder(s) holding an aggregate amount representing not less than 51% (Fifty One Percent) of the value of the nominal amount of the Debentures for the time being outstanding.
Material Adverse Effect	means an event, circumstance, occurrence or condition which has caused or is likely to cause, as of any date of determination, in the sole opinion of the Debenture Trustee, a material and adverse effect on (i) the condition (financial or otherwise), business, assets or operations of the Company; (ii) the ability of the Company to enter into and perform their obligations under the Transaction Documents or any other related document to which Company is or will be a party; or (iii) the legality, validity or enforceability of any of the Transaction Documents or any other related documents (including the ability or right of any party to enforce any of its remedies thereunder);
Maturity Date	shall mean the date falling at the end of 21 (Twenty One) months from the Deemed Date of Allotment being April 29, 2024 (subject to adjustments on account of business day convention in accordance with the SEBI Debt Listing Regulations) or such other date on which the final payment of the principal amount of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.
N.A.	Not Applicable

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

NBFC	Non-banking financial company
NBFC-MFI	Non-Banking Financial Company –Micro Finance Institution
NSDL	National Securities Depository Limited
Outstanding Principal Amount	means, at any date, the principal amount outstanding under the Debentures.
PAN	Permanent Account Number
Payments	means all payments to be made by the Company in relation to the Issue including payment of principal amount, the Coupon (if any), Redemption Amount, Default Interest, remuneration of the Debenture Trustee, and all fees, costs, charges, expenses and other monies payable in respect of the Debentures;
Private Placement Offer cum Application Letter	The private placement offer cum application letter(s) prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and as annexed in Section 10 of this Placement Memorandum.
Rating Agency	CRISIL Limited, being a credit rating agency registered with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended from time to time and having its office at Crisil House, Central Avenue, Hiranandini Business Park Powai, Mumbai 400076.
RBI	Reserve Bank of India.
RBI NBFC-MFI Master Directions, 2016	Shall mean the RBI Master Direction dated September 1, 2016 bearing reference no. DNBR.PD. PD. 008/03.10.119/2016-17 on 'Non-Banking Financial Company –Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016'.
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 7 (Seven) calendar days prior to any Due Date.
Register of Debenture Holders	The register maintained by the Company containing the name of Debenture holders entitled to receive Coupon/ Redemption Amount in respect of the Debentures on the Record Date, which shall be maintained at the Registered Office of the Company.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being KFin Technologies Private Limited.
ROC	Registrar of Companies.
Rs. / INR	Indian National Rupee.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued by SEBI read with the operational circular for issue and listing of non-convertible securities, securities debt instruments, security receipts, municipal debt securities and commercial paper dated August 10, 2021 issued by Securities and Exchange Board of India, as updated vide the SEBI circular dated April 13, 2022 (bearing reference number: SEBI/HO/DDHS/P/CIR/2021/613) and each as may be further amended, updated, modified or replaced from time to time.
TDS	Tax Deducted at Source.
The Companies Act/ the Act / the Companies Act, 2013	shall mean the Companies Act, 2013, along with the rules and regulations made thereunder and the notifications, circulars and orders issued in relation thereto, as amended from time to time.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Transaction Documents	The documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out in SECTION 7.
Valuation Agency	ICRA Analytics Limited, a company existing under the Companies Act, 2013 and having its registered office at 17th Floor, Plot G-1, Infinity Benchmark, Block GP, Sector V, Salt Lake, Kolkata, West Bengal- – 700091 and is a valuation agency duly registered with Association of Mutual Funds in India.
WDM	Wholesale Debt Market segment of the BSE
Wilful Defaulter	Shall mean an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such in accordance with Regulation 2(n) of SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Placement Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

As per the applicable provisions, it is not necessary for a copy of this Placement Memorandum to be filed or submitted to the SEBI for its review and/or approval. This Placement Memorandum has been prepared in conformity with the SEBI Debt Listing Regulations as amended from time to time and applicable RBI regulations governing private placements of debentures by NBFCs. This Placement Memorandum has been prepared solely to provide general information about the Issuer to Eligible Investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Placement Memorandum does not purport to contain all the information that any Eligible Investor may require. Further, this Placement Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Placement Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Placement Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Placement Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Placement Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having being authorized by the Issuer. The Issuer certifies that the disclosures made in this Placement Memorandum and/or the Private Placement Offer cum Application Letter are adequate and in conformity with the SEBI Debt Listing Regulations and the Companies (Prospectus and Allotment of Securities) Rules, 2014. Further, the Issuer accepts no responsibility for statements made otherwise than in the Placement Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Placement Memorandum would be doing so at its own risk.

This Placement Memorandum, the Private Placement Offer cum Application Letter and the respective contents hereof respectively, are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Placement Memorandum and/or the Private Placement Offer cum Application

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Letter are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom Application Forms along with this Placement Memorandum and/or the Private Placement Offer cum Application Letter being issued have been sent. Any application by a person to whom the Placement Memorandum and/or the Private Placement Offer cum Application Letter has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Placement Memorandum and/or the Private Placement Offer cum Application Letter shall not reproduce or distribute in whole or in part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Placement Memorandum and/or the Private Placement Offer cum Application Letter may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Placement Memorandum) without retaining any copies hereof. If any recipient of this Placement Memorandum and/or the Private Placement Offer cum Application Letter decides not to participate in the Issue, that recipient must promptly return this Placement Memorandum and/or the Private Placement Offer cum Application Letter and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the Placement Memorandum and/or the Private Placement Offer cum Application Letter to reflect subsequent events after the date of Placement Memorandum and/or the Private Placement Offer cum Application Letter and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Placement Memorandum and/or the Private Placement Offer cum Application Letter nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Placement Memorandum and/or the Private Placement Offer cum Application Letter does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Placement Memorandum and/or the Private Placement Offer cum Application Letter in any jurisdiction where such action is required. Persons into whose possession this Placement Memorandum and/or the Private Placement Offer cum Application Letter comes are required to inform themselves of, and to observe, any such restrictions. The Placement Memorandum is made available to potential investors in the Issue on the strict understanding that it is confidential.

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

As required, a copy of this Placement Memorandum has been filed with the BSE in terms of the SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this Placement Memorandum to the BSE should not in any way be deemed or construed to mean that this Placement Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

2.3 DISCLAIMER CLAUSE OF RBI

The Company is having a valid certificate of registration issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. 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 representations made or opinions expressed by the Company and for repayment of deposits/ discharge of liability by the Company.

2.4 DISCLAIMER CLAUSE OF SEBI

As per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this Placement Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Placement Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Placement Memorandum.

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to investors as specified under the paragraph titled "Eligible Investors" of this Placement Memorandum, who shall be/have been identified upfront by the Issuer. This Placement Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at Chennai, India. This Placement Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

2.7 DISCLAIMER IN RESPECT OF VALUATION

The valuation reflects the independent views of the Valuation Agency. It is expressly stated that the valuation is not the view of the Issuer or its affiliates. The Issuer has not reviewed the valuation and is not responsible for the accuracy of the valuations. The valuations provided by the Valuation Agency and made available on the website of the Issuer and the Valuation Agency do not represent the actual price that may be received upon sale or redemption of the Debentures. They merely represent the Valuation Agency's computation of the valuation which may in turn be based on several assumptions. The valuations provided by the Valuation Agency may include the use of models by the Valuation Agency (that may be different from the proprietary models used by the Issuer and / or the calculation agent) and consequently, valuations provided by other parties (including the Issuer and / or the calculation agent) may be significantly different.

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Chief Financial Officer

2.8 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depositary participant. The Issuer will make the Allotment to the Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

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Praveen T
Chief Financial Officer

SECTION 3: RISK FACTORS

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential investors should carefully consider all the risk factors stated in this Placement Memorandum and/or the Private Placement Offer cum Application Letter for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures. Potential investors should also read the detailed information set out elsewhere in this Placement Memorandum and/or the Private Placement Offer cum Application Letter and reach their own views prior to making any investment decision.

3 GENERAL RISKS

3.1 RISKS IN RELATION TO THE NON-CONVERTIBLE SECURITIES:

(a) Repayment is subject to the credit risk of the Issuer.

Potential investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

(b) The secondary market for non-convertible securities may be illiquid.

The non-convertible securities may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the non-convertible securities, it is not likely to provide significant liquidity. Potential investors may have to hold the Debentures until redemption to realize any value.

(c) Credit Risk & Rating Downgrade Risk

The Rating Agency has assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the rating agency may downgrade the rating of the Debentures. In such cases, potential investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

(d) Changes in interest rates may affect the price of Debentures.

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

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Chief Financial Officer

(e) Tax Considerations and Legal Considerations:

Special tax considerations and legal considerations may apply to certain types of investors. Potential investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

(f) Accounting Considerations:

Special accounting considerations may apply to certain types of taxpayers. Potential Investors are urged to consult with their own accounting advisors to determine implications of this investment.

(g) Material changes in regulations to which the Issuer is subject could impair the Issuer's ability to meet payment or other obligations.

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

3.2 SPECIFIC RISK FACTORS PERTAINING TO MARKET LINKED DEBENTURES

Apart from the other risk factors (to the extent applicable) set out herein, in relation to the Market Linked Debentures, the following list of risk factors shall also be applicable:

(i) Structure and Model Risks

An investment in the Debentures where the payment of coupon payable or deliverable thereon is determined by reference to Underlying / Reference Index will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include, without limitation, changes in the level or value of the relevant underlying equity basket and the Debenture Holder may receive a lower (or no) amount of coupon or other consideration than the Debenture Holder expected. The Company has no control over a number of matters that are important in determining the existence, magnitude and longevity of such risks and their results, including, but not limited to, economic, financial and political events. In addition, if an index or formula used to determine any amounts payable or deliverable in respect of the Debentures contains a multiplier or leverage factor, the effect of any change in such index or formula will be magnified. In recent times, the values of certain indices, baskets and formulas have been volatile in the past and volatility in those and other indices, baskets and formulas may occur in the future. In any event, the return on the Debentures is at risk. The return/coupon on the Debentures is also at risk if the Debentures are not held till or for any reasons have to be sold or redeemed before the Redemption Date. The Debentures are a principal protected product only upon maturity. The Debentures are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the Underlying / Reference Index / securities selected for hedging may significantly differ from the returns predicted by the mathematical models.

(ii) Uncertain Trading Markets

The Company cannot assure Debenture Holders that a trading market for their Debentures will ever develop or be maintained. Many factors independent of the creditworthiness of the Company affect the trading market of the Debentures. These factors include:

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(a) the complexity and volatility of the index or formula or other basis of reference applicable to the Debentures,
(b) the method of calculating the principal, premium and coupon, if any, or other consideration, if any, in respect of the Debentures,
(c) the time remaining to the maturity of the Debentures,
(d) the outstanding amount of the Debentures,
(e) the redemption features of the Debentures,
(f) the amount of other debt securities linked to the index or formula or other basis of reference applicable to the Debentures, and
(g) the level, direction and volatility of market interest rates generally.

While the Company intends under ordinary market conditions to indicate and/or procure indication of prices for any such Debentures there can be no assurance as to the prices that would be indicated or that the Company will offer and/or cause to purchase any Debentures. The price given will be affected by many factors including, but not limited to, the remaining term and outstanding principal amount of the Debentures, the level of Underlying / Reference Index, fluctuations in interest rates and/or in exchange rates, volatility in the Underlying / Reference Index used to calculate the amount of any coupon or principal payments, and credit spreads. Consequently, prospective Investors must be prepared to hold the Debentures until the Redemption Date or maturity of the Debentures. Trading levels of any Debentures will be influenced by, among other things, the relative level and performance of Underlying / Reference Index and the factors described above.

No Investor should purchase Debentures unless such investor understands and is able to bear the risk that such Debentures may not be readily saleable, that the value of such Debentures will fluctuate over time, that such fluctuations may be significant and that such investor may lose all or even a substantial portion of its investment in the Debentures if the Debentures are not held till or for any reason have to be sold or redeemed before the maturity date.

(iii) Liquidity Risk

The Debentures may be designed for specific investment objectives or strategies and, therefore, may have a more limited secondary market and experience more price volatility than conventional debt securities. Debenture Holders may not be able to sell such Debentures readily or at prices that will enable them to realize their anticipated yield. Therefore, these Debentures may not be marketable and as such may not be able to be liquidated or sold before maturity, or if liquidated/sold, may only realise an amount that is at a significant discount to the invested amount paid by the Investor. Liquidity on these investments is relatively less than similar grade non-structured fixed coupon debentures. Further, in this regard, the Issuer will not provide or cause to provide any liquidity support for the Debentures.

(iv) Investment in the Debentures which are linked to securities or indices is not the same as investing directly in the securities or indices underlying the Debentures.

An investment in the Debentures which are linked to securities or indices is not an investment directly in the securities or the indices themselves. An investment in the Debentures entitles the Debenture Holder to certain cash payments calculated by reference to the securities or indices to which the Debentures are linked. The methodology for calculation of coupon on the Debentures is as set out in this Placement Memorandum / Disclosure Document. The Debenture Holder will have no beneficial interest in the securities or basket of securities constituting the Underlying / Reference Index to which the Debentures are linked and accordingly will not have voting rights in those securities. The Debenture Holders will not have the right to receive the underlying securities or basket of securities and thus will not be able to dispose of some or all of such securities at any point in time. Subject to the applicable conditions of the Debentures, the Debenture holder may have no right to receive dividends

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or other distributions. The Debentures will not represent a claim against the Company of any securities, and, in the event of any loss, a Debenture holder will not have recourse under the Debentures against such the Company, or against any securities issued by such Company.

In the case of Debentures relating to securities, no issuer of such securities has participated in the preparation of the offer document or in establishing the terms of the Debentures and the Company has not made any investigation or enquiry in connection with such offering with respect to the information concerning such company. Consequently, there can be no assurance that all events occurring prior to the relevant Issue Opening Date (including events that would affect the accuracy or completeness of the publicly available documents described in this paragraph that would affect the trading price of the security) will have been publicly disclosed.

Moreover, the Company has no ability to control or predict any actions of the Issuer of such securities, including any corporate actions of the type or redemption that would require the Valuation Agency to adjust the payment to the Debenture holders upon redemption. The Issuer of such securities is not involved in the offering of the Debentures in any way and has no obligation to consider a Debenture holder's interest in a Debenture in taking any corporate actions that might affect the value of the Debentures. In particular, factors related to the underlying securities or indices to which the Debentures are linked which are beyond the relevant Company's control include, but are not limited to: (i) the market price or value of such security, index or basket of securities or indices; (ii) the volatility (frequency and magnitude of changes in price) of such security, index or basket of securities or indices; (iii) the dividend rate on such securities; (iv) geopolitical conditions and economic, financial and political, regulatory or judicial events that affect stock markets generally and which may affect the market price of such security, index or basket of securities or indices; and (v) the creditworthiness, including changes in credit ratings and credit spreads of the relevant issuer of such securities. As the price / value / interest rates of the securities underlying the relevant index fluctuates, the value of the index may go up or down. The value of the relevant index can be expected to fluctuate with movements in the broader equity and bond markets and may be influenced by factors affecting capital and money markets in general, such as, but not limited to, changes in interest rates, currency exchange rates, changes in Governmental policies, taxation, political, economic or other developments and increased volatility in the stock and bond markets. Past performance of the sponsor of the relevant index or the Issuer of the underlying securities of such relevant index does not guarantee future performance of the relevant index.

The Underlying/Reference Index constitutes of certain identified securities spread across various sectors. Hence, sector specific risk factors of such underlying securities will also be applicable. All risks associated with underlying securities, including their performance, derivative instruments, stock-lending, and off-shore investments etc., will therefore be applicable in the case of the relevant index. Investors who intend to invest in the Debentures are required to and deemed to have understood the risk factors of the underlying securities comprising the relevant index.

(v) <u>The composition of the securities underlying the index to which a debenture may be linked may change over time.</u>

The composition of the securities underlying any index to which the Debentures are linked may change over time. The index sponsor may, in its sole discretion, add, delete or substitute the securities underlying the index or make other methodological changes required by certain corporate events relating to the securities underlying the index, such as stock splits and dividends, spin-offs, rights issuances and mergers and acquisitions that could change the value of the index. There may be additions to the index to which the Debenture holders may not want exposure, or deletions of securities to which they would want exposure. The

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Chief Financial Officer

Company does not have any control over the composition or calculation of the index, and the Debenture holders should not place undue reliance on the creditworthiness, business plans or prospects or other factors relating to any particular issuer of securities underlying the index as of the date hereof.

(vi) Risks relating to Debentures due to linkages to the Reference Index

An investment in the Debentures that has payments of principal, coupon or both, indexed to the value of any security, index or any other rate, asset or index, or a basket including one or more of the foregoing and /or to the number of observation of such value falling within or outside a pre-stipulated range will entail significant risks not associated with a conventional fixed rate or floating rate debt security.

(vii) Interest Rate Risk of the Debentures

Investors are exposed to the movement of interest rates whenever their Debentures are redeemed, tendered or sold prior to maturity. As interest rates move upwards, the value of the Debentures generally fall. Moreover, the longer the tenor of the Debentures, the more sensitive the Debentures will be to interest rate changes.

(viii) Potential Conflicts

While purchasing or holding any Debentures, the Debenture Holder acknowledges that the Issuer, its affiliates and their respective officers and respective directors may engage in any such activities without regard to this issuance of Debentures or the effect that such activities may directly or indirectly have on the Debentures and the Debenture Holder irrevocably waives any claim that it may have in respect thereof. In particular, the following situations may arise:

(i) Transactions involving the underlying

The Issuer and its affiliates may from time to time engage in transactions involving the underlying for their proprietary accounts and for accounts under their management. Such transactions may have a positive or negative effect on the value of the underlying and consequently upon the value of the Debentures.

(ii) Issuing of other debentures in respect of the underlying

The Issuer and its affiliates may issue other debentures in respect of the underlying and the introduction of such competing products into the market place may affect the value of the Debentures.

(iii) Market-Making for the underlying

The affiliates of the Issuer may, in certain cases, act as a market-maker for the underlying, which might in particular be the case when any of such affiliates has also issued the underlying. By such market-making, such affiliate will, to a large extent, determine the price of the underlying, and consequently influence the value of the Debentures itself.

(iv) Acting as underwriter or otherwise for the issuer of underlying

The affiliates of the Issuer may also act as underwriter in connection with future offerings of the underlying or may act as financial adviser to the issuer of an underlying. Such activities could present certain conflicts of interest and may affect the value of the Debentures.

For Arohan Financial Services Limited

Praveen T
Chief Financial Officer

(v) Obtaining of Non-public Information

The Issuer and/or its affiliates may acquire non-public information with respect to the underlying, and neither the Issuer nor any of its affiliates undertakes to disclose any such information to any Debenture Holder.

(vi) No Claim Against Reference Index

The Debenture Holders do not have any interest in or rights to the Underlying/ Reference Index.

(vii) Market factors in relation to the Underlying

An investment in the Debentures involves risk regarding the value of the underlying. The value of the underlying may vary over time and may increase or decrease by reference to a variety of factors which may include corporate actions, macroeconomic factors and/or speculation. The historical value (if any) of the underlying does not indicate the future performance of the underlying. The value of the underlying on any day may affect the value of the Debentures on such day. Changes in the composition of the underlying and factors (including those described in these Risk Factors) which either affect or may affect the value of the underlying will affect the value of the Debentures. The market value of the Debentures during their term depends primarily on the value and the volatility of the underlying and the level of interest rates for instruments of comparable maturities. The level of market volatility is not purely a measurement of the actual volatility but is largely determined by the prices for instruments which offer investors protection against such market volatility. Hedging transactions in order to limit the risks associated with the Debentures might not be successful.

3.3 RISKS IN RELATION TO THE SECURITY CREATED IN RELATION TO THE DEBT SECURITIES. FURTHER, ANY RISKS IN RELATION TO MAINTENANCE OF SECURITY COVER OR FULL RECOVERY OF THE SECURITY IN CASE OF ENFORCEMENT

(a) Security may be insufficient to redeem the Debentures

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents executed in relation to the Debentures. The Debenture Holder(s)' recovery in relation to the Debentures will be subject to (i) the market value of such Security (ii) finding willing buyers for the Security at a price sufficient to repay the Debenture Holder(s)' amounts outstanding under the Debentures. There is a risk that the value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

3.4 REFUSAL IN LISTING OF ANY SECURITY OF THE ISSUER DURING LAST THREE YEARS BY ANY OF THE STOCK EXCHANGES IN INDIA OR ABROAD:

As of date, the Issuer has not been refused in listing of any security during the last 3 years by any of the stock exchanges in India or abroad and therefore, this would not be applicable.

3.5 LIMITED OR SPORADIC TRADING OF NON-CONVERTIBLE SECURITIES OF THE ISSUER ON STOCK EXCHANGES:

As of date, we are not aware of any limited or sporadic trading of the non-convertible securities of the Issuer on stock exchanges and therefore, this would not be applicable.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

3.6 IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWINGS, ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED, DEFAULT IN PAYMENT OF INTEREST, DEFAULT IN REDEMPTION OR REPAYMENT, NON-CREATION OF DEBENTURE REDEMPTION RESERVE, DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE

As of date, the Issuer has not defaulted in compliance with any material covenants agreed to by the Issuer and therefore, this would not be applicable.

3.7 RISKS RELATED TO THE BUSINESS OF THE ISSUER

(a) ***Majority of the Issuer's loans are unsecured and the clients of these unsecured loans are of the high risk category and if the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.***

A majority of the Issuer's loans are unsecured and the clients of these unsecured loans are of the high risk category. There is uncertainty on the client's ability to fulfil its loan obligations as MFI clients typically do not have bank accounts or proper income proof verification so it can be difficult to verify all client details and assess the risk. Such non-performing or low credit quality loans can negatively impact our results of operations.

The Issuer has various procedures and process controls in place to mitigate the risk. All group lending loans are provided under the Grameen Model and based on the joint liability of the group.

As at March 31, 2022, the gross NPA was Rs. 6.26% on a gross portfolio of Rs. 6238.25 Crore (including managed / securitized portfolio of Rs. 1848.30 Crore).

(b) ***The Issuer cannot assure that it will be able to effectively control and reduce the level of the NPAs of its Client Loans. The amount of its reported NPAs may increase in the future as a result of growth of Client Loans, and also due to factors beyond its control, such as over-extended member credit that it is unaware of. If the Issuer is unable to manage NPAs or adequately recover its loans, the results of its operations will be adversely affected.***

The current loan loss reserves of the Issuer may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of Client Loans. As a result, if the quality of its total loan portfolio deteriorates the Issuer may be required to increase its loan loss reserves, which will adversely affect its financial condition and results of operations.

The members are poor and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where the Issuer's members live. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that its monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer are unable to control or reduce the level of its NPAs or poor credit quality loans, its financial condition and results of its operations could be materially and adversely affected.

(c) ***The Issuer's business operates through a large number of rural and semi urban branches and is exposed to operational risks including fraud***

The Issuer is exposed to operational risks, including fraud, petty theft and embezzlement, as it handles a large amount of cash due to high volume of small transactions. This could harm its operations and its financial position.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

As the Issuer handles a large amount of cash through a high volume of small transactions taking place in its network, the Issuer is exposed to the risk of fraud or other misconduct by its employees or outsiders. These risks are further compounded due to the high level of delegation of power and responsibilities that the Issuer's business model requires. Given the high volume of transactions processed by the Issuer, certain instances of fraud and misconduct may go unnoticed before they are discovered and successfully rectified. Even when the Issuer discovers such instances of fraud or theft and pursue them to the full extent of the law or with its insurance carriers, there can be no assurance that the Issuer will recover any such amounts. In addition, the Issuer's dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

The Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a strong MIS system that has a wide range of data that can be used to monitor financial and operational performance.

To mitigate the above risk, the Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a MIS system able to generate data analysis that can be used to monitor financial and operational performance.

(d) ***The Issuer is exposed to certain political, regulatory and concentration of risks***

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks. The Issuer believes a mitigant to this is to expand its geographical reach and may consequently expand its operations other states. If it is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the microfinance, banking and financial services industries. The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth. The Issuer's business is also dependent on its team of personnel who directly manage its relationships with its members. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its members over a period of time. The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in this industry, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

(e) ***The Issuer's business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by employees***

The employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If the employees unionize, it may become difficult to maintain

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Praveen T
Chief Financial Officer

flexible labour policies, and could result in high labour costs, which would adversely affect the Issuer's business and results of operations.

(f) ***The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position***

There are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are uninsurable. A successful assertion of such large claims against the Issuer that exceeds it's available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations. Such risks are normally minimized through strong Risk Management practices of the Company.

(g) ***Issuer requires certain statutory and regulatory approvals for conducting business and failure to obtain or retain them in a timely manner, or at all, may adversely affect operations.***

NBFCs in India are subject to strict regulation and supervision by the RBI. Pursuant to guidelines issued by the RBI (circular dated August 3, 2012 and NBFC-MFI Directions) the Issuer is required to maintain its status as a NBFC-MFI in order to be eligible for categorization as priority sector advance for bank loans. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC-MFI. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and the Issuer may not be aware of or comply with all requirements all of the time. Additionally, the Issuer may need additional approvals from regulators to introduce new insurance and other fee based products to its members. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC-MFI that is subject to numerous conditions. In addition, its branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishments laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If the Issuer fails to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, its business may be adversely affected. If the Issuer fails to comply, or a regulator claims that it has not complied, with any of these conditions, the Issuer's certificate of registration may be suspended or cancelled and it shall not be able to carry on such activities. If the Issuer fails to comply with the NBFC-MFI Directions and the RBI NBFC-MFI Master Directions, 2016 and fails to maintain the status of NBFC-MFI, it will not be eligible for priority sector loans from the Indian banking sector and may also attract penal provisions under the RBI Act, 1934 for non-compliance.

(h) ***The economic fallout from the spread of the COVID-19 virus may impact the Issuer's business prospects, financial condition, result of operations and credit risk***

The spread of the COVID-19 virus has affected millions across the globe and the same coupled with measures taken by the governments including lockdowns/ curfew has not only affected day to day lives of people but has also given a hard blow to the supply chain of factories, with trade routes being disturbed and slowing down of the industry, trade, commerce and business activities across all sectors.

The COVID-19 virus pandemic is adversely affecting, and is expected to continue to adversely affect, our operations, business, liquidity and cashflows, and we have experienced and expect to continue to experience unpredictable reductions in demand for certain of our products and services. Further, since a good fraction of our borrowers are small transport

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

road operators, the disruption due to COVID-19 virus will also have an impact on their business as well as repayment capacity of the loans taken from us.

However, the extent of negative financial impact cannot be reasonably estimated at this time but a sustained economic slowdown may significantly affect our business, financial condition, liquidity, cashflows and results of operations and the same will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID-19 virus and the actions to contain the COVID-19 virus or treat its impact, among others. Consequently, there may be a negative effect on the Company's ability to service the obligations in relation to the Debentures.

(i) ***Economic Risk in India:***

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

3.8 ANY OTHER RISK FACTORS

(a) Legality of Purchase

Potential investors in the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of their incorporation or the jurisdiction in which they operate or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

SECTION 4: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the year ended 31st March 2022 are set out in **Annexure V** of this Placement Memorandum.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

SECTION 5: REGULATORY DISCLOSURES

The Placement Memorandum is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this section, the Issuer has set out the details required as per Schedule II of the SEBI Debt Listing Regulations.

5.1 Documents Submitted to the Exchanges

The following documents have been / shall be submitted to the BSE:

(i) This Placement Memorandum;
(ii) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
(iii) Copy of the necessary resolution(s) authorizing the borrowings, issuance of the Debentures and list of authorized signatories for the allotment of securities;
(iv) Copy of last 3 (Three) years audited Annual Reports;
(v) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
(vi) Copy of the resolution passed by the shareholders of the Company at the Annual General Meeting held on September 29, 2021 authorizing the issue / offer of non-convertible debentures by the Company;
(vii) Copy of the resolution passed by the Board of Directors of the Company dated 10th May 2022 read with the resolution passed by the Debenture Issue Committee of the Board of Directors dated July 23, 2022 authorizing the issuance of the Debentures and the list of authorized signatories;
(viii) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where the debt securities have been listed, within 5 (five) working days of execution of the same.
(ix) Where applicable, an undertaking that permission/consent from the prior creditor for a second or *pari passu* charge being created, in favor of the trustees to the proposed issue has been obtained; and
(x) Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

5.2 Documents Submitted to Debenture Trustee

The following documents have been / shall be submitted to the Debenture Trustee in electronic form (soft copy) on or before the allotment of the Debentures:

(i) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
(ii) Copy of last 3 (Three) years audited Annual Reports;
(iii) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
(iv) Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any;
(v) An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (d) above to the Debenture Trustee within the timelines as mentioned in the Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009/ Uniform Listing Agreement as prescribed in SEBI's circular no. CFD/CMD/6/2015 dated October 13, 2015 as amended from time to time, for furnishing / publishing its half yearly/ annual results. Further, the Issuer shall

For Muthoot Microfin Limited

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Chief Financial Officer

within 180 (One Hundred and Eighty) days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture-holders within 2 (Two) working days of their specific request.

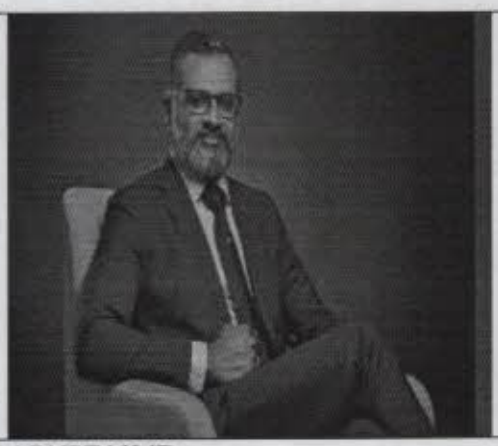
5.3 Details of Promoters of the Issuer:

S.no	Details of Promoter	Description
1.	Name of promoter	**Muthoot Fincorp Limited**
2.	Date of Birth	NA
3.	Age	NA
4.	Personal Addresses	NA
5.	Education Qualifications	NA
6.	Experience in the business or employment	NA
7.	positions/posts held in the past by the promoter	NA
8.	directorships held by the promoter	NA
9.	Other ventures of the promoter	NA
10.	Special achievements	NA
11.	Business and financial activities of the promoter	Gold Loan Company
12.	Photograph	NA
13.	Permanent Accountant Number	AACCM1453E
14.	Other details	NIL

S.no	Details of Promoter	Description
1.	Name of promoter	Thomas John Muthoot
2.	Date of Birth	07-06-1962
3.	Age	59 years
4.	Personal Addresses	TC 4/1008(1), Kowdiar P.O, Trivandrum, Kerala-695003
5.	Education Qualifications	Bachelor of Commerce degree from University of Kerala and has participated in the Owner/President Management Programme from Harvard Business School
6.	Experience in the business or employment	over 31 years in the field of financial services
7.	positions/posts held in the past by the promoter	He is on the board of directors of several companies like MFL, Muthoot Capital Services Limited, Muthoot Housing Finance Company Limited and Muthoot Hotels Private Limited.
8.	directorships held by the promoter	• Muthoot Microfin Limited • EMMEL Realtors and Developers Private Limited • L.M. Realtors Private Limited • Mariposa Agri Ventures and Hospitalities Private Limited • MPG Hotels and Infrastructure Ventures Private Limited • Muthoot APT Ceramics Limited

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

		• Muthoot Automobile Solutions Private Limited • Muthoot Automotive (India) Private Limited • Muthoot Buildtech (India) Private Limited • Muthoot Capital Services Limited • Muthoot Equities Limited • Muthoot Fincorp Limited • Muthoot Hotels Private Limited • Muthoot Housing Finance Company Limited • Muthoot Land and Estates Private Limited • Muthoot Motors Private Limited • Muthoot Pappachan Centre of Excellence in Sports • Muthoot Pappachan Medicare Private Limited • Muthoot Pappachan Technologies Limited • Muthoot Risk Insurance and Broking Services Private Limited • Trivandrum Centre for Performing Arts • Speckle Internet Solutions Private Limited • Musk Agri Ventures and Hospitalities Private Limited • Linden Agri Ventures and Hospitalities Private Limited • Fireworks Agri Development and Hospitalities Private Limited • Double Tails Agri Development and Hospitalities Private Limited • Palakkad Infrastructure Private Limited • MPG Sports Academy Private Limited
9.	Other ventures of the promoter	Nil
10.	Special achievements	-
11.	Business and financial activities of the promoter	Given above
12.	Photograph	
13.	Permanent Accountant Number	ABNPT4694B

S.no	Details of Promoter	Description
1.	Name of promoter	Thomas George Muthoot
2.	Date of Birth	07-06-1962
3.	Age	59 years

For Muthoot Microfin Limited

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Chief Financial Officer

4.	Personal Addresses	Muthoot Towers, College Road P.O, M G Road, Ernakulam, Kerala -6832035
5.	Education Qualifications	Bachelor of Commerce degree from University of Kerala
6.	Experience in the business or employment	over 31 years in the field of financial services.
7.	positions/posts held in the past by the promoter	He is on the board of directors of several companies like MFL, Muthoot Capital Services Limited, Muthoot Housing Finance Company Limited and Muthoot Hotels Private Limited.
8.	Directorships held by the promoter	• Muthoot Microfin Limited • Buttercup Agri Projects and Hospitalities Private Limited • Finance Companies' Association (India) • Fox Bush Agri Development and Hospitalities Private Limited • Jungle Cat Agri Development and Hospitalities Private Limited • Mandarin Agri Ventures and Hospitalities Private Limited • MPG Hotels and Infrastructure Ventures Private Limited • Muthoot APT Ceramics Limited • Muthoot Automobile Solutions Private Limited • Muthoot Automotive (India) Private Limited • Muthoot Capital Services Limited • Muthoot Fincorp Limited • Muthoot Hotels Private Limited • Muthoot Housing Finance Company Limited • Muthoot Pappachan Medicare Private Limited • Muthoot Pappachan Technologies Limited • Muthoot Properties (India) Private Limited • Muthoot Risk Insurance and Broking Services Private Limited • The Thinking Machine Media Private Limited • Muthoot Pappachan Centre of Excellence in Sports • Speckle Internet Solutions Private Limited • Linden Agri Ventures and Hospitalities Private Limited • Musk Agri Ventures and Hospitalities Private Limited • Muthoot Infrastructure Private Limited • Fireworks Agri Development and Hospitalities Private Limited • Double Tails Agri Development and Hospitalities Private Limited • Palakkad Infrastructure Private Limited • MPG Sports Academy Private Limited
9.	Other ventures of the promoter	Nil
10.	Special achievements	-

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

11.	Business and financial activities of the promoter	As above
12.	Photograph	
13.	Permanent Accountant Number	ABNPT4693G
14.	Other details	NIL

S.no	Details of Promoter	Description
1.	Name of promoter	Thomas Muthoot
2.	Date of Birth	15-07-1966
3.	Age	55 years
4.	Personal Addresses	Muthoot Towers, 6th Floor, M G Road, Opp.Abad Plaza, Ernakulam, Kerala -682035
5.	Education Qualifications	Bachelor of Law degree from University of Kerala
6.	Experience in the business or employment	over 29 years in the field of financial services
7.	positions/posts held in the past by the promoter	He is on the board of directors of several companies like Muthoot Capital Services Limited, MFL, Muthoot Housing Finance Company Limited and Muthoot Hotels Private Limited
8.	Directorships held by the promoter	• Muthoot Microfin Limited • Flame Agri Projects and Hospitalities Private Limited • Goblin Agri Projects and Hospitalities Private Limited • L.M. Realtors Private Limited • MPG Hotels and Infrastructure Ventures Private Limited • Muthoot Agri Development and Hospitalities Private Limited • Muthoot Agri Projects and Hospitalities Private Limited • Muthoot APT Ceramics Limited • Muthoot Automobile Solutions Private Limited • Muthoot Automotive (India) Private Limited • Muthoot Capital Services Limited • Muthoot Dairies and Agri Ventures Private Limited • Muthoot Fincorp Limited • Muthoot Hotels Private Limited • Muthoot Housing Finance Company Limited • Muthoot Motors Private Limited

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

		• Muthoot Pappachan Centre of Excellence in Sports • Muthoot Pappachan Technologies Limited • Muthoot Risk Insurance and Broking Services Private Limited • The Right Ambient Resorts Private Limited • Palakkad Infrastructure Private Limited • The Right Ambient Resorts Private Limited • Prime Volleyball League Private Limited • M-Liga Sports Excellence Private Limited • The Thinking Machine Media Private Limited • Musk Agri Ventures and Hospitalities Private Limited • Linden Agri Ventures and Hospitalities Private Limited • MPG Sports Academy Private Limited • Fireworks Agri Development and Hospitalities Private Limited • Double Tails Agri Development and Hospitalities Private Limited
9.	Other ventures of the promoter	Nil
10.	Special achievements	-
11.	Business and financial activities of the promoter	As above
12.	Photograph	
13.	Permanent Accountant Number	AEAPM0424L
14.	Other details	NA

S.no	Details of Promoter	Description
1.	Name of promoter	Remmy Muthoot
2.	Date of Birth	31/05/1968
3.	Age	50 years
4.	Personal Addresses	Muthoot Towers, M.G. Road, Kochi 682 035, Kerala India.
5.	Education Qualifications	Bachelor's degree in Technology from Mahatma Gandhi University
6.	Experience in the business or employment	-
7.	positions/posts held in the past by the promoter	She is on the board of several companies as listed in point 8. below.
8.	Directorships held by the promoter	• Muthoot Automobile Solutions Private Limited,

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

		• Muthoot Automotive (India) Private Limited, • Muthoot Exim Private Limited, • Muthoot Kuries Private Limited, • El Toro Agri Projects and Hospitalities Private Limited, • Fox Bush Agri Development and Hospitalities Private Limited, • Jungle Cat Agri Development and Hospitalities Private Limited, • Muthoot Buildtech (India) Private Limited, • Muthoot Equities Limited, • Muthoot Land and Estates Private Limited, • Muthoot Properties (India) Private Limited, • Pine Pink Agri Ventures and Hospitalities Private Limited, • The Right Ambient Resorts Private Limited, • MPG Security Group Private Limited, • Muthoot Pappachan Chits (India) Private Limited, and Muthoot Infrastructure Private Limited
9.	Other ventures of the promoter	Nil
10.	Special achievements	-
11.	Business and financial activities of the promoter	Given above
12.	Photograph	
13.	Driving License Number	1/5534/1991
14.	Permanent Account Number	ABLPT3225E
15.	Other details	NA

S.no	Details of Promoter	Description
1.	Name of promoter	Preethi John
2.	Date of Birth	21/10/1964
3.	Age	53 years
4.	Personal Addresses	TC 4/1008, (1), Kawdiar, P.O., Trivandrum 695 003, Kerala, India.
5.	Education Qualifications	Bachelor's degree in Arts from University of Kerala.
6.	Experience in the business or employment	-
7.	positions/posts held in the past by the promoter	She is on the board of several companies as listed in point 8. Below.
8.	Directorships held by the promoter	• Muthoot Infrastructure Private Limited, • Muthoot Exim Private Limited.

For Muthoot Microfin Limited
Praveen T
Chief Financial Officer

		• Muthoot Kuries Private Limited, • Alaska Agri Projects and Hospitalities Private Limited, • Bamboo Agri Projects and Hospitalities Private Limited, • Calypso Agri Development and Hospitalities Private Limited, • Cinnamon Agri Development and Hospitalities Private Limited, • El Toro Agri Projects and Hospitalities Private Limited, • Goblin Agri Projects and Hospitalities Private Limited, • Mandarin Agri Ventures and Hospitalities Private Limited, Muthoot Agri Projects and Hospitalities Pvt. Ltd., • Muthoot Dairies and Agri Ventures Hospitalities Private Limited, • The Thinking Machine Media Private Limited, MPG Security Group Private Limited, and • Muthoot Pappachan Chits (India) Private Limited
9.	Other ventures of the promoter	Nil
10.	Special achievements	-
11.	Business and financial activities of the promoter	Given above
12.	Photograph	
13.	Driving License Number	1/101154/1989
14.	Permanent Account Number	ACRPJ5145J
15.	Other details	NA

S.no	Details of Promoter	Description
1.	Name of promoter	Nina George
2.	Date of Birth	17/09/1967
3.	Age	50 years
4.	Personal Addresses	Muthoot Towers, M.G. Road, Kochi 682 035, Kerala India.
5.	Education Qualifications	Bachelor's degree in Science from Mahatma Gandhi University
6.	Experience in the business or employment	-
7.	positions/posts held in the past by the promoter	She is on the board of several companies as listed in point 8. Below.
8.	Directorships held by the promoter	• Muthoot Exim Private Limited, Muthoot Kuries Private Limited,

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Chief Financial Officer

		• Alaska Agri Projects and Hospitalities Private Limited, • Bamboo Agri Projects and Hospitalities Private Limited, • Buttercup Agri Projects and Hospitalities Private Limited, • Calypso Agri Development and Hospitalities Private Limited, • Cinnamon Agri Development and Hospitalities Private Limited, • Flame Agri Projects and Hospitalities Private Limited, • Mariposa Agri Ventures and Hospitalities Private Limited, • Muthoot Agri Development and Hospitalities Private Limited • Muthoot Equities Limited, • Muthoot Holdings Private Limited, Muthoot Motors Private Limited, • Pine Pink Agri Ventures and Hospitalities Private Limited, • MPG Security Group Private Limited, and Muthoot Pappachan Chits (India) Private Limited
9.	Other ventures of the promoter	Nil
10.	Special achievements	-
11.	Business and financial activities of the promoter	Given above
12.	Photograph	
13.	Permanent Accountant Number	ADCPG0092R
14.	Other details	NA

5.4 Details of specific entities in relation to the Issue:

S.no	Particulars	Details
1.	Debenture Trustee to the Issue	Name: Catalyst Trusteeship Limited Logo: Address: Windsor, 6th floor, Office No 604, C.S.T Road, Kalina, Santacruz (East), Mumbai - 400098 Website: www.catalysttrustee.com

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

		Email address: compliancectl-mumbai@ctltrustee.com Telephone Number: 022- 49220507 Contact Person: Mr. Umesh Salvi
2.	Credit Rating Agency for the Issue	Name: Crisil Limited Logo: CRISIL An S&P Global Company Address: Crisil House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400076, Maharashtra (India) Website: www.crisil.com Email address: poojadevi.yadav@ext-crisil.com Telephone Number: 022-33423000 Contact Person: Pooja Devi Yadav
3.	Registrar to the Issue	Name: **KFin Technologies Private Limited** Logo: KFINTECH Address: Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakrumguda, Hyderabad- 500 032 Website: www.karvycomputershare.com Email address: amit.verma@karvy.com ; support@karvy.com Telephone Number: 040-23420818 Contact Person: Mr Amit Verma
4.	Statutory Auditors	Name: Sharp & Tannan Associates Logo: N.A. Address: 802 Lloyds Chambers, Block II, Dr. Ambedkar Road, Pune 411 011, India Website: http://www.sharp-tannan.com; Email address: rohit.sachdev@sharpandtannan.com; Telephone Number: +91 9503257921; Contact Person: Rohit Sachdev
5.	Legal Counsel (if any)	Name: Wadia Ghandy & Co. Logo: Address: 2nd Floor, NM Wadia Buildings, 123 MG Road, Fort, Mumbai 400 001 Website: N.A. Email address: shabnum.kajiji@wadiaghandy.com Telephone Number: +91 (22) 2271 5600 Contact Person: Ms. Shabnum Kajiji
6.	Guarantor (if applicable)	Name: N.A. Logo: N.A. Address: N.A. Website: N.A. Email address: N.A. Telephone Number: N.A. Contact Person: N.A.
7.	Arrangers, if any	Name: N.A. Logo: N.A.

For Muthoot Microfin Limited

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Chief Financial Officer

		Address: N.A. Website: N.A. Email address: N.A. Telephone Number: N.A. Contact Person: N.A.

5.5 About the Issuer: A brief summary of business / activities of the Issuer and its subsidiaries with the details of branches or units if any and its line of business containing at least the following information:

(i) **Overview of the business of the Issuer**

Muthoot Microfin Limited is a Non-Banking Finance Company-Micro Finance Institution (NBFC-MFI) registered with the Reserve Bank of India, operational since March 2015. The entity is a subsidiary of Muthoot Fincorp Limited, part of the Muthoot Pappachan Group (MPG).

Muthoot Fincorp Limited, the flagship company of MPG, is based out of Trivandrum (Kerala) and engaged primarily in the business of gold loans. MPG's history dates back to 1887 when it was established and was engaged in financing and chit business. Currently, the gold loan business through Muthoot Fincorp.

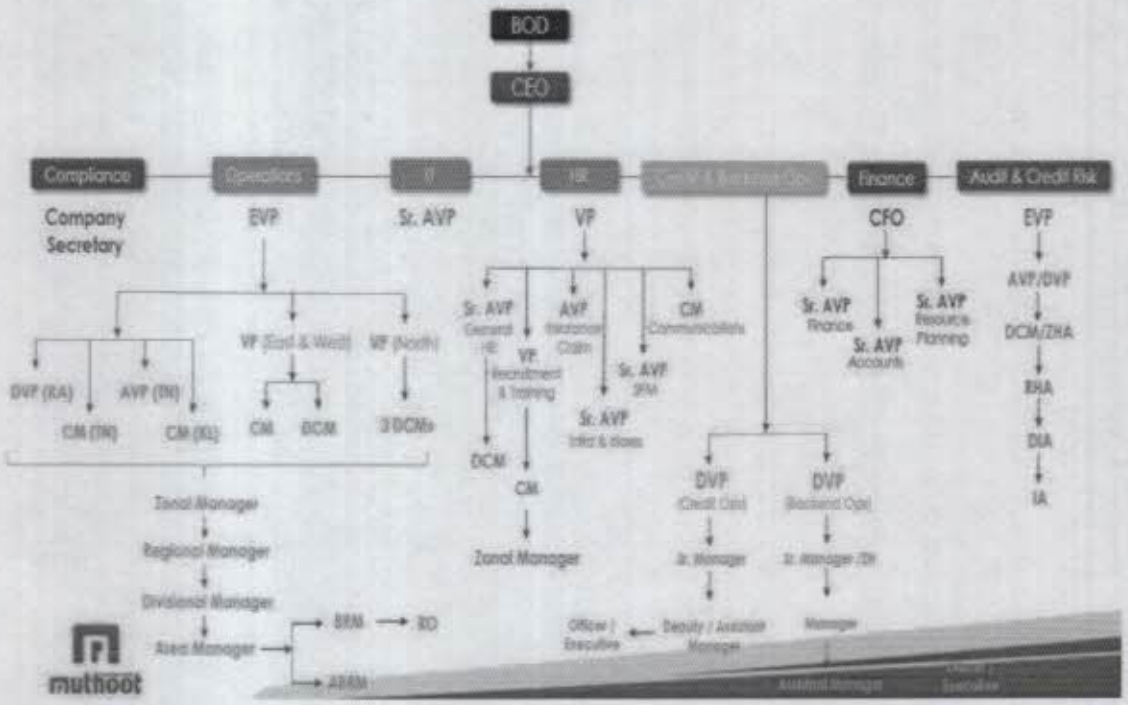
Muthoot Fincorp Limited diversified into microfinance through the Joint-Liability Group (JLG) Model in 2010. This was done under the brand-name of Muthoot Mahila Mitra (MMM), the Microfinance division of Muthoot Fincorp. An existing NBFC- Pancharatna Securities Limited was acquired in 2012 to spin-off the microfinance business so as to be able to run the business independently and the NBFC rebranded as Muthoor Microfin Limited.

Muthoot Microfin Limited (MML) received the NBFC-MFI license in March 2015. As of March 31, 2022, the entity is capitalized to the tune of INR 1336.58 Cr. The registered office of the company is currently in Mumbai. Muthoot Microfin is spread across 905 branches as on March 31, 2022, in 15 states.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

(ii) **Corporate Structure of the Issuer:**



(iii) **Project cost and means of financing, in case of funding of new projects**

N.A.

5.6 Key Operational and Financial Parameters on consolidated basis and standalone basis:

Particulars	31-Mar-22	30-Sep-21	31-Mar-21	31-Mar-20	31-Mar-19
	(IND AS)	(IND AS)	(IND AS)	(IND AS)	(IND AS)
Balance Sheet					
Net Fixed assets	42.05	105.03	109.86	108.92	20.52
Current assets	39.55	16.82	9.42	37.95	16.53
Non-current Assets					
Other assets	5509.73	4236.29	4065.99	3,943.34	3,493.13
Total assets	5591.33	4358.14	4185.27	4090.21	3530.18
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions	1706.86	1201.74	1075.8	1494.44	2636.42

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Deferred tax liabilities (net) Other non-current liabilities					
Current Liabilities (including maturities of long-term borrowings) Financial (borrowings, trade payables, and other financial liabilities)	2537.84	2239.81	2211.05	1673.69	
Provisions	4.94	9.95	4.64	5.09	0.90
Current tax liabilities (net)	0	0.00	0.00	0.00	0.00
Other liabilities	5.12	3.87	3.89	9.99	7.07
Equity (equity and other equity)	1336.57	902.77	889.89	906.99	885.79
Total equity and liabilities	5591.33	4358.14	4185.27	4090.21	3530.18
Profit and Loss					
Total revenue	842.94	369.45	696.28	866.73	750.42
From operations	832.5	365.62	684.17	860.21	729.56
Other income	10.4	3.82	12.11	6.52	20.86
Total Expenses	778.22	358.73	687.23	847.04	479.90
Total comprehensive income	79.73	12.32	-17.31	20.57	232.33
Profit / loss	64.72	10.72	9.05	19.70	270.52
Other comprehensive income	32.33	4.63	(24.36)	2.36	31.10
Profit / loss after tax	47.39	7.69	7.05	18.21	201.22
Earnings per equity share:					
(a) basic;	4.15	0.67	0.62	1.59	19.43
(b) diluted	4.15	0.67	0.62	1.59	19.43
Continuing operations					
Discontinued operations					
Total continuing and discontinued operations					
Cash flow					
Net cash (used in)/ generated from operating activities	-1084.6	(120.26)	(703.95)	114.24	(601.81)
Net cash used in investing activities	-73.8	(43.36)	(37.95)	(65.49)	(6.21)
Net cash generated from financing activities	1345.06	198.69	79.69	462.53	706.81
Cash and cash equivalents	519.07	519.07	1181.29	670.01	571.21
Balance as per statement of cash flows	705.7	554.14	519.07	1181.29	670.01

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Additional Information					
Net worth	1336.57	902.77	889.89	906.99	885.79
Cash and Cash Equivalents	705.7	554.14	519.07	1181.29	670.01
Assets Under Management	6238.25	4773.11	4976.63	4932.07	4354.07
Off Balance Sheet Assets	1848.3	1477.21	1713.11	2177.90	1616.04
Total Debts to Total assets	0.76	0.74	0.72	0.71	0.69
Interest Income	706.57	333.47	620.97	608.39	518.03
Interest Expense	340.15	155.44	299.32	290.67	233.84
Interest Service Coverage Ratio	-				
Provisioning & Write-offs	111.15	53.19	131.42	272.01	28.35
Bad debts to Account receivable ratio	-				
Gross NPA (%)	6.26%	8.84%	7.38%	7.55%	2.38%
Net NPA (%)	1.55%	1.92%	1.42%	0.74%	1.21%
Tier I Capital Adequacy Ratio (%)	28.38%	24.08%	21.80%	27.44%	32.49%
Tier II Capital Adequacy Ratio (%)	0.38%	0.65%	0.75%	1.65%	0.56%

5.7 Debt: Equity Ratio of the Company:

Before the Issue	3.07
After the Issue	3.10

5.8 Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability:

Credit enhancements provided by the Company towards securitisation transactions aggregate to INR 202.53 Crore.

5.9 A brief history of Issuer since its incorporation giving details of its following activities:

(a) **Details of Share Capital as on last quarter end, i.e., June 30 2022:**

Share Capital	**Amount (in Rs. Crores)**
Authorised Share Capital	
Equity Share Capital	150.00
Preference Share Capital	50.00
TOTAL	200.00
Issued, Subscribed and Paid- up Share Capital	
Equity Share Capital	114.17
Preference Share Capital	19.16
TOTAL	133.33

(b) **Changes in its capital structure as on last quarter end i.e., June 30 2022 for the last three years:**

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Date of Change (AGM/EGM)	Particulars
FY 2022	100 Equity Shares of ₹ 10 each issued in January 22 & 9,633,739 Compulsorily Convertible Preference Shares of ₹ 10 each issued in December 21 & 95,27,994 Compulsorily Convertible Preference Shares of ₹ 10 each issued in January 22
FY 2021	NA
FY 2020	NA

(c) **Equity Share Capital History of the Company, for the last three years:**

Date of allotment	Name of equity shareholder	No. of shares	Face Value (Rs.)	Issue price	Consideration Amount (Rs.)	Nature of Allotment	Cumulative paid-up capital (Rs.)			Remarks
					(No. of shares * Issue price)		No. of equity shares	Equity share Capital	Equity Share Premium (in Rs.)	
08/12/2011	Paid up capital as on 31-03-2012	300,000	10	10	10	Equity	300,000	30,00,000.00	0.00	
29/09/2012	Muthoot Fincorp Limited	47,00,000	10	10	10	Equity	50,00,000	50,00,00,000.00	0.00	
15/01/2014	Muthoot Fincorp Limited	500,000	10	10	10	Equity	55,00,000	5,50,00,000.00	0.00	
27/05/2015	Thomas Muthoot Thomas George Muthoot Thomas John Muthoot Nina George Preethi John Remy Thomas Muthoot Fincorp Limited	100,00,000	10	10	10	Equity	155,00,000	15,50,00,000.00	0.00	
15/06/2015	Muthoot Fincorp Limited	345,00,000	10	10	10	Equity	500,00,000	50,00,00,000.00	0.00	

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

21/01/2016	Muthoot Fincorp Limited	100,00,000	10	10	10	Equity	600,00,000	60,00,00,000.00	0.00	
29/04/2016	Muthoot Fincorp Limited	100,00,000	10	10	10	Equity	700,00,000	70,00,00,000.00	0.00	
29/09/2016	Thomas John Muthoot Thomas George Muthoot Thomas Muthoot	125,00,000	10	10	10	Equity	825,00,000	82,50,00,000.00	RS 2 per share (Premium)	
21/12/2016	Thomas John Muthoot Thomas George Muthoot Thomas Muthoot Muthoot Fincorp Limited	1307986	10	10	10	Equity	838,07,986	83,80,79,860.00	Rs.104.68 per share (premium)	
26/12/2016	Creation Investments India LLC	43600	10	10	10	Equity	838,51,586	83,85,15,860	Rs.104.68 per share (premium)	
31/08/2017	Thomas John Muthoot Thomas George Muthoot Thomas Muthoot	1307987	10	10	10	Equity	85159573	851595730	Rs.104.68 per share (premium)	
19/12/2017	Thomas John Muthoot Thomas George Muthoot Thomas Muthoot Muthoot Fincorp Limited	3051971	10	10	10	Equity	88211544	882115440	Rs.104.68 per share (premium)	
31/03/2018	Thomas John Muthoot Thomas George Muthoot Thomas Muthoot	14666667	10	10	10	Equity	10287 8211	10287 82110	Rs.104.68 per share (premium)	

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

	Nina George Preethi John Remy Thomas Muthoot Fincorp Limited Creation Investments India LLC ESOP Holders MML Employee Welfare Trust									
09/03/2019	Creation Investments India LLC	1129291	10	10	10	Equity (CCPS conversion)	11417 0502	11417 05020	Rs.10 4.68 per share (premium)	
06/12/2021	Greater Pacific Capital	100	10	10	10	Equity	11417 1602		Rs.18 4.86 per share (premium)	

5.10 Details of any Acquisition or Amalgamation with any entity in the last 1 (one) year:

Type of Event	Date of Announcement	Date of Completion	Details
NA			

5.11 Details of any Reorganization or Reconstruction in the last 1 (one) year:

Type of Event	Date of Announcement	Date of Completion	Details
NA			

5.12 Details of the shareholding of the Company as on the latest quarter end, i.e., June 30, 2022

(a) **Shareholding pattern of the Company as on last quarter end, i.e. June 30 2022 as per the format specified under the listing regulations:**

Sr No	Name of Equity Shareholder	Total No of Equity Shares	Total No of Preference Shares	No. of shares in demat form	Total Shareholding as a % of total no of equity shares
1.	CREATION INVESTMENTS INDIA, LLC	1,30,06,778		1,30,06,778	9.76

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

2.	GREATER PACIFIC CAPITAL WIV LTD.	100	1,91,61,733	1,91,61,833	14.37
3.	MUTHOOT FINCORP LTD	7,26,25,449		7,26,25,449	54.46
4.	THOMAS MUTHOOT	63,50,459		63,50,459	4.76
5.	THOMAS JOHN MUTHOOT	63,28,806		63,28,806	4.75
6.	THOMAS GEORGE MUTHOOT	63,27,160		63,27,160	4.75
7.	NINA GEORGE	27,04,513		27,04,513	2.03
8.	PREETHI JOHN	27,02,867		27,02,867	2.03
9.	REMMY THOMAS	26,81,214		26,81,214	2.01
10.	ESOP Trust	8,01,864		8,01,864	0.6
11.	ESOP HOLDERS	6,41,392		6,41,392	0.48
	Total	**11,41,70,602**	**1,91,61,733**	**13,33,32,335**	**100.00%**

Notes: Details of shares pledged or encumbered by the promoters (if any): NIL

(b) **List of top 10 holders of equity shares of the Company as on the latest quarter end, i.e. June 30, 2022**

Sr No	Name of Equity Shareholder	Total No of Equity Shares	Total No of Preference Shares	No. of shares in demat form	Total Shareholding as a % of total no of equity shares
1.	CREATION INVESTMENTS INDIA, LLC	1,30,06,778		1,30,06,778	9.76
	GREATER PACIFIC CAPITAL WIV LTD.	100	1,91,61,733	1,91,61,833	14.37
2.	MUTHOOT FINCORP LTD	7,26,25,449		7,26,25,449	54.46
3.	THOMAS MUTHOOT	63,50,459		63,50,459	4.76
4.	THOMAS JOHN MUTHOOT	63,28,806		63,28,806	4.75
5.	THOMAS GEORGE MUTHOOT	63,27,160		63,27,160	4.75
6.	NINA GEORGE	27,04,513		27,04,513	2.03

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

7.	PREETHI JOHN	27,02,867		27,02,867	2.03
8.	REMMY THOMAS	26,81,214		26,81,214	2.01
9.	ESOP Trust	8,01,864		8,01,864	0.6
10.	ESOP HOLDERS	6,41,392		6,41,392	0.48
	Total	**11,41,70,602**	**1,91,61,733**	**13,33,32,335**	**100.00%**

5.13 Following details regarding the directors of the Company*:

(a) Details of the current directors of the Company:

This table sets out the details regarding the Company's Board of Directors as on date of the Placement Memorandum:

S. No.	Name of the Directors	Designation	Age	Address	DIN	Date of appointment	Details of other directorship	Whether willful defaulter (Yes/No)
1.	Thomas John Muthoot	Director	59	TC 4/1008(1), Kowdiar P.O, Trivandrum, Kerala-695003	00011618	08/05/2017	EMMEL Realtors and Developers Private Limited L.M. Realtors Private Limited □ Mariposa Agri Ventures and Hospitalities Private Limited □ MPG Hotels and Infrastructure Ventures Private Limited □ Muthoot APT Ceramics Limited □ Muthoot Automobile Solutions Private Limited □ Muthoot Automotive (India) Private Limited □ Muthoot Buildtech (India) Private Limited □ Muthoot Capital Services Limited □ Muthoot Equities Limited □ MFL □ Muthoot Hotels Private Limited	No

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

							□ Muthoot Housing Finance Company Limited □ Muthoot Land and Estates Private Limited □ Muthoot Motors Private Limited □ Muthoot Pappachan Centre of Excellence in Sports □ Muthoot Pappachan Medicare Private Limited □ Muthoot Pappachan Technologies Limited □ Muthoot Risk Insurance and Broking Services Private Limited □ Trivandrum Centre for Performing Arts	
2.	Thomas George Muthoot	Director	59	Muthoot Towers, College Road P.O, M G Road, Ernakulam, Kerala -6832035	00011552	08/05/2017	□ Buttercup Agri Projects and Hospitalities Private Limited □ Finance Companies' Association (India) □ Fox Bush Agri Development and Hospitalities Private Limited □ Jungle Cat Agri Development and Hospitalities Private Limited □ Mandarin Agri Ventures and Hospitalities Private Limited □ MPG Hotels and Infrastructure Ventures Private Limited □ Muthoot APT Ceramics Limited □ Muthoot Automobile Solutions Private Limited	No

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

							▢ Muthoot Automotive (India) Private Limited ▢ Muthoot Capital Services Limited ▢ MFL ▢ Muthoot Hotels Private Limited ▢ Muthoot Housing Finance Company Limited ▢ Muthoot Pappachan Medicare Private Limited ▢ Muthoot Pappachan Technologies Limited ▢ Muthoot Properties (India) Private Limited ▢ Muthoot Risk Insurance and Broking Services Private Limited ▢ The Thinking Machine Media Private Limited ▢ Muthoot Pappachan Centre of Excellence in Sports	
3.	Thomas Muthoot	Managing Director	55	Muthoot Towers, 6th Floor, M G Road, Opp.Abad Plaza, Ernakulam, Kerala -682035	00082099	08/05/2017	▢ Flame Agri Projects and Hospitalities Private Limited ▢ Goblin Agri Projects and Hospitalities Private Limited ▢ L.M. Realtors Private Limited ▢ MPG Hotels and Infrastructure Ventures Private Limited ▢ Muthoot Agri Development and Hospitalities Private Limited ▢ Muthoot Agri Projects and Hospitalities Private Limited	No

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Chief Financial Officer

							☐ Muthoot APT Ceramics Limited ☐ Muthoot Automobile Solutions Private Limited ☐ Muthoot Automotive (India) Private Limited ☐ Muthoot Capital Services Limited ☐ Muthoot Dairies and Agri Ventures Private Limited ☐ MFL ☐ Muthoot Hotels Private Limited ☐ Muthoot Housing Finance Company Limited ☐ Muthoot Motors Private Limited ☐ Muthoot Pappachan Centre of Excellence in Sports ☐ Muthoot Pappachan Technologies Limited ☐ Muthoot Risk Insurance and Broking Services Private Limited ☐ The Right Ambient Resorts Private Limited	
4.	Thomas Muthoot John	Director	31	TC 4/1008(1), Kowdiar P.O, Trivandrum, Kerala-695003	07557585	01/12/2016	Planterstreasure Enterprises Private Limited	No
5.	Kenneth Dan Vander Weele	Nominee Director	67	445 East North Water Street, #2101 Chicago, IL 60611 USA	02545813	27/12/2016	Indian Companies: ☐ Fusion Micro Finance Private Limited ☐ Sohan Lal Commodity Management Private Limited ☐ Sonata Finance Private Limited	No

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Chief Financial Officer

							Foreign Companies: □ Commercial Credit and Finance plc (Sri Lanka) □ NOA Holdings NV- Holland	
6.	Alok Prasad	Independent Director	68	144 Vista Villas, Sector - 46, Gurugram, 122001	00080225	10/05/2017	□ Accela Fiduciary Services Private Limited □ Fincare Small Finance Bank Limited □ Gang-Jong Development Finance Private Limited □ Ummeed Housing Finance Private Limited □ Capfloat Financial Services Private Limited	No
7.	T S Vijayan	Independent Director	67	Sunnyvale, TC 8/725 (1), Thirumala, Trivandrum 695 006, Kerala, India	00043959	15/05/18	Reliance Trusteeship Company Limited	
8.	Bhama Krishna murthy	Independent Director	66	4th Floor, Avarsekars Srushti, Old Prabhadevi Road, Prabhadevi, Mumbai 400 025, Maharashtra, India	02196839	15/05/18	□ Five-Star Business Finance Limited □ India SME Asset Reconstruction Company Limited □ Jains Sons Finlease Limited □ Kolte – Patil I-Ven Townships (Pune) Limited □ Paisalo Digital Limited □ Reliance Industrial Infrastructure Limited □ Reliance Payment Solutions Limited □ TAB Capital Limited	No

For Muthoot Microfin Limited

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Chief Financial Officer

9.	Pushpy B Muricken	Independent Director	46	Kodiyatt, 5-Vrindavanam, Subash Chandra Bose Road, Vyttila 682 019, Kerala, India	03431198	31/03/18	Brainstream Advisors Private Limited	No
10.	Akshaya Prasad	Independent Director	45	Kalpataru Horizon, B Wing, S K Ahire Marg, Worli, Mumbai - 400018	02028253	06/12/2021	Greater Pacific capital	No

**Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any: NIL*

(b) **Details of change in directors since last three years:**

Name	Designation	DIN	Date of Appointment	Date of Cessation, if applicable	Date of resignation, if applicable	Remarks
Mr. Akshaya Prasad	Nominee Director	02028253	06/12/2021	NA	NA	Appointment of director

5.14 Following details regarding the auditors of the Company:

(a) **Details of the auditor of the Company:**

Name of the Auditor	Address	Auditor since	Remark
Sharp and Tannan Associates	802 Lloyds Chambers, Block II, Dr. Ambedkar Road, Pune 411 011, India	03-12-2021	Nil

(b) **Details of change in auditors since last three years:**

Name of the Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of resignation, if applicable	Remarks
Walker Chandio	M/s. Walker Chandiok & Co	-	-	08-11-2021	

For Muthoot Microfin Limited

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Chief Financial Officer

k & Co LLP (Grant Thornton)	LLP, (Grant Thornton) Chartered Accountants (FRN.: 001076N/N500013), 16th Floor, Tower II, Indiabulls Finance Centre, S B Marg, Elphinstone (W), Mumbai – 400013				
Sharp and Tannan Associates	802 Lloyds Chambers, Block II, Dr. Ambedkar Road, Pune 411 011, India	03-12-2021	-	-	

5.15 Details of the following liabilities of the Company, as at the latest quarter end i.e. June 30, 2022:

(a) **Details of Outstanding Secured Loan Facilities**:

(*Rs. Crores*)

Name of Lender	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date / Schedule	Security
Union Bank of India V	Term Loan	75	12.50	36 months	1.05x
Bank of Baroda	Term Loan	150	20.00	33 months	1.17x
SBI V	Term Loan	200	116.65	42 months	1.333x
Karnataka Bank	Term Loan	50	30.00	35 months	1.10x
Canara Bank	Term Loan	100	74.98	36 months	1.10x
Punjab National Bank	Term Loan	200	163.64	36 months	1.10x
Bank of Baroda	Term Loan	100	75.00	36 Months	1.10x
Karnataka Bank II	Term Loan	50	50.00	35 months	1.10x
Indian Overseas Bank - CGS	Term Loan	50	50.00	36 Months	1.10x
HDFC	Term Loan	10	2.38	24 Months	1.05x
Kotak 4	Term Loan	75	23.33	24 Months	1.10x
IDBI TL- CGS	Term Loan	50	40.63	36 Months	1.00x
Axis Bank VI	Term Loan	150	122.73	24 Months	1.10x
Bandhan IV	Term Loan	200	200.00	24 Months	1.05x

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DCB IV	Term Loan	50	41.67	26 Months	1.00x
Kotak 5	Term Loan	75	71.88	24 Months	1.10x
IDBI 4	Term Loan	50	50.00	24 Months	1.10x
Axis Bank	Term Loan	75	70.00	24 Months	1.10x
Karur Vysya Bank	Term Loan	25	0.00	36 Months	1.10x
Bank of Behrain and Kuwait	Term Loan	35	20.50	36 Months	1.17x
Woori Bank	Term Loan	28	17.50	24 Months	1.10x
Standard Chartered Bank	Term Loan	80	60.00	24 Months	1.05x
Standard Chartered Bank	Term Loan	6.25	6.25	12 Months	1.05x
Standard Chartered Bank	Term Loan	20	20.00	12 Months	1.05x
Woori Bank	Term Loan	31	23.25	24 Months	1.10x
Standard Chartered Bank	Term Loan	41.25	41.25	12 Months	1.05x
Standard Chartered Bank	Term Loan	37.5	37.50	12 Months	1.05x
BBK	Term Loan	20		24 Months	1.10x
Jana SFB	Term Loan	50	18.21	24 Months	1.10x
Utkarsh SFB	Term Loan	25	12.50	24 Months	1.10x
Jana SFB - CGS	Term Loan	38	28.61	36 Months	1.00x
Equitas SFB II	Term Loan	50	39.55	24 Months	1.10x
Utkarsh SFB	Term Loan	25	25.00	24 Months	1.10x
NABARD - Refinance	Term Loan	500	40.00	60m (half yearly)	1.11x
Nabard - Refinance II	Term Loan	250	25.00	60m (half yearly)	1.10x
Nabard- Refinance III	Term Loan	110	27.50	66m (half yearly)	1.13x
SIDBI III	Term Loan	200	53.33	36 Months	1.00x
NORTHERN ARC	Term Loan	100	27.44	24 Months	1.00x
MAS	Term Loan	50	12.50	24 Months	1.10x
Nabard- Refinance IV SLF	Term Loan	170	51.00	18 Months	1.13x
Nabkisan	Term Loan	15	8.75	36 Months	1.10x

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Oiko Credit II	Term Loan	40	23.33	36 Months	1.05x
Nabfins	Term Loan	20	8.95	24 Months	1.10x
NORTHERN ARC TL II	Term Loan	40	22.99	24 Months	1.00x
Capri Global Capital Limited	Term Loan	25	14.58	24 Months	1.15x
Nabard- Refinance V SLF	Term Loan	200	200.00	18 Months	1.13x
Credit Saison	Term Loan	35	26.25	24 Months	1.10x
MAS 2	Term Loan	40	31.67	24 Months	1.10x
NABSAMRUDDHI Finance Limited	Term Loan	30	28.58	36 Months	1.10x
SIDBI IV	Term Loan	100	80.00	12 Months	1.10x
SIDBI IV	Term Loan	100	100.00	36 Months	1.00x
JM Finance Ltd	Term Loan	100	84.12	12 Months	1.10x
Nabkisan	Term Loan	30	27.50	36 Months	1.10x
Mudra III	Term Loan	200	193.94	36 Months	1.10x
Credit Saison 2	Term Loan	15	13.13	24 Months	1.10x
Nabfin III	Term Loan	18	16.74	24 Months	1.10x
Piramal Capital and Housing Finance	Term Loan	50	50.00	24 Months	1.10x
Tata Capital	Term Loan	50	44.00	24 Months	1.10x
Sundaram Finance	Term Loan	60	0.00	24 Months	1.15x

(b) **Details of Outstanding Unsecured Loan Facilities**:

Name of Lender	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date / Schedule
Northern Arc Capital	Unsecured Term Loan	100.00	27.44	24 Months
Northern Arc Capital	Unsecured Term Loan	40.00	22.99	24 Months

(c) **Details of Outstanding Non-Convertible Securities**:

For Muthoot Microfin Limited

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Debenture Series	Tenor / Period of Maturity	Coupon	Amount (Rs Crores)	Date of allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security
MML VIII	72m	11%	75.00	11/09/2017	18/09/2023	IND A-/stable	Secured	Book Debts
MML IX	60m	11.40%	70.00	27/11/2019	27/11/2024	CRISIL A/Stable	Secured	Book Debts
MML X	42m	11.40%	45.00	25/11/2020	25/05/2024	CRISIL A/Stable	Secured	Book Debts
MML X	18m	10.25%	75.00	15/06/2021	15/12/2022	CRISIL PPMLD Ar/Stable	Secured	Book Debts
MML XI	24m	10.50%	50.00	15/07/2021	15/07/2023	CRISIL PPMLD Ar/Stable	Secured	Book Debts
MML XII	27M	10.60%	115.40	27/12/2021	31/03/2024	CRISIL PPMLD Ar/Stable	Secured	Book Debts
MML XIII	21m	10.40%	100.00	11/01/2022	11/10/2023	CRISIL PPMLD Ar/Stable	Secured	Book Debts
MML XIV	18m	10.10%	65.00	25/03/2022	25/09/2023	CRISIL PPMLD Ar/Stable	Secured	Book Debts
MML XV	60m	11.45%	38	27-05-2022	27-05-2027	CRISIL A/Stable	Secured	Book Debts
MML XVI	60m	11.55%	112	03-06-2022	03-06-2027	CRISIL A/Stable	Secured	Book Debts
MML XVII	42m	9.90%	93.2	15-06-2022	15-12-2025	CRISIL A/Stable	Secured	Book Debts

5.16 List of top 10 holders of non-convertible securities in terms of value (in cumulative basis)

Sr. No.	Name of holders of non-convertible securities	Amount (In INR Crores)	Percentage (%) of total non-convertible securities outstanding
1	Blue Orchard	340.00	40.54%
2	JM Financials Limited	75.00	8.94%
3	Vivriti Capital	215.00	25.64%
4	Water Equity	93.20	11.11%
5	Northern arc	115.40	13.76%

5.17 Details of outstanding Commercial Paper as at the end of the last quarter in the following format:

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Sr. No.	ISIN of Commercial Paper	Maturity Date	Amount outstanding (In INR Crores)
1.	INE046W14079	29-09-2022	50.00

5.18 Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares):

Name of Party (in case of facility) / Name of Instrument	Type of facility / Instrument	Amount sanctioned / issued	Principal Amount outstanding	Date of Repayment / Schedule	Credit Rating	Secured / Unsecured	Security
NA	NA	NA	NA	NA	NA	NA	NA

5.19 Details of any outstanding borrowing taken / debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing / debt securities have been taken / issued: (i) in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option or not

NIL

5.20 Where the Issuer is a non-banking finance company or housing finance company, the following disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials:

A. Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by NBFC including details regarding the following

(a) Lending Policy: Should contain overview of origination, risk management, monitoring and collections:

Our group loans (including income generating loans and dairy loans) are based on a group lending model, catering exclusively to women. An informal JLG (typically comprising between four to ten members) provides joint and several guarantees for loans obtained by each member of the JLG. This 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 will be able to identify new opportunities and grow existing income generating activities such as running local retail shops, providing tailoring and other assorted trades and services, raising livestock, cottage production such as pottery, basket weaving and mat making, land and tree leasing, among others. We believe that access to basic financial services can significantly increase economic opportunities for families in the lower-income segment.

Our lending model comprises five key elements that we have summarized below.

Village Selection

We believe 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 officers to be responsible for a specified village or set of villages. Our business development officers 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 a village has been selected, our employees conduct public meetings in the village to introduce themselves and our Company. In these

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Chief Financial Officer

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. We believe that providing women with access to capital in this manner increases their decision-making stature in the household. As decision-makers, we believe women can help direct disposable income to the more basic needs of the home such as nutrition, education and home repairs.

Member Training

We believe 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 visual aids such as seeds, coins and cardboard cut-outs to explain the elements of our products and procedures. Our standardized training programs serve as a platform for increased trust and discipline within the JLGs which we believe 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 and to record baseline information for future analysis. 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 enrol customers who satisfy the target clientele criteria. The size of the groups is flexible with a minimum of four and a maximum of 10 women customers in a group. One or multiple groups form a center which typically has 5 to 35 customers. 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. Immediately after the formation of the group, the relationship officer visits the prospective customers' house to collect the know-your-customer documents and basic data of the customers. We require each customer to provide two identification proofs, namely: the Aadhar card and a voter ID card. At each customer's house, we include all the family members in the conversation during the information gathering session. The customer's husband and household elders 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 sent to our hub branches for data entry in our core banking system and credit bureau check. Upon receiving a positive credit bureau response, the relationship officer will conduct comprehensive group training.

We believe that group training is necessary for developing group solidarity and strict 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, which might be extended if relationship officers deem it necessary (30-60 minutes each day), for new centers and new groups in existing centers. The group training covers various topics such as center meeting processes, rules and regulations of our Company, awareness of products and processes, bank accounts, savings and insurance. On the last day of the group training or at a later date, re-interview is done by the credit officer to determine the customers' level of understanding of the topics covered during the training. The credit officer then visits the homes of the new customers to verify the potential customers and obtain the consent of their family members for the customers becoming borrowers. If the credit officer 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

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meet all our criteria. All the customers who have cleared the re-interview process are present during the group recognition test. Based on the results of the group recognition test, the credit officer 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 in the center of the village and is commonly used by people of the village 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 fortnightly basis. Center meetings are vital for us for the following reasons:

- all financial and non-financial transactions 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. The duration of the meeting may be between 30 to 45 minutes, depending on the location and the volume of transactions.

We have a judicious mix of repayment with both weekly and monthly cycle loans, currently we have 39% of our total loan portfolio as of September 30, 2020 on weekly collection cycle and balance on the monthly collection cycle, to ensure that the repayment frequency 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 relationship 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 officer 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 officer 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 after reviewing the relevant documents, the branch manager will sanction the loan. The branch manager signs the sanction letter and sends it for approval of the credit terms, after discussion with the relevant credit officer.

Village Level Lending and Collection

Our approach to rural lending involves providing credit to borrowers 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

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repayments on outstanding loans and disburse new loans, reinforce group stability, address community issues and eliminate the travel and time constraints that members may face with other lenders. Additionally, loan utilization checks are also done for at least 50% of the loan accounts disbursed in the previous month.

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. We have identified and implemented comprehensive policies and procedures to assess, monitor and manage the risks we face. We seek to continuously improve our risk management processes to address the changing risk environment and to ensure that our processes are sufficiently agile to adapt to the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

We have developed detailed 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. Some of the risks relate to competitive intensity and the changing legal and regulatory environment. The Risk Management Committee of our Board reviews the risk management policies in relation to various risks and regulatory compliance issues.

We have identified the following as key risks:

Political Risk
We recognize political risk as one of the major risks facing the industry and believe that political risk can be mitigated through responsible lending and fair pricing by way of:

- Robust customer grievance redressal mechanism – We have implemented toll-free customer service help lines; tele-calling services for the customer and check on any complaints on the employees or the company which are generally investigated within seven days from receipt.

- Calibrated growth – Our growth strategy aims to meet requirements of our members and also address concerns of various stakeholders.

- Engagement activity with the members and society including financial literacy and awareness programs.

Concentration Risk
We seek to mitigate concentration risk in both our loan portfolio and borrowings through well-defined geographic and borrower dependence norms. We have adopted a policy to limit the maximum exposure in a particular state to 1.5 times of net worth of a particular financial year with a variance of 0.25 times of net worth permitted for monthly movement on securitised or assigned portfolio.

Operational and Credit Risk
Our core business of providing unsecured loans in rural areas requires a high level of operational and credit risk management. To mitigate operational and credit risks, we have adopted the following strategies:

- *Product and process design.* We have adopted a uniform lending process across all branches and ensure that the process is well-documented for transparency and consistency, enabling predictability of transactions as a further risk mitigant.

- *Robust internal audit.* We have adequate controls and processes in place with respect to our operations. Our Internal Audit department monitors adherence to internal controls and processes and provides inputs for strengthening our risk management. Every branch is audited generally six times each year and 100.00% of loan documents are verified.

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- *Role of Credit Vertical.* We have a credit officer at every branch who reports to the regional credit head who in turn reports to our head office. The credit vertical is not incentivised for bringing in new business and their focus is to ensure the process and policies are followed correctly.

- *Utilization check.* We check that all loans have been utilized within a month and further check how loans have been utilized by calling third parties on a sample basis.

- *Employee Rotation.* We have a policy to ensure that no field employee is posted in the same location for over two years in an effort to mitigate chances of collusion or fraud. All field employees are either transferred to another branch or rotated to another role in a pre-designed manner. The policy ensures that the employees have the predictability of their movements without putting them into undue hardships.

We seek to ensure efficient and uniform appraisal, disbursement, collection and delinquency management resulting from streamlined approval and administrative procedures. We have a well-established underwriting policy which ensures that customer selection is done after evaluating repayment capacity and completing detailed cash flows analysis. We use technology and automation to establish credit worthiness and repayment behaviour of individual borrowers by analysing credit bureau reports of borrowers, where available, before sanctioning loans. 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. These periodic checks and regular monitoring helps us in timely identification of borrowers or groups with increasing risk, enabling timely remedial measures, as applicable.

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

Liquidity Risk

We place significant emphasis on liquidity management and maintain a bias towards high levels of liquidity in order to address operational requirements and corporate commitments. Along with our diversified funding strategy and favourable asset-liability maturity profile, we seek to ensure we have sufficient liquidity to meet our business requirements and promote risk mitigation. We also have a mixture of fixed and variable interest rates in the borrowing profile which helps in a volatile interest rate risk scenario.

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. These policies primarily focus on addressing credit risk, operational risk and financial risk.

Financial Risk

We have adopted well established risk management policy to ensure there is no asset liability mismatch. 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 cash management tie up with MFL helps greatly in treasury operations by limiting the amount of cash we collect and hold.

(b) Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc.:

Nil

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(c) Classification of loans according to type of loans, denomination of loan outstanding by loan to value, sectors, denomination of loans outstanding by ticket size, geographical classification of borrowers, maturity profile etc.:

Please refer to paragraph (J) below of this table below.

(d) **Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for NBFCs or HFCs, from time to time;**

Sr. No.	Customer Name	Branch State	Disbursement Amount	Outstanding Amo
1	MUTHUMEERAN	CHERTHALA MML	4.04	4.04
2	UMMU SALMA	BALUSSERY MML	2.43	2.43
3	BANU GUNASEKAR	NAGARKOVIL2 MML	2.19	2.19
4	KHARA PRAVINKUMAR	ATHIRAMPATTINAM MML	2.00	2.00
5	CHELLAMMAL NARAYANAN	KARAMBAKUDI MML	2.00	2.00
6	MANO M	SRIVILLIPUTHUR MML	2.00	2.00
7	SUVARNAMMA A M	HASSAN MML	2.00	2.00
8	TUSHAR HANUMANT SASTE	HASSAN MML	1.97	1.97
9	KAVITHA MADIVALAR	CHANNARAYAPATNA MML	1.96	1.96
10	veera R	THATTAMALA MML	1.96	1.96
11	K R PAVITHRA DEVI O	THRISSUR MML	1.95	1.95
12	MANJULATA RABINDRA KHATUA	GUNDLUPET MML	1.94	1.94
13	Sivakumar Murugesan	HAVERI MML	1.93	1.93
14	JYOTHI	BIJAPUR MML	1.93	1.93
15	PADMA ROKADIYA	CUTTACK MML	1.99	1.99
16	LALY E P	PHALTAN MML	1.89	1.89
17	RAISA KAZI	SOLAPUR MML	1.88	1.88
18	PAKKIYALAKSHMI R	VARKALA MML	1.84	1.84
19	Adarsh R	CHENNAI 1 MML	1.82	1.82
20	BINDHU P L	PERAMBAKKAM MML	1.80	1.80

(e) Details of loans, overdue and classified as non-performing assets (NPA) in accordance with RBI stipulations:

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Please refer to paragraph (K) of this table below

B. Details of borrowings made by NBFC

(a) **A portfolio summary with regard to industries/ sectors to which borrowings have been made:**

Please refer to paragraph (J) in this table below including sub-paragraph (c) therein.

(b) **NPA exposures of the Issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the Issuer:**

Please refer to paragraph (K) of this table below.

(c) **Quantum and percentage of secured vis-à-vis unsecured borrowings made; and**

Based on IGAAP	Amount in Crore	%age
Secured Borrowing	3516.30	97.41%
Unsecured Borrowing	93.32	2.59%
	3609.62	100%

C. Details of change in shareholding

(a) Any change in promoters' holdings during the last financial year beyond the threshold, as prescribed by RBI:

Nil

D. Disclosure of Assets Under Management

(a) Segment wise breakup:

Please refer to sub-paragraph (c) of paragraph (J) in this table below.

(b) Type of Loans

Please refer to sub-paragraph (a) of paragraph (J) in this table below.

E. Details of borrowers

(a) Geographical location wise

Please refer to sub-paragraph (e) of paragraph (J) in this table below.

F. Details of Gross NPA

(a) Segment wise:

Please refer to sub-paragraph (c) of paragraph (K) in this table below.

G. Details of Assets and Liabilities

(a) Residual maturity profile wise into several bucket:

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Please refer to paragraph (L) in this table below.

H. Additional details of loans made by housing finance company

Given that the Issuer is not a housing finance company, this is not applicable.

I. Disclosure of latest ALM statements to stock exchange

Particulars	1-7 days	8-14 days	15-30 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 year	3 to 5 year	Over 5 year	Total
Borrowings (Note 1)	0.00	0.00	178.77	202.58	170.27	668.13	1074.35	1726.20	-	0.00	4020.29
Advances (Note 2)	0.00	0.00	202.38	222.99	224.56	712.16	1291.55	1568.75	66.52	0.00	4288.92

J. Classification of loans according to

(a) Type of Loans:

Details of types of loans

Sl. No.	Types of loans	Rs. crore
1	Unsecured	6183.39
2	Secured	50.28
	Total assets under management (AUM)^^	6233.68

**Information required at borrower level (and not by loan account as customer may have multiple loan accounts); ^^Issuer is also required to disclose off balance sheet items;*

(b) Denomination of loans outstanding by loan-to-value:

Details of LTV

Sl. No.	LTV (at the time of origination)	Percentage of AUM
1	Upto 40%	NA
2	40-50%	NA
3	50-60%	NA
4	60-70%	NA
5	70-80%	NA
6	80-90%	NA
7	>90%	NA
	Total	NA

(c) Sector Exposure

Details of sectoral exposure

Sl. No.	Segment-wise break-up of AUM	Percentage of AUM
1	**Retail**	
A	Mortgages (home loans and loans against property)	0.00%
B	Gold loans	0.34%
C	Vehicle finance	0.00%
D	MFI	99.19%
E	MSME	0.00%

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	F	Capital market funding (loans against shares, margin funding)	0.00%
	G	Others	0.47%
	2	**Wholesale**	
	A	Infrastructure	0.00%
	B	Real estate (including builder loans)	0.00%
	C	Promoter funding	0.00%
	D	Any other sector (as applicable)	0.00%
	E	Others	0.00%
		Total	**100.00%**

(d) Denomination of loans outstanding by ticket size*:

Details of outstanding loans category wise

Sl. No.	Ticket size (at the time of origination)	Percentage of AUM
1	Upto Rs. 2 lakh	100.00%
2	Rs. 2-5 lakh	0.00%
3	Rs. 5 - 10 lakh	0.00%
4	Rs. 10 - 25 lakh	0.00%
5	Rs. 25 - 50 lakh	0.00%
6	Rs. 50 lakh - 1 crore	0.00%
7	Rs. 1 - 5 crore	0.00%
8	Rs. 5 - 25 crore	0.00%
9	Rs. 25 - 100 crore	0.00%
10	>Rs. 100 crore	0.00%
	Total	**100.00%**

** Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts);*

(e) Geographical classification of borrowers:

Top 5 states borrower wise

Sl. No.	Top 5 states	Percentage of AUM
1	**Tamil Nadu**	32.41%
2	**Kerala**	23.36%
3	**Karnataka**	9.02%
4	**Uttar Pradesh**	6.54%
5	**Bihar**	4.38%
	Total	75.71%

K. Details of loans, overdue and classified as non-performing assets (NPA) in accordance with RBI stipulations

(a) Movement of Gross NPA

Movement of gross NPA*	Rs. crore
Opening gross NPA	258.91
- Additions during the year	171.83
- Reductions during the year	(141.74)
Closing balance of gross NPA	289.00

**Please indicate the gross NPA recognition policy (Day's Past Due)*

(b) Movement of provisions for NPA

Movement of provisions for NPA	Rs. Crore
Opening balance	150.85
- Provisions made during the year	55.11
- Write-off/ write-back of excess provisions	(47.19)

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Closing balance	158.77

(c) Segment wise gross NPA

Sl. No.	Segment-wise gross NPA	Gross NPA (%)
1	**Retail**	
A	Mortgages (home loans and loans against property)	-
B	Gold loans	-
C	Vehicle finance	
D	MFI	
E	MSME	
F	Capital market funding (loans against shares, margin funding)	
G	Others	6.25%
2	**Wholesale**	
A	Infrastructure	
B	Real estate (including builder loans)	
C	Promoter funding	
D	Any other sector (as applicable)	
E	Others	
	Total	

L. Residual maturity profile of assets and liabilities (in line with the RBI format):

Residual maturity profile of assets and liabilities

Category	Up to 30 / 31 days	>1 months – 2 months	>2 months – 3 months	>3 months – 6 months	>6 months – 1 year	>1 years – 3 years	>3 years – 5 years	> 5 years
Deposit	210.33	-	7.98	53.92	118.60	105.94	1.50	
Advances	202.38	222.99	224.55	712.16	1291.55	1568.75	66.52	
Investments	-	-	-	-	-	-	-	-
Borrowings	178.77	202.58	170.27	668.13	1074.35	1726.20	-	-
FCA*	-	-	-	-	-	-	-	-
FCL*	-	-	-	-	-	-	-	-

**FCA – Foreign Currency Assets; FCL – Foreign Currency Liabilities;*

5.21 Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Issuer, in the past 3 years including the current financial year:

NIL

5.22 Details of Promoters of the Company:

(a) Details of Promoter Holding in Company as on latest quarter end, i.e. June 30 2022:

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S. No	Name of the shareholders	Total No of Equity shares	Total No of Preference shares	No. of shares in Demat form	Total shareholding as % of total no of equity shares	No of shares Pledged	% of shares pledged with respect to shares owned
1	CREATION INVESTMENTS INDIA, LLC	1,30,06,778		1,30,06,778	9.76	-	-
2	GREATER PACIFIC CAPITAL WIV LTD.	100	1,91,61,733	1,91,61,833	14.37	-	-
3	MUTHOOT FINCORP LTD	7,26,25,449		7,26,25,449	54.46	-	-
4	THOMAS MUTHOOT	63,50,459		63,50,459	4.76	-	-
5	THOMAS JOHN MUTHOOT	63,28,806		63,28,806	4.75	-	-
6	THOMAS GEORGE MUTHOOT	63,27,160		63,27,160	4.75	-	-
7	NINA GEORGE	27,04,513		27,04,513	2.03	-	-
8	PREETHI JOHN	27,02,867		27,02,867	2.03	-	-
9	REMMY THOMAS	26,81,214		26,81,214	2.01		-
10	ESOP Trust	8,01,864		8,01,864	0.6	-	
	ESOP HOLDERS	6,41,392		6,41,392	0.48		
	Total	**11,41,70,602**	**1,91,61,733**	**13,33,32,335**	**100.00%**		

5.23 A columnar representation of the audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years which shall not be more than six months old from the date of the draft offer document or offer document or issue opening date, as applicable

The above financial statements shall be accompanied with the Auditor's Report along with the requisite schedules, footnotes, summary etc.

Profit and Loss Statement (INR)	31.03.2019 Audited	31.03.2020 Audited	31.03.2021 Audited	31.03.2022 Audited
Interest Income	518.03	601.09	620.97	706.58
Less: Interest Expenses	233.84	290.67	299.33	340.15
Net Interest Income	284.19	310.42	**321.64**	**366.43**
Other Income	232.39	258.34	75.31	136.36
Total Income	750.42	568.76	**696.28**	**502.79**
Operating Expenses	214.74	270.64	536.99	306.13

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Provisions & Write Offs	28.35	264.70	131.41	111.15
Operating Profit	273.49	33.42	**147.18**	**85.51**
Depreciation	2.97	13.70	18.83	20.79
Profit Before Tax	270.52	19.70	**9.05**	**64.72**
Provisions for tax	69.30	1.49	2.00	17.32
Profit After Tax	**201.22**	**18.21**	**7.05**	**47.40**
Balance Sheet (INR)	**31.03.2019**	**31.03.2020**	**31.03.2021**	**31.03.2022**
	Audited	**Audited**	**Audited**	**Audited**
Equity capital	114.17	114.17	114.17	133.33
Reserve & Surplus	771.62	792.82	775.72	1203.25
TNW (A)	885.79	906.99	889.89	1336.58
Total Non-Current Liabilities	2504.44	3032.19	3097.54	1716.91
Current Liabilities+ Provisions	139.95	151.03	197.84	2537.84
Total Outside Liabilities (B)	2644.39	3183.22	3295.38	4254.75
Total Liabilities (A + B)	3530.18	4090.21	4185.27	**5591.33**
Fixed assets (Net)	21.17	36.87	39.84	42.04
Investments			-	
Gross Advances	2737.35	2752.64	3503.49	4618.35
Less: Loan Loss Reserve	38.10	188.84	209.12	219.40
Net Loan Outstanding	2699.25	2563.8	3294.37	4398.95
Cash / Liquid Investments	780.93	1360.24	744.98	999.79
Other current assets	12.13	19.11	92.36	58.89
Deferred Tax Assets	-	-	10.03	4.77
Intangible Assets	0.01	0.01	0.01	0.01
Other Non-Current Assets	16.53	110.01	3.68	86.80
Total Assets	3530.18	**4090.21**	**4185.27**	**5591.25**

Balance Sheet (Rs. Crore)	**31.03.2019**	**31.03.2020**	**31.03.2021**	**31-12-2021**	**31-03-2022**
	Audited	**Audited**	**Audited**	**Limited Review Financials**	**Audited**
Equity capital	114.17	114.17	114.17	123.8	133.33
Reserve & Surplus	771.62	792.82	775.72	978.45	1203.246
TNW (A)	885.79	906.99	889.89	1102.25	1336.576

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Total Debt	2451.27	2921.35	3015.65	3459.71	1716.90916
Current Liabilities+ Provisions	193.12	261.87	279.73	222.05	2537.84208
Total Outside Liabilities (B)	2644.39	3183.22	3295.38	3681.76	4254.75125
Total Liabilities (A + B)	3530.181	4090.21	4185.27	4784.01	5591.32725
Fixed Assets (Tangible Assets)	20.52	36.87	39.84	38.86	42.04
Investments	-	-	0.04	0.04	0.045
Gross Advances	4176.58	4703.61	4955.76	4333.19	4618.352
Less : Managed Portfolio	1477.33	2139.81	1660.3	292.02	219.4
Net Loan Outstanding	2699.25	2563.8	3295.46	4041.17	4398.952
Cash Bank Balance	780.93	1360.24	744.98	556.62	999.79
Non Current assets	20.66	92.29	79.43	69.77	1817.64486
Other current assets	-	11.04	9.29	40.18	3773.68592
Deferred Tax Assets	8.66	25.79	10.04	32.46	4.775
Intangible Assets	-	-	0.01	0.01	0.08
Other Long Term Assets	0.16	0.18	3.68	4.9	7.677

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Total Assets	3530.18	4090.21	4185.27	4784.01	5591.332

(Rs in Cr unless otherwise stated)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020	Dec 31,2021
Assets				
Financial assets				
Cash and cash equivalents	705.701	519.08	1181.29	296.26
Bank balances other than cash and cash equivalents	294.089	225.9	178.95	260.36
Trade receivables	15.932	9.29	11.04	22.6
Loans	4398.952	3295.45	2563.8	4041.16
Investments	0.045	0.04	-	0.04
Other financial assets	3.368	2.38	2.33	3.63
Non-financial Assets				
Current tax assets (net)	39.545	9.41	37.95	13.84
Deferred tax assets (net)	4.775	10.03	-	32.46
Property, plant and equipment	42.045	39.84	36.87	38.85
Intangible assets	0.084	0.13	0.18	0.09
Right of use asset	79.119	70.02	72.05	69.77
Other non-financial assets	7.677	3.68	7.17	4.91
Total assets	**5591.332**	**4185.27**	**4091.65**	4784.01
Liabilities and equity				
Liabilities				
Financial liabilities				
Trade payables	7.312	2.71	3.68	6.76
Debt securities	674.627	452.47	214.49	643.53
Borrowings (other than debt securities)	3296.985	2538.23	2681.93	2705.11
Subordinated liabilities	24.997	24.96	24.93	24.99
Other financial liabilities	240.771	2684.8	2210.11	285.85
Non-financial liabilities				
Current tax liabilities (net)		-	-	
Provisions	4.939	4.64	5.09	10.62

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Other non-financial liabilities	5.122	3.89	33.52	4.89
Equity				
Equity share capital	133.333	114.17	114.17	123.8
Other equity	1203.246	775.72	792.82	978.45
Total liabilities and equity	**5591.332**	**4185.27**	**4091.65**	1102.25

	Year ended March 31, 2019	**Year ended March 31, 2020**	**Year ended March 31, 2021**	**As at 31-12-2021**	**Year ended March 31, 2022**
Cash flows from operating activities					
Profit before tax	**270.52**	19.7	9.06	13.23	64.72
Adjustments	0	0	0		0
Depreciation and amortisation	**2.97**	13.71	18.83	15.23	20.784
(Gain)/loss on sale of tangible assets	**0.01**	0.01	-0.02	0.02	0.021
Provision for employee benefits	**1.25**	3.46	3.83	3.43	3.693
Impairment on financial instruments	**28.35**	272.01	131.41	95.42	111.153
Profit on sale of financial assets carried at fair value through profit or loss	**-14.04**	-25.62	-17		-5.096
Interest income on security deposits	**-4.62**	-0.08	-0.22	-4.68	-0.33
Gain on termination of lease	**-15.26**	0	-0.2	0	-0.45
Interest income	**-0.12**	0	0		0
Other Expenses	**-179.39**	0	0		
Gain on sale of loan asset through direct assignment	**7.07**	-216.28	-42.73	-44.19	-113.8
Adjustments towards effective interest rate in respect of loan assets	**0.11**	-0.81	3.21	5.64	9.33
Adjustments towards effective interest rate in respect of debt securities, borrowings and subordinate liabilities	**0.33**	-3.27	0.17	-8.51	-13.75
Share based payments	-	0.19	0.36	0	0
Adjustment on account of consolidation of ESOP trust	-	0.24	-0.16	-0.01	-0.12
Finance cost on leases	-	6.98	8.08	7.14	9.67
Operating profit before working capital changes	97.19	70.24	114.63	82.59	85.825
Working capital changes					

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(Increase)/decrease in loans	**-658.02**	86.47	-855.29	-776.09	-1065.993
(Increase)/decrease in other receivables	**-0.24**	-7.22	1.75	-13.31	-6.639
(Increase)/decrease in other financial assets	**-0.67**	-2.29	0.01	-0.02	-1.095
Decrease in other non financial assets	**-3.57**	3.25	0.63	-0.01	-3.242
Decrease in other payables	**0.18**	-2.45	-0.97	4.05	4.604
Increase in other financial liabilities	**33.12**	5.25	45.3	14.17	-41.123
Decrease in provisions	**-0.55**	-2.05	-5.09		-5.107
Increase in other non financial liabilities	**-0.03**	2.92	0.3	0.99	1.229
Cash used in operating activities	**-532.59**	154.11	-698.72	-687.84	-1031.541
Income taxes paid (net)	**-69.22**	-39.86	-5.23	-36.95	-53.067
Net cash (used in)/generated from operating activities	**-601.81**	114.25	-703.96	-724.79	-1084.608
Cash flows from investing activities					
Purchase of tangible assets (including capital advances, capital creditors and capital work in progress) and intangible assests	**-11.01**	-23.14	-7.97	-6.49	-11.426
Investment in term deposits with banks (net)	**-10.48**	-68.03	-46.95	-34.46	-68.186
Investment in mutual funds	0	0	0		0
Investment in equity instruments	0	0	-0.05		
Proceeds from sale of tangible assets	**0.02**	0.06	0.02	0	-0.021
Profit on sale of investments	**15.26**	25.62	17	4.45	5.829
Net cash used in investing activities	**-6.21**	-65.49	-37.95	-36.52	-73.804
Cash flows from financing activities					
Proceeds from issue of equity shares	0	0	0		0.002
Proceeds from issue of preference shares	0	0	0		373.386
Share issue expenses	0	0	0		-6.948
Proceeds from borrowings	1687.86	1952.5	923.93	1422	2383.75
Proceeds from debt securities	0	70	239.05	340.14	501.944
Proceeds from securitisation arrangement	0	0	483.57	899.1	485.722
Repayment of borrowings	-981.28	-1414.15	-1515.85	-1237.42	-1587.229
Repayment of debt securities	0	-135	0	-143.67	-270.911
Repayment of securitisation arrangement	0	0	-36.55	-913.66	-518.572

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Proceeds from treasury shares	0.23	0.21	0	0.68	0.679
Payment of lease liabilities	0	-11.03	-14.45	-12.32	-16.75
Net cash generated from financing activities	706.81	462.53	79.69	538.49	1345.073
Net (decrease)/increase in cash and cash equivalents	**98.79**	511.28	-662.22	-222.82	186.625
Cash and cash equivalents as at the beginning of the year	**571.22**	670.01	1181.29	519.07	519.076
Cash and cash equivalents as at the end of the year	**670.01**	1181.29	519.08	296.26	705.701

(a) ***Issuers other than unlisted REITs / unlisted InvITs desirous of issuing debt securities on private placement basis and who are in existence for less than three years may disclose financial statements mentioned at (a) above for such period of existence, subject to the following conditions:***
i. The issue is made on the EBP platform irrespective of the issue size; and
ii. The issue is open for subscription only to Qualified Institutional Buyers

N.A.

Please refer to **Annexure V** of this Placement Memorandum for the audited financial statements as on the latest quarter i.e. March 31, 2022 and the auditor's report along with the requisite schedules, footnotes, summary etc.

5.24 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of Issue which may affect the Issue or the investor's decision to invest / continue to invest in the debt securities.

The Issuer hereby declares that there has been no material event, development or change on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue, which may affect the Issue or the Investor's decision to invest/ continue to invest in the debt securities of the Issuer.

5.25 Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the Company:

NIL

5.26 Details of default and non-payment of statutory dues

NIL

5.27 The name(s) of the debentures trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with copy of the consent letter from the debenture trustee.

The Debenture Trustee of the proposed Debentures is Catalyst Trusteeship Limited. Catalyst Trusteeship Limited has given its written consent for its appointment as debenture trustee to

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the Issue and inclusion of its name in the form and context in which it appears in this Placement Memorandum and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in **Annexure III** of this Placement Memorandum.

5.28 Details of credit rating along with reference to the rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies in relation to the issue.

The Rating Agency has assigned a rating of "CRISIL A PP MLD" (pronounced as "CRISIL Single A Principle Protected Market Linked Debentures") to the Debentures. Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk. The rating letter from the Rating Agency, the rating rationale from the Rating Agency and the detailed press release is provided in **Annexure II** of this Placement Memorandum.

The Issuer hereby declares the aforesaid credit rating obtained by it in relation to the Debentures shall be valid on the date of Issue and on the date of listing of Debentures.

5.29 If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.

Not applicable.

5.30 Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention:

(a) The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made: Actual / Actual. Please also refer to the column on "*Business Day Convention*" under Section 5.37 (*Issue Details*) of this Placement Memorandum;

(b) Procedure and time schedule for allotment and issue of securities: Please refer to the column on "*Issue Timing*" under Section 5.37 (*Issue Details*) of this Placement Memorandum; and

(c) Cash flows emanating from the non-convertible securities shall be mentioned in the Placement Memorandum, by way of an illustration: The cashflows emanating from the Debentures, by way of an illustration, are set out under **Annexure VI** (*Illustration of Bond Cashflows*) of this Placement Memorandum.

5.31 Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s):

The Debentures are proposed to be listed on the WDM segment of the BSE within 4 (four) Business Days from the Issue Closing Date. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis.

The Issuer has obtained the in-principle approval for the listing of the Debentures from BSE and the same is annexed in **Annexure IX** of this Placement Memorandum. The Issuer shall also be creating the recovery expense fund as per the applicable SEBI regulations with BSE.

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5.32 Other details:

(a) **Creation of Debenture Redemption Reserve ("DRR") – relevant legislations and applicability:**

As per Section 71 of the Act, any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, under the Companies (Issuance of Share Capital and Debentures) Rules, 2014, non-banking financial companies are exempt from this requirement in respect of privately placed debentures. Pursuant to this exemption, the Company does not intend to create any reserve funds for the redemption of the Debentures. If so applicable for the Issue, the Issuer shall create a debenture redemption reserve in accordance with the Act (and the rules thereunder) and in terms thereof earmark an amount not less than 15% of the amount maturing during the year ending on the 31st day of March of the next year by way of investment and deposits in specified securities on or before the 30th day of April in each year.

(b) **Issue / instrument specific regulations - relevant details (Companies Act, Reserve Bank of India guidelines etc.):**

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the relevant notified rules thereunder, the SEBI Debt Listing Regulations, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and the applicable RBI guidelines.

(c) **Default in payment**: Please refer to the column on "Default Interest Rate" under Section 5.37 (*Issue Details*) of this Placement Memorandum and Section 7.5 (*Consequences of Event of Default*) of Section 7 of the Placement Memorandum, setting out the consequences pursuant to any default in payment of Debentures

(d) **Delay in listing**: Please refer to the column on "*Listing (name of stock Exchange(s) where it will be listed and timeline for listing)*" under Section 5.37 (*Issue Details*) of this Placement Memorandum, setting out the consequences pursuant to any delay in listing of Debentures

(e) **Delay in allotment of securities**: Any delay in allotment of securities from 2 (Two) Business Days from the Deemed Date of Allotment shall be an "Event of Default" under the terms of the Transaction Documents and the consequences set out under Section 7.5 (*Consequences of Event of Default*) of Section 7 of the Placement Memorandum shall trigger.

(f) **Issue details**: Please refer to Section 5.37 (*Issue Details*) of this Placement Memorandum

(g) **Application process:**

The application process for the Issue is as provided in SECTION 8 of this Placement Memorandum.

(h) **Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any**:

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All disclosures under Form No. PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 have been set out in **SECTION 10** of this Placement Memorandum.

(i) **Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project:**

Not applicable

5.33 A statement containing particulars of the dates of, and parties to all material contracts, agreements:

The following contracts, not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than 2 (Two) years before the date of this Placement Memorandum, which are or may be deemed material, have been entered into by the Company.

The contracts and documents referred to hereunder are material to the Issue, may be inspected at the Registered Office of the Company between 10.00 am to 4.00 pm on working days.

S. No.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2	Board Resolution dated 10TH May 2022 read with the resolution passed by the Debenture Issue Committee of the Board of Directors dated July 23, 2022 authorizing the issue of Debentures offered under the terms of this Disclosure Document.
3	Shareholder Resolution dated September 29, 2021 authorizing the borrowings by way of issue of non-convertible debentures by the Company.
4	Copies of Annual Reports of the Company for the last three financial years.
5	Credit rating letter from the Rating Agency dated July 28, 2022, rating rationale from the Rating Agency dated July 28, 2022 along with detailed press release.
6	Letter from Catalyst Trusteeship Limited dated July 21, 2022 giving its consent to act as Debenture Trustee.
7	Letter for Register and Transfer Agent.
8	Certified true copy of the certificate of incorporation of the Company.
9	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the NSDL/CDSL.
10	Copy of application made to BSE for grant of in-principle approval for listing of Debentures.

5.34 Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of Rs. 70,00,00,000/- (Rupees Seventy Crores only) by issue of Secured Rated Listed Redeemable Taxable Principle Protected Market linked Non-Convertible Debentures, on a private placement basis.

For further details of the Debentures, please refer to the terms and conditions of the debentures set out in Section 5.37 (*Issue Details*) of this Placement Memorandum.

5.35 Issue Size

The aggregate issue size for the Debentures is of up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) on a private placement basis.

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5.36 Utilization of the Issue Proceeds

The proceeds shall be used for as set out in the column of "*Details of the utilization of the Proceeds*" under Section 5.37 (*Issue Details*) of this Placement Memorandum.

The Issuer undertakes that the proceeds of this Issue shall be utilized for the deployment of funds on its own balance sheet and not to facilitate resource requests of its group entities/parent company /associates.

The Issue shall not be utilised towards acquisition financing: viz buyback of shares/securities, purchase of shares of other companies and/or promoter contribution towards the equity capital of a company or as a bridge loan.

The Company undertakes that proceeds of this Issue shall not be utilized for the following purposes as specified in the RBI Master Circular No. DBOD.BP.BC.No.6/21.04.172/2015-16 dated July 1, 2015:

1) Bills discounted / rediscounted by NBFCs, except for rediscounting of bills discounted by NBFCs arising out of: commercial vehicles (including light commercial vehicles) and two wheeler and three wheeler vehicles, subject to the following conditions: The bills should have been drawn by the manufacturer on dealers only; The bills should represent genuine sale transactions as may be ascertained from the chassis / engine number and; Before rediscounting the bills, the bona fides and track record of NBFCs which have discounted the bills would be verified.
2) Investments of NBFCs both of current and long-term nature, in any company / entity by way of shares, debentures, etc. However, Stock Broking Companies may be provided need-based credit against shares and debentures held by them as stock-in-trade.
3) Unsecured loans / inter-corporate deposits by NBFCs to / in any company.
4) All types of loans and advances by NBFCs to their subsidiaries, group companies / entities.
5) Finance to NBFCs for further lending to individuals for subscribing to Initial Public Offerings (IPO) and for purchase of shares from secondary market.

5.37 Issue Details

Security Name (*Name of the non-convertible securities which includes Coupon / dividend, Issuer Name and maturity year*)	Muthoot Microfin PPMLD 2024
Issuer	Muthoot Microfin Limited
Type of Instrument	Non-Convertible Debentures
Nature of Instrument (Secured or Unsecured)	Secured Rated Listed Taxable Redeemable Principle Protected Market Linked Non-Convertible Debentures.
Seniority (Senior or subordinated)	Senior

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Mode of Issue	Private placement
Principle Protection	The principal amount of each of the Debentures shall be protected at maturity i.e. on the Redemption Date/ Maturity Date.
Underlying / Reference Index	shall mean 5.77% GS 2030, as published by Financial Benchmarks India Private Limited (available at www.fbil.org.in.)
Eligible Investors	As provided in S.no 25 of Part A (*Disclosures*) of this Placement Memorandum.
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	The Debentures are to be listed on the WDM of the BSE within a maximum period of 4 (Four) working days of the date of closing of Issue. In the event of the Issuer's failure to do so, to the extent that any Debenture Holders are Foreign Institutional Investors or sub-accounts of Foreign Institutional Investors, or Foreign Portfolio Investors or Qualified Foreign Investors, the Issuer shall immediately redeem any and all Debentures which are held by such Foreign Institutional Investor(s) or such sub-account(s) of Foreign Institutional Investor(s) or Foreign Portfolio Investors or Qualified Foreign Investors. In accordance with the SEBI Debt Listing Regulations, as amended from time to time, in case of a delay by the Company in listing the Debentures beyond 4 (Four) working days of the date of closing of Issue, the Company shall (i) make payment to the Debenture Holders of 1% (One Percent) p.a. over the Coupon Rate from the expiry of 4 (Four) working days of the date of closing of Issue till the listing of such Debentures; and (ii) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after having received final listing approval from BSE in respect of the listing of Debentures.
Rating of Instrument	"CRISIL A PP MLD" (pronounced as "CRISIL Single A Principle Protected Market Linked Debentures")
Issue Size	Up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) on a private placement basis.
Minimum subscription	The minimum subscription required for the Issue shall be 10 Debentures and in multiples of 1 Debenture thereafter.
Option to retain oversubscription (Amount)	N.A.
Objects of the Issue / Purpose for which there is requirement of funds	The funds raised by the Issue shall be utilized by the Issuer for the following purposes ("Purpose"): (a) With a view to raising debt for originating joint liability group loans for women borrowers The amount equivalent to 100% of the funds raised by the Issue will be utilized towards the objects set out in paragraphs (a) and (b) above. The Issuer has not, as of the date of the Placement Memorandum, determined the specific allocation between the objects set out in paragraphs (a) and (b) above. The funds raised by the Issue shall be utilised by the Issuer solely for the Purpose and the Issuer shall not use the proceeds of the Issue towards:

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	(i) any capital market instrument such as equity, debt, debt linked, and equity linked instruments or any other capital market related activities (whether directly or indirectly); (ii) any speculative purposes; (iii) investment in the real estate sector/real estate business (including the acquisition/purchase of land); (iv) in contravention of Applicable Law (including without limitation, any guidelines, rules or regulations of the RBI and SEBI); and any purpose that is not eligible for the providing of financing by banks to non-banking financial companies for bank finance, or which results in a breach of the RBI's master circular no. DOR.CRE.REC.No.07/21.04.172/2022-23 dated April 1, 2022 on "*Bank Finance to Non-Banking Financial Companies (NBFCs)*".
Details of the utilization of the Proceeds	(a) The Issuer shall utilise the subscription monies received in respect of the Debentures towards the Purpose. (b) The Issuer undertakes that the proceeds of the Debentures shall be utilized in accordance with Applicable Law. (c) The Issuer shall not use all or any part of the proceeds of the Issue for any purpose that would be in breach of any Sanctions. The Issuer shall require that none of its borrowers to whom any debt was made available by the Issuer utilizing the proceeds of the Issue use all or any part of such debt for any purpose that would be in breach of any Sanctions. For the purpose of this paragraph, the below terms shall have the following meanings: "**Sanctions**" means the economic sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by any Sanctioning Authority. "**Sanctioning Authority**" means any of the United Nations Security Council, the European Union (or member state thereof), the United Kingdom (including Her Majesty's Treasury) and the United States (including OFAC).
Coupon Rate	The Coupon payable in relation to the Debentures is a floating rate linked to the Reference Index / Underlying Index and shall be payable at the Effective Coupon Amount per Debenture to the Debenture Holders as interest / Coupon on the Redemption Date. The said 'Effective Coupon Amount' being the interest / Coupon amount to be paid per Debenture by the Issuer to the Debenture Holders shall be determined in accordance with the method of calculation set out in Clause 5.38 (*Method of calculation of Effective Coupon Amount*) of this Placement Memorandum.
Step Up / Step Down Coupon Rate	In the event that the credit rating assigned to the Debentures by the Rating Agency and/or by any other credit rating agency is downgraded below "CRISIL A PP MLD" (pronounced as "CRISIL Single A Principle Protected Market Linked Debentures"), the Coupon Rate or the Effective Annualized Coupon Rate, as applicable, payable on the principal amount of the Debentures shall, without any act, deed or thing, automatically increase by 0.5% (Zero Decimal

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	Point Five Zero Percent) for every notch of such downgrade of credit rating assigned to the Debentures by the Rating Agency and/or by any other credit rating agency as on the date of this Placement Memorandum, over and above the prevailing Coupon Rate. The increase in the Coupon Rate shall be applicable on and from the date of the downgrade of credit rating by the Rating Agency and/or by any other rating agency and expiring on the date on which such event is cured. It is hereby clarified that for the purpose of this Clause, if the Issue of Debentures is rated by more than 1 (One) credit rating agency, then the lowest of the ratings shall be considered. As on the date of Placement Memorandum, the credit rating assigned to the Debentures is "CRISIL A PP MLD" (pronounced as "CRISIL Single A Principle Protected Market Linked Debentures").
Coupon Payment Frequency	Coupon (if any) shall be payable on the Redemption Date (also being the Coupon Payment Date) in the manner and as per the mechanism set out in Clause 5.38 (*Method of calculation of Effective Coupon Amount*) and **Annexure VI** (*Illustration of Bond Cash Flows*) of this Placement Memorandum.
Coupon Payment Dates (cumulative / non-cumulative, in case of dividend)	Coupon, if any, shall be paid on the Redemption Date / Coupon Payment Date being April 29, 2024 (subject to adjustments for day count convention in accordance with the SEBI Debt Listing Regulations) in the manner set out in Clause 5.38 and **Annexure VI** (*Illustration of Bond Cash Flows*) of this Placement Memorandum.
Coupon Type (Fixed, floating or other structure)	Floating rate coupon linked to the Reference Index / Underlying Index being 5.77% GS 2030, as published by Financial Benchmarks India Private Limited (available at www.fbil.org.in).
Exercise Date / Coupon Reset Date	N.A.
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	Not Applicable (save and except any reset of Coupon pursuant to the row on "*Step Up / Step Down Coupon Rate*" in Clause 5.37 (*Issue Details*) above).
Day Count Basis (Actual / 365)	Actual / 365
Interest on Application Money	The Issuer shall be liable to pay the applicants / Debenture Holder(s), interest on application money at the Coupon Rate / Effective Annualized Coupon Rate, as the case may be, commencing from the date of realization of the application monies by the Company up to 1 (One) calendar day prior to the Deemed Date of Allotment and the same shall be paid to the Debenture Holder(s) within 5 (five) Business Days from the Deemed Date of Allotment.
Default Interest Rate	(a) In the event of a payment default of the amounts due under this Issue or any other Event of Default (whether by way of acceleration, at maturity or otherwise), the Issuer shall pay an additional 3% (Three Percent) per annum over and above the applicable Coupon Rate on the outstanding principal amount of the Debentures, calculated from the date of the occurrence of the default until such default is cured or the Debentures are redeemed pursuant to such default, as applicable. (b) In case of any delay in creation, perfection and registration of the Security over the Hypothecated Receivables by the Company, the Company shall

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	pay interest of 2% (Two percent) per annum over and above the Coupon Rate calculated from the date of the occurrence of the default until such default is cured or the Debentures are redeemed pursuant to such default, as applicable. (The default interest payable in terms of this paragraph (*Default Interest Rate*) and the paragraph on "*Delay Penalty*" below is hereinafter collectively referred to as the "**Default Interest**").
Delay Penalty	In the case of a delay in the execution of Debenture Trust Deed and/ or the Deed of Hypothecation, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor.
Tenor	21 (Twenty One) months from the Deemed Date of Allotment
Redemption Date / Maturity Date	April 29, 2024 being 21 (Twenty One) months from the Deemed Date of Allotment (subject to adjustments for day count convention in accordance with the SEBI Debt Listing Regulations) or, such other date on which the final payment of the principal amount of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.
Redemption Amount	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture on the Redemption Date plus accrued Coupon in the manner set out in **Annexure VI** (*Illustration of Bond Cash Flows*) of this Placement Memorandum. Further, the aforesaid amount would be payable with the Default Interest (if any), and other such costs, charges and expenses if any, payable on the Due Date(s) under the Transaction Documents.
Redemption Premium / Discount	Not Applicable
Issue Price	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture aggregating up to Rs. 70,00,00,000/- (Rupees Seventy Crores only)
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
Put Option Date	N.A.
Put Option Price	N.A.
Call Option Date	N.A.
Call Option Price	N.A.
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	N.A.
Call Notification	N.A.

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Time (Timelines by which the Issuer need to intimate investor before exercising the call)	
Face Value	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
Minimum Application and in multiples of thereafter	The minimum application size for the Issue shall be 10 Debentures and in multiples of 1 Debenture thereafter.
Issue Timing	Issue Opening Date: July 29, 2022 Issue Closing Date: July 29, 2022 Date of earliest closing of the Issue, if any: N.A. Pay-in Date: July 29, 2022; and Deemed Date of Allotment: July 29, 2022
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder.
Depositories	NSDL and CDSL
Business Day Convention	If the date of payment of any Redemption Amount falls on a day that is not a Business Day, such payment of instalment shall be made on the immediately preceding Business Day. If the Redemption Date (also being the Coupon Payment Date) as the case may be, falls on a day that is not a Business Day, such payment of interest and Redemption Amount shall be made on the immediately preceding Business Day. It is hereby clarified that any payments shall also be subject to the day count convention as per the SEBI Debt Listing Regulations.
Disclosure of Interest / Dividend / Redemption Dates	Please refer to the column on "*Coupon Payment Dates*" and "*Redemption Date / Maturity Date*" under this Section 5.37 (*Issue Details*) of this Placement Memorandum.
Record Date	The date which will be used for determining the Debenture Holder(s) who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 7 (Seven) calendar days prior to any Due Date.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	As set out in in Section 7.3 of this Placement Memorandum and under the Transaction Documents.
Description regarding Security (where applicable) including type of	The Issue shall be secured by a charge created by the Issuer in favour of the Debenture Trustee (for the benefit of the Debenture Holders) being a first ranking exclusive and continuing charge by way of hypothecation over the identified receivables of the Issuer, present and future (as set out more

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security (movable / immovable / tangible etc.), type of charge (pledge / hypothecation / mortgage etc.), date of creation of security / likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document / Information Memorandum.	particularly in the Deed of Hypothecation), (collectively the "**Hypothecated Receivables**") such that the value of security shall be equivalent to at least 1.10 (One Decimal Point One Zero) times or 110% (One Hundred and Ten Percent) of the value of the principal amount outstanding payable on all the Debentures issued by the Company in respect of which the Hypothecated Receivables constitutes security on an exclusive basis wherein at least 1.10 (One Decimal Point One Zero) times or 110% (One Hundred and Ten Percent) of the Security Cover is from the principal amount of the underlying Receivables ("**Security Cover**"). The Issuer undertakes: (i) Upon the execution of the Deed of Hypothecation, to maintain the value of the Security Cover at all times till the Final Settlement Date. (ii) to create the security over the Hypothecated Receivables by executing a duly stamped deed of hypothecation ("**Deed of Hypothecation**") on or prior to the Deemed Date of Allotment. (iii) to register and perfect the security over the Hypothecated Receivables by filing the relevant Form CHG-9 with the relevant Registrar of Companies, on or prior to the Deemed Date of Allotment. (iv) to pay a penal interest of 2% (Two Percent) per annum in case there is any delay in the creation, registration and perfection of security over the Hypothecated Receivables. (v) The value of the Hypothecated Receivables for this purpose shall be the amount reflected as the value thereof in the books of accounts of the Issuer. (vi) Upon the execution of the Deed of Hypothecation, in the event of any fall in the Security Cover, additional Hypothecated Receivables shall be taken in the manner as provided for in the Deed of Hypothecation. (vii) Upon the execution of the Deed of Hypothecation, to provide a list, on a quarterly basis (within 7 calendar days from the end of each quarter), of specific loan receivables to the Debenture Trustee and over Debenture Holders over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Security Cover ("**Quarterly Hypothecated Receivables Report**"). (viii) to add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Receivables is at least equal to 1.10x (One decimal one zero) time or 110.0% (One hundred and ten percent) the aggregate amount of principal payable on the Debentures where at least 1.10x (One decimal one zero) time or 110.0% (One hundred and ten percent) of the Security Cover is from the principal amount of the underlying Receivables. (ix) Eligibility criteria for the Receivables • the receivables are existing at the time of selection and have not been terminated or pre-paid; • the receivables have not been restructured or rescheduled • The receivables proposed to be hypothecated shall have no overdues at the time of initial hypothecation & further top up hypothecations; • Every loan originated from the facility should be originated by the Issuer and not loans purchased from a third party • Loans constituting the hypothecated receivables must be in the form of loans extended to retail borrowers with ticket size not exceeding INR 5 lakhs

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	• All "Know Your Customer" norms have been complied with as prescribed by the Reserve Bank of India (x) The Issuer shall authorize the Debenture Trustee (by itself or through its nominee) to conduct credit bureau scrub on the Hypothecated Receivables from time to time.
Due diligence certificate issued by the Debenture Trustee	The due diligence certificate issued by the Debenture Trustee to BSE in accordance with the SEBI circular dated November 03, 2020 (bearing reference no SEBI/HO/MIRSD/CRADT/CIR/P/2020/218) (as amended from time to time) is annexed as **Annexure VII** of this Placement Memorandum.
Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s), details of security to be created and process of due diligence carried out by the debenture trustee.	Please refer to **Annexure VIII** of this Placement Memorandum.
Transaction Documents	Shall be as set out in Section 7.1 below.
Conditions Precedent to Disbursement	On or prior to the payment of subscription monies by the Debenture Holder(s) proposing to subscribe to the Debentures: (a) The Company shall have submitted to the Debenture Trustee, a certified true copy of the constitutional documents of the Company and the Certificate of Incorporation. (b) The Company shall have obtained all corporate approvals from the Board of Directors (including any committee authorised thereof) authorizing the issue of Debentures as also execution of the necessary documents in that behalf, a certified true copy of the resolution of the shareholders of the Company and the execution, delivery and performance by the Company of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed and a certified true copy of the resolutions of the shareholders of the Company under section 180(1)(a) and section 180(1)(c) of the Companies Act, 2013. (c) The Company shall have obtained the governmental and issued the corporate authorizations (including board / committee resolution permitting the issuance of the Debentures and the listing of the Debentures), as applicable.

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	(d) Execution by the Company of the Debenture Trustee Agreement, the Debenture Trust Deed and the Deed of Hypothecation, in a form and manner satisfactory to the Debenture Trustee shall have taken place. (e) The Company shall have submitted to the Debenture Trustee, the rating letter and rating rationale from the Rating Agency within a minimum credit rating of "CRISIL A PP MLD" (pronounced as "CRISIL Single A Principle Protected Market Linked Debentures"). (f) The Company shall have submitted to the Debenture Holders or the Debenture Trustee, all required documents for the purpose of satisfying its respective know your customer requirements. (g) The Company shall have submitted to the Debenture Trustee, its audited account statements for the most recent financial year or audited financial half-year. (h) The Company shall have provided a certificate to the Debenture Trustee, (including board resolution permitting Company for listing of securities), confirming that issuance and allotment of the Debentures would not cause any borrowing, or similar limit binding on the Company to be exceeded. (i) The Company shall have obtained the consent letter from the Debenture Trustee. (j) The Company shall provide such other undertaking as may be required by the Debenture Holder(s). (k) The Company shall ensure that all necessary approvals have been obtained for the Issue. (l) The Company shall have submitted any other documents that may be requested by the Debenture Trustee and/or the Debenture Holders. (m) the Company shall perfect the Security over the Hypothecated Receivables by filing Form CHG-9 with the concerned Registrar of Companies.
Conditions Subsequent to Disbursement	The Company shall comply with the following conditions subsequent within the timelines stipulated herein below: (a) On or prior to the utilisation of the subscription monies by the Company in respect of the Debentures and in any case, within 15 (Fifteen) days from the Deemed Date of Allotment, the Company shall file of a return of allotment on the issue of the Debentures in Form PAS-3 specified pursuant to Rule 12 and 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, along with the requisite fee with the Registrar of Companies; (b) Within 2 (Two) Business Days from the Deemed Date of Allotment, the Company shall ensure credit of dematerialised account(s) of the allottee(s) of the Debentures with the number of Debentures allotted;

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	(c) Within 4 (Four) working days from the date of closing of the Issue, the Company shall list the Debentures on the BSE and obtain the listing approval from the BSE; (d) The Company shall ensure compliance with SEBI / Companies Act, 2013 (as applicable) for issuance of Debentures; and (e) Execution of any other documents as customary for transaction of a similar nature and size.
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	As mentioned in Section 7.4 below.
Creation of recovery expense fund	a. Details and purpose of the recovery expense fund The Issuer shall create a recovery expense fund in accordance with the applicable SEBI regulations, including but not limited to the SEBI circular dated October 22, 2020 (bearing reference number: SEBI/HO/MIRSD/CRADT/CIR/P/2020/207) and the SEBI circular dated May 19, 2022 (bearing reference number: SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2022/ 67). The Recovery Expense Fund shall be created to enable the Debenture Trustee to take prompt action in relation to the enforcement of Security in accordance with the Transaction Documents. The amounts in the Recovery Expense Fund shall be utilised in the manner as may be prescribed by the Debenture Holders by a Special Resolution duly passed at the meeting of the Debenture Holders held in accordance with the provisions set out in the Transaction Documents. On the occurrence of an Event of Default, if the Security is proposed to be enforced by the Debenture Trustee, the Debenture Trustee shall follow the procedure set out in the circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 (as amended, modified or supplemented from time to time) issued by SEBI and the SEBI circular dated May 19, 2022 (bearing reference number: SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2022/ 67) for utilisation of the Recovery Expense Fund. Any balance in the Recovery Expense Fund, on the Final Settlement Date, shall be refunded to the Company for which a 'no-objection certificate (NOC)' shall be issued by the Debenture Trustee to the designated stock exchange. The Debenture Trustee shall satisfy that there is no 'default' on any other listed debt securities of the Company before issuing the no-objection certificate under the terms of this paragraph.
Conditions for breach of covenants (as specified in the Debenture Trust	As set out in detail under Section 7.4 below.

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Deed)	
Provisions related to Cross Default Clause	If the Company, in regards to any Financial Indebtedness availed by it from the Debenture Holders and/or any third party (A) defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created or (B) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Indebtedness to become due prior to its stated maturity; or (C) due to any default or an event of default, any Financial Indebtedness of the Company shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity thereof.
Role and Responsibilities of Debenture Trustee	(a) The Debenture Trustee shall on a quarterly basis, carry out the necessary diligence in the manner as may be specified by SEBI from time to time. (b) The Debenture Trustee shall on a half-yearly basis, obtain a certificate from the statutory auditor of the Company certifying compliance with the covenants of the Placement Memorandum in the manner as may be specified by SEBI from time to time along with the financial results of the Company in the manner and format as specified by SEBI. (c) The Debenture Trustee shall ensure the implementation of the conditions, if any, including in relation to debenture redemption reserve and recovery expense fund, as may be prescribed by SEBI from time to time. (d) The Debenture Trustee shall perform all such acts and duties as are set out in the other Transaction Documents. (e) The Debenture Trustee shall enter into any agreements for and on behalf of and for the benefit of the Debenture Holder(s). (f) The Debenture Trustee may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Company or by the Debenture Trustee or otherwise. Any such advice, opinion or information and any communication passing between the Debenture Trustee and their representative or attorney or a receiver appointed by them may be obtained or sent by letter, telegram, cablegram, telex or telephonic message. (g) The Debenture Trustee shall act only on the instructions of the Debenture Holder(s) and in accordance with this Placement Memorandum and the other Transaction Documents. (h) The Debenture Trustee shall be at liberty to accept a certificate signed by any one of the directors of the Company as to any act or matter prima facie within the knowledge of the Company as sufficient evidence thereof.

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	(i) The Debenture Trustee shall be at liberty to keep these presents at their registered office or elsewhere or if the Debenture Trustee so decides with any banker or a company whose business includes undertaking the safe custody of documents or with an advocate or firm of solicitors and the Debenture Trustee may pay all sums required to be paid on account of or in respect of any such deposit. (j) Other than as expressly set out in the Transaction Documents, the Debenture Trustee shall not be bound to take any steps to ascertain whether any Event of Default has happened upon the happening of which the rights in respect of the Debentures becomes enforceable. (k) With a view to facilitating any dealing under any provisions of these presents, the Debenture Trustee shall have full power to consent (where such consent is required) to a specified transaction or class of transactions unconditionally. (l) The Debenture Trustee shall have full power, in consultation with the Debenture Holder(s), to determine all questions and doubts arising in relation to any of the provisions of these presents and every such determination bona fide made (whether or not the same shall relate wholly or partially to the acts or proceedings of the Debenture Trustee) shall be conclusive and binding upon all persons interested under these presents. (m) The Debenture Trustee shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts expressed in these presents or contained or in enforcing the covenants contained therein or in giving notice to any person or persons of the execution thereof or for any loss or injury which may be occasioned by reason thereof unless the Debenture Trustee shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid by the Majority Debenture Holders or by a Special Resolution duly passed at a meeting of the Debenture Holder(s). (n) The Debenture Trustee shall have the right to rely on notices, communications, advertisement or any information on the website of the Company with respect to issue of Debentures; (o) The Debenture Trustee shall perform all such duties and undertake such obligations as stipulated under the SEBI (Debenture Trustee) Regulations, 1993 (as amended from time to time) and as per the relevant circulars / notifications / guidelines issued by SEBI from time to time. PROVIDED NEVERTHELESS that nothing contained in this paragraph shall exempt the Debenture Trustee from or indemnify it against any liability for negligence, breach of trust or wilful default as determined by a court of competent jurisdiction nor any liability which by virtue of any rule or law would otherwise attach to it in respect of any negligence, wilful default or breach of trust which they may be guilty in relation to their duties thereunder.
Risk factors pertaining to the issue	As mentioned in SECTION 3 of this Placement Memorandum.
Covenants	As mentioned in Section 7.3 of this Placement Memorandum.

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Representation and warranties	As mentioned in Section 7.2 of this Placement Memorandum.
Illustration of Bond Cash-flows	Kindly refer to **Annexure VI** of this Placement Memorandum.
Governing Law	(i) The Debentures and documentation will be governed by and construed in accordance with the laws of India. (ii) The Parties agrees that the courts and tribunals in Chennai shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Transaction Documents and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Transaction Documents may be brought in such courts or the tribunals and the Company irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of those courts or tribunals. (iii) The Company irrevocably waives any objection now or in future, to the laying of the venue of any Proceedings in the courts and tribunals at Chennai and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any Proceedings brought in the courts and tribunals at Chennai shall be conclusive and binding upon them and may be enforced in the courts of any other jurisdiction, (subject to the laws of such jurisdiction) by a suit upon such judgment, a certified copy of which shall be conclusive evidence of such judgment, or in any other manner provided by law. (iv) Nothing contained in this paragraph, shall limit any right of the Debenture Trustee to take Proceedings in any other court or tribunal of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction whether concurrently or not and the Company irrevocably submits to and accept for itself and in respect of each of its property, generally and unconditionally, the jurisdiction of such court or tribunal, and the Company irrevocably waives any objection it may have now or in the future to the laying of the venue of any Proceedings and any claim that any such Proceedings have been brought in an inconvenient forum. (v) The Company hereby consents generally in respect of any Proceedings arising out of or in connection with the Transaction Documents to the giving of any relief or the issue of any process in connection with such Proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such Proceedings. (vi) To the extent that the Company may in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its assets such immunity (whether or not claimed), the Company hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity.

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Fees paid by the Issuer to the Valuation Agency	Rs. 2,00,000/- (Rupees Two Lakhs only) paid / to be paid by the Issuer and the same shall not exceed 0.02% (Zero Point Zero Two Percent) per annum on the face value of the Debentures.
Distribution fees paid by the Issuer	Nil.

Note:

1. If there is any change in Coupon Rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed.

2. The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.

3. The penal interest rates mentioned above as payable by the Issuer are independent of each other.

4. The Issuer shall provide granular disclosures in this Placement Memorandum, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue".

5. While the debt securities are secured to the tune of 110% (One Hundred and Ten Percent) of the principal amount or as per the terms of offer document/ Placement Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.

   Creation of Security: The Issuer shall give an undertaking in the Placement Memorandum that the assets on which charge is created are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditor

   The Issuer hereby undertakes that the assets on which the first ranking exclusive charge is created by the Company in favour of the Debenture Trustee to secure the obligations of the Company in relation to the Debentures under the terms of the Deed of Hypothecation, being the Hypothecated Receivables, are free from any encumbrances.

5.38 Method of calculation of Effective Coupon Amount

The Effective Coupon Amount determined in accordance with the method of calculation set out below shall be paid by the Issuer per Debenture on the Redemption Date. If in the event Effective Coupon Amount could not be determined or becomes indeterminable on account of termination / suspension of Reference Index (given below) or due to any force majeure circumstances or act of God, the Debenture Trustee shall with the consent of the Majority Debenture Holders shall contemplate a new Reference Index mechanism agreeable to the Issuer within 90 (Ninety) Business Days therefrom.

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Chief Financial Officer

Method of calculation of Effective Coupon Amount

Effective Coupon Amount	Face Value*[(1+Effective Annualized Coupon Rate)$^{(\text{Tenor in Days}/365)}$ - 1]
Effective Annualized Coupon Rate	Based on *'Reference Index Performance'*, corresponding *'Effective Annualized Coupon Rate' function* will be applicable
Face Value	INR. 10,00,000 /- (Indian Rupees Ten Lakhs only) per Debenture
Tenor In Days	640 Days from Deemed Date of Allotment
Reference Index	5.77% GS 2030
Reference Index Performance	$\left(\frac{\text{Final Fixing Level}}{\text{Initial Fixing Level}}\right) - 1$
Initial Fixing Level	Official closing level of the Reference Index as on Initial Fixing Date
Initial Fixing Date	7 (Seven) Business days prior to the Deemed Date of Allotment.
Final Fixing Level	The official closing level of the Reference Index on the Final Fixing Date
Final Fixing Date	April 25, 2024. For the avoidance of doubt, it is hereby clarified that in the event, due to any reason whatsoever, the official closing level of the Reference Index on the Final Fixing Date is not available/visible for the purposes of determining the Final Fixing Level, then, the last determined/known official closing level of the Reference Index immediately preceding the Final Fixing Date will be considered for the purposes of determining the Final Fixing Level.
Scenario Analysis	Please refer to the table below.

Reference Index Performance	'Effective Annualized Cc function
<=-75.0%	0.0% XIRR
>-75.0%	10.60% XIRR

Scenario Analysis: Tabular Representations
Assuming Initial Index level of 5.77%

Falling Scenario					
Initial Level	Final Level	Performance	Initial Investment on Debentures (INR)	Annualized yield on Debentures	Redemption at Face Value plus Coupon Amount

For Authorised Signatory of Tata Capital Housing Finance Limited

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5.77%	0.58%	-90%	0.00%	10,00,000	10,00,000
5.77%	1.15%	-80%	0.00%	10,00,000	10,00,000
5.77%	1.73%	-70%	10.60%	10,00,000	11,93,222
5.77%	2.31%	-60%	10.60%	10,00,000	11,93,222
5.77%	2.89%	-50%	10.60%	10,00,000	11,93,222
5.77%	3.46%	-40%	10.60%	10,00,000	11,93,222
5.77%	4.04%	-30%	10.60%	10,00,000	11,93,222
5.77%	4.62%	-20%	10.60%	10,00,000	11,93,222
5.77%	5.77%	0%	10.60%	10,00,000	11,93,222
5.77%	6.92%	20%	10.60%	10,00,000	11,93,222

Note: This scenario analysis is being provided for illustrative purposes only. It does not represent all possible outcomes.

5.39 Appointment of Valuation Agency and its Role (for Market Linked Debentures)

The Issuer has appointed appoint ICRA Analytics Limited as the Valuation Agency. The Valuation Agency shall publish on its website and provide to the Issuer value of the Debentures at a frequency which is not less than once in a calendar week and such valuation shall be available on the website of the Valuation Agency at www.icraanalytics.com. The Issuer shall also make available, as soon as practicable, the valuation provided by the Valuation Agency on the website of the Company at www.muthootmicrofin.com .The Issuer shall, in any case, arrange to provide the valuation of the Debentures from the Valuation Agency whenever the Debenture Holder asks for it and in any case this process shall be completed within a period of 3 (Three) Business Days from the date of request made by the Debenture Holder. The valuation of the Debentures so provided to the Debenture Holder(s) on its request shall be the latest of the valuations provided by the Valuation Agency. The latest and historical valuation of the Debentures shall also be available by the Valuation Agency on its website at www.icraanalytics.com (or any successor web page, which shall inform to the Debenture Holders on such change) as well as on the website of the Issuer at www.muthootmicrofin.com. However, the Issuer does not guarantee any trading or sale/purchase of Debentures on the said valuations. The redemption by Issuer shall happen only in terms of this Disclosure Document and the other Transaction Documents, subject always to the Risk Factors stated in this Disclosure Document. The cost of valuation shall be borne by the Company.

The detailed valuation report issued by the Valuation Agency is set out in **Annexure X** (*Valuation Report*) of this Placement Memorandum.

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SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

In case of listing of debt securities made on private placement, the following disclosures are required to be made vide *SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 w.e.f. 25-05-16*:

(A) **Name of the bank declaring the entity as a Wilful Defaulter**: NIL

(B) **The year in which the entity is declared as a Wilful Defaulter**: NIL

(C) **Outstanding amount when the entity is declared as a Wilful Defaulter**: NIL

(D) **Name of the entity declared as a Wilful Defaulter**: NIL

(E) **Steps taken, if any, for the removal from the list of wilful defaulters**: NIL

(F) **Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions**: NIL

(G) **Any other disclosure as specified by the Board**: Not Applicable

For Muthoot Microfin Limited

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Chief Financial Officer

SECTION 7: TRANSACTION DOCUMENTS AND KEY TERMS

7.1 Transaction Documents

The following documents shall be executed in relation to the Issue ("**Transaction Documents**"):

(a) Debenture Trustee Agreement, which will confirm the appointment of Catalyst Trusteeship Limited as the Debenture Trustee ("**Debenture Trustee Agreement**");

(b) Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer ("**Debenture Trust Deed**");

(c) Deed of Hypothecation whereby the Issuer will create an exclusive first charge by way of hypothecation over the Hypothecated Receivables in favour of the Debenture Trustee to secure its obligations in respect of the Debentures ("**Deed of Hypothecation**"); and

(d) Such other documents as agreed between the Issuer and the Debenture Trustee.

7.2 REPRESENTATIONS AND WARRANTIES OF THE ISSUER

7.2.1 The Company hereby represents and warrants, with reference to the facts and circumstances as on the date hereof, as follows:

(a) **STATUS:**

(i) It is a company, duly incorporated, registered and validly existing under the Applicable Law.

(ii) As on date, the Company is registered with the Reserve Bank of India as a non-banking financial company-microfinance institution.

(iii) It has the power to own its assets and carry on its business in substantially the same manner as it is being conducted.

(b) **BINDING OBLIGATIONS:**

The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.

(c) **NON-CONFLICT WITH OTHER OBLIGATIONS:**

The entry into, and performance by it of, and the transactions contemplated by the Transaction Documents do not and will not conflict with:

(i) any Applicable Law; or

(ii) its constitutional documents; or

(iii) any agreement or instrument entered into by the Company or binding upon it or any of its assets.

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Chief Financial Officer

(d) **TRANSACTION DOCUMENTS:**

The Company has duly executed / will execute and delivered / will deliver each of the Transaction Documents and each of such Transaction Documents constitute upon execution a legal, valid and binding obligation of the Company enforceable against the Company without any further action being required with respect to such documents.

(e) **NO DEFAULT:**

(i) No Event of Default or potential Event of Default has currently occurred and is continuing as of the date hereof or might reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures.

(ii) No other event or circumstance is outstanding which constitutes as on the date hereof (or which would, with the lapse of time, the expiry of a grace period, the giving of notice, the making of any determination under the relevant document, the satisfaction of any other condition or any combination of any of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument under which the Company has incurred any Financial Indebtedness or which is binding on the Company or to which any of its assets are subject in respect of which the Company has received a notice or which might have a Material Adverse Effect.

(f) **PARI PASSU RANKING:**

Its payment obligations under the Transaction Documents rank at least *pari passu* with the claims of all of its present and future unsecured creditors except for obligations mandatorily preferred by Applicable Law applying to companies generally.

(g) **NO PROCEEDINGS PENDING:**

(i) No litigation, arbitration or administrative proceedings of or before any Governmental Authority (to the best of its knowledge and belief), has been made, are pending, or is threatened, against the Company, which may result in the occurrence of a Material Adverse Effect.

(ii) There is no unsatisfied judgment or award passed by any court, arbitrator or other body against the Company, currently subsisting (to the best of its knowledge and belief), which has not been satisfied by the Company within the time frame stipulated in such judgment or award.

(h) **NO MISLEADING INFORMATION:**

All information set out in the financial statements furnished by the Company to the Debenture Trustee and all information provided by the Company to the Debenture Holders for the purposes of this Issue is true and accurate in all respects as at the date it was provided or as at the date (if any) on which it is stated.

(i) **COMPLIANCE WITH LAW**

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

(i) It is in compliance in all respects with all Applicable Law for the performance of its obligations with respect to this Issue and is not subject to any liability by reason of non-compliance with any Applicable Law.

(ii) The Company and its Group Entities have conducted and are conducting their respective businesses in all material respects in compliance with all Applicable Laws including but not limited to Environmental and Social Requirements and Client Protection Laws and take all reasonable steps in anticipation of known or expected future changes to or obligations under the same.

(j) **ASSETS:**

Except for the security interests and encumbrances created and recorded with the Ministry of Corporate Affairs (available using CIN U65190MH1992PLC066228 on the website http://www.mca.gov.in/MCA21/index.html under the heading Index of Charges), the Company has, free from any security interest or encumbrance, the absolute legal, marketable and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all assets necessary or desirable for the conduct of its business as it is being, and is proposed to be, conducted.

(k) **FINANCIAL STATEMENTS:**

(i) Its financial statements most recently supplied to the Debenture Trustee were prepared in accordance with GAAP / IND AS consistently applied save to the extent expressly disclosed in such financial statements.

(ii) Its financial statements most recently supplied to the Debenture Trustee as of March 31, 2022 give a true and fair view and represent its financial condition and operations during the relevant financial year save to the extent expressly disclosed in such financial statements.

(l) **SOLVENCY:**

(i) The Company is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it will not be deemed by a court to be unable to pay its debts within the meaning of Applicable Law, nor in any such case, will it become so in consequence of entering into the Debenture Trust Deed.

(ii) The Company has not by reason of actual or anticipated financial difficulties, commenced, and neither does it intend to commence, negotiations with one or more of their creditors with a view to rescheduling any of their Financial Indebtedness;

(iii) The value of the assets of the Company is more than its respective liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.

(iv) Except as separately disclosed to the Debenture Holder(s), no moratorium has been, or may, in the reasonable foreseeable future be, declared in respect of any Financial Indebtedness of the Company.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

(v) As on the date hereof, the Company has neither taken any corporate action nor has taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.

(m) **TAXATION MATTERS**

(i) The Company has duly and punctually paid and discharged all taxes within the time period allowed under Applicable Law.

(ii) The Company has complied with all the requirements as specified under the respective tax laws as applicable to it in relation to returns, computations, notices and information which are or are required to be made or given by the Company to any tax authority for taxation and for any other tax or duty purposes, have been made and are correct.

(n) **MATERIAL ADVERSE EFFECT**

(i) The Company hereby represents that there is no Material Adverse Effect existing and that there are no event or circumstances existing which could give rise, with the passage of time or otherwise, to a Material Adverse Effect on the Debentures (or on the Debenture Holder(s)) or on the ability of the Company to make the scheduled Payments in relation to the Debentures. In the event of any disagreement or dispute between any Company and the Debenture Holders regarding the materiality of any matter, the opinion of Debenture Holders in relation to the materiality shall be final and binding on the Company.

(ii) Neither the Company nor any Group Entity has violated, or breached any Applicable Law (including, but not limited to, any Environmental and Social Requirements or Client Protection Laws) which has resulted in or could reasonably be expected to have a Material Adverse Effect.

(o) **INSOLVENCY**

The Company has not taken any action, including actions under the IBC, nor (to the best of its knowledge and belief) has any application been made for its winding-up, dissolution or re-organisation or for the enforcement of any security over its assets or for the appointment of a liquidator, supervisor, receiver, administrator, administrative receiver, compulsory manager, trustee or other similar officer of it or in respect of any of its assets.

(p) **ENVIRONMENTAL AND SOCIAL REQUIREMENTS**

(i) The Company and each Group Entity have been issued and will maintain all required consents and will take all reasonable steps in anticipation of known or expected future changes or obligations with respect to all Environmental and Social Requirements.

(ii) The Company and each Group Entity have not received any complaint, order, directive, claim, citation, or notice by any Governmental Authority with respect to all Environmental and Social Requirements.

(iii) The Company and each Group Entity have not received any complaint or claim from any person seeking damages, contribution, indemnification, cost

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recovery, compensation, or injunctive relief with respect to all Environmental and Social Requirements.

(q) **NO CORRUPT AND OBJECTIONABLE PRACTICES**

(i) Neither the Company nor its Promoters or affiliates have indulged in any corrupt practices pertaining to the business such as misstatement, fraud, misappropriation, embezzlement of financial and other resources or gains unreported in the audited financial statements.

(ii) Neither the Company nor any Group Entity through its officers, directors or employees in such capacities or any person acting on behalf of the Company, or any Group Entity have engaged in any Objectionable Practice.

(r) **POWER AND AUTHORITY:**

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.

(s) **VALIDITY AND ADMISSIBILITY IN EVIDENCE:**

All approvals, authorizations, consents, permits (third party, statutory or otherwise) required or desirable:

(i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;

(ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and

(iii) to enable it to carry on its business, trade and ordinary activities;

have been obtained or effected and are in full force and effect.

7.2.2 Each of the representations and warranties set out under **Clause 1.11** of **Part A** odf the Debenture Trust Deed and under **Clause 2.2.1** of **Part B** of the Debenture Trust Deed shall be true and accurate and shall be repeated on each date commencing from the date of the execution of the Debenture Trust Deed until the Final Settlement Date.

7.3 COVENANTS OF THE ISSUER

7.3.1. AFFIRMATIVE AND REPORTING COVENANTS

The Company hereby covenants with the Debenture Trustee that the Company shall, (except as may otherwise be previously agreed in writing by the Debenture Trustee (acting upon the instructions of the Majority Debenture Holders), undertakes to comply with the following covenants:

(a) **Utilisation of proceeds of Debentures**

(i) The Company shall utilise up to 100% (Hundred Percent) of the monies received upon subscription of the Debentures exclusively towards originating joint liability group loans for women borrowers (the "**Purpose**").

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Chief Financial Officer

(ii) The Company undertakes that the proceeds of the Debentures shall be utilised in accordance with Applicable Laws and regulations.

(iii) The Company undertakes that it shall not use all or any part of the proceeds of the Issue towards:

A. any capital market instrument such as equity and equity linked instruments or any other capital market related activities;

B. any speculative purposes;

C. investment in the real estate sector; or

D. in contravention of any Applicable Law.

(iv) The Company shall not use all or any part of the proceeds of the Issue for any purpose that would be in breach of any Sanctions. The Company shall require that none of its borrowers to whom any debt was made available by the Company utilising the proceeds of the Issue use all or any part of such debt for any purpose that would be in breach of any Sanctions.

(b) **Validity of Transaction Documents**

The Company shall ensure that the Transaction Documents shall be validly executed and delivered and will continue in full force and effect and will constitute valid, enforceable and binding obligations of the Company.

(c) **Further documents and acts**

The Company shall execute all such deeds, documents, instruments and assurances and do all such acts and things including the appointment of any consultant as the Debenture Trustee may reasonably require for exercising the rights under the Debenture Trust Deed and the Debentures on behalf of and for perfecting the Debenture Trust Deed or for effectuating and completing the Security intended to be hereby created and shall from time to time and at all times after the Security hereby constituted shall become enforceable, execute and do all such deeds, documents, assurance, acts, and things as the Debenture Trustee may require for facilitating realisation of the Hypothecated Receivables and in particular the Company shall execute all transfers, conveyances, assignments and assurance of the Hypothecated Assets whether to the Debenture Trustee or to their nominees and shall give all notices and directions which the Debenture Trustee may think expedient..

(d) **Make the Relevant filings with the Registrar of Companies/SEBI**

Pursuant to the Act and the relevant rules thereunder, the Company undertakes to make the necessary filings of the documents mandated therein including the Form PAS-3 for return of allotment with the Registrar of Companies and/or SEBI within the timelines stipulated under the Act and the relevant rules thereunder.

(e) **Compliance with laws**

The Company shall comply with:

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Chief Financial Officer

(i) all laws, rules, regulations and guidelines (including the Act) as applicable in respect to the Issue, and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following (A) the SEBI Debt Listing Regulations, as may be in force from time to time during the currency of the Debentures; (B) the provisions of the listing agreement entered into by the Company with the stock exchange in relation to the Debentures including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) each as amended, modified or supplemented from time to time, and (C) the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the other notified rules under the Act (each as amended, modified or supplemented from time to time);

(ii) comply with all the applicable provisions as mentioned in the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993, the SEBI Debt Listing Regulations, the Act, the RBI Master Direction – Non Banking Financial Company- Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time, as applicable and and/or any other notification, circular, press release issued by the SEBI/RBI, each as amended, modified or supplemented, from time to time.

(iii) The Company shall, while submitting quarterly / half-yearly financial results to the BSE disclose *inter alia* the following line items (to the extent applicable) along with the financial results and the same shall be communicated to the Debenture Holder(s):

A. debt- equity ratio of the company;
B. debenture redemption reserve (if applicable);
C. net worth;
D. net profit after tax;
E. earnings per share;
F. current ratio;
G. long term debt to working capital;
H. bad debts to account receivable ratio;
I. current liability ratio;
J. total debts to total assets;
K. debtors turnover;
L. inventory turnover;
M. operating margin (%);
N. net profit margin (%); and
O. sector specific equivalent ratios, as applicable.

(f) **Notify the Debenture Trustee**

The Company shall provide / cause to be provided information in respect of the following promptly and no later than 15 (Fifteen) calendar days from the occurrence of such event (unless otherwise specifically provided):

(i) inform the Debenture Trustee of any change in the composition of its Board of Directors.

(ii) inform the Debenture Trustee promptly of any amalgamation, merger or reconstruction scheme proposed by the Company.

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(iii) inform the Debenture Trustee promptly about any failure to create Security and about all orders, directions, notices of court/tribunal affecting or likely to affect the Security and/or the Hypothecated Receivables.

(iv) inform the Debenture Trustee of any major change in the composition of its Board of Directors, which may amount to change in 'control' as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

(v) The Company agrees that it shall forward to the Debenture Trustee promptly, which information can be forwarded in electronic form or fax:

A. a copy of the Statutory Auditors' and Directors' Annual Report, Balance Sheet and Profit & Loss Account and of all periodical and special reports at the same time as they are issued;
B. a copy of all notices, resolutions and circulars relating to new issue of debt securities at the same time as they are sent to shareholders/ holders of debt securities; and
C. a copy of all the notices, call letters, circulars, etc. of the meetings of debt security holders at the same time as they are sent to the holders of debt securities or advertised in the media.

(g) The Company shall notify the Debenture Trustee in writing, of any proposed change in the nature or scope or the business or operations of the Company or the entering into any agreement or arrangement by any person that may materially affect the assets and liabilities of the Company, at least 10 (Ten) Business Days prior to the date on which such action is proposed to be given effect.

(h) **Furnish Information to Debenture Trustee**

The Company shall provide to the Debenture Trustee or their nominee(s) (and to the Debenture Holder(s), if so requested), information in respect of the following within a maximum of 10 (Ten) calendar days from the occurrence of such event (unless otherwise specifically provided):

(i) submit to the Debenture Trustee, a statement that the assets of the Company which are available by way of security is/are sufficient to discharge the claims of the Debenture Holders as and when they become due.

(i) the Company shall submit such information as the Debenture Holders may require as to all matters relating to the business, property and affairs of the Company that materially impacts the interests of the Debenture Holders and provide access to relevant books of accounts and records in relation to this Issue and to enter into or upon and to view and inspect the state and condition of all the Hypothecated Receivables, together with all records, registers in relation to the Hypothecated Receivables as required by the Debenture Trustee.

(ii) As soon as available and in any event within 7 (Seven) calendar days after the end of each calendar quarter until the Final Settlement Date, the Company shall furnish to the Debenture Trustee and Debenture Holders, an updated List of Loans constituting the Hypothecated Receivables, sufficient to maintain the Security Cover.

(iii) the Company shall furnish quarterly (unless specified otherwise, in which case, reports shall be submitted according to the specified timeline) report to

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Chief Financial Officer

the Debenture Trustee (and to the Debenture Holders), containing the following particulars: -

A. Periodical status/performance reports from the Company within 7 (Seven) days of the relevant board meeting or within 45 (Forty Five) days of the respective quarter, whichever is earlier;

B. Updated list of the names and addresses of the Debenture Holder(s);

C. Details of the Coupon and principal payments to be made, but unpaid and reasons for the non-payment thereof;

D. The number and nature of grievances received from the Debenture Holder(s) and resolved by the Company, and those grievances not yet solved to the satisfaction of the Debenture Holder(s);

E. A statement from the Company, duly certified by the Director/ Managing Director of the Company, stating that those assets of the Company which are available by way of security are sufficient to discharge the claims of the Debenture Holders as and when they become due;

F. Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holder(s). The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of its compliance.

(ii) the Company shall submit a certificate from its statutory auditory to the Debenture Trustee on a half-yearly basis, certifying compliance with the covenants of the Placement Memorandum in the manner as may be specified by SEBI from time to time along with the financial results of the Company in the manner and format as specified by SEBI.

(iii) the Company shall provide to the Debenture Trustee such information as it may require for any filings, statements, reports that the Debenture Trustee is required to provide to any Governmental Authority under Applicable Law.

(iv) the Company shall submit notify the Debenture Trustee in writing, if it becomes aware of any fact, matter or circumstance which would cause any of the representations and warranties under any of the Transaction Documents to become untrue or inaccurate or misleading in any respect.

(v) the Company shall provide to the Debenture Trustee such further information regarding the financial condition, business and operations of the Company as the Debenture Trustee may reasonably request in relation to the Payments due to be made on the Debentures.

(i) **Security Cover**

The Company shall maintain the Security Cover as required under the Deed of Hypothecation at all times until the Final Settlement Date.

(j) **Transfer of unclaimed Redemption Amounts.**

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Chief Financial Officer

The Company shall comply with the provisions of the Act relating to transfer of unclaimed redemption and coupon amounts of Debentures to Investor Education and Protection Fund ("**IEPF**"), if applicable to it.

(k) **Security**

The Company hereby further agrees, declares and covenants with the Debenture Trustee as follows:

(i) The Debentures shall be secured by way of a first ranking exclusive charge on the Hypothecated Receivables;

(ii) It shall perfect the security over the Hypothecated Receivables by filing Form CHG-9 with the Registrar of Companies in relation thereto, on or prior to the Deemed Date of Allotment;

(iii) The Company shall keep the Hypothecated Receivables adequately insured, in a proper condition and shall pay all taxes, cesses, insurance premium with the Hypothecated Receivables within the time permissible under Applicable Laws.

(l) The Company covenants that it shall co-operate and shall provide all necessary assistance and furnish such information or documents as may be required by the Debenture Trustee and/or the Debenture Holders, to the satisfaction of the Debenture Trustee to enable it to make necessary filings in connection with the creation of security over the Hypothecated Receivables with CERSAI.

(m) **Financial Terms and Conditions**

The Company shall at all times during the term of these presents comply with each of the Financial Terms and Conditions.

(n) The Company shall carry out subsequent valuation of the Hypothecated Receivables, at the request of the Debenture Trustee;

(o) The Company is aware that in terms of Regulation 14 of the SEBI (Debenture Trustees) Regulations, 1993 as amended from time to time, the Trust Deed has to contain the matters specified in Section 71 of the Act and Form No. SH.12 specified under the Companies (Share Capital and Debentures) Rules, 2014. The Company hereby agrees to comply with all the clauses of Form No. SH.12 as specified under the Companies (Share Capital and Debentures) Rules, 2014 to the extent applicable to it as if they are actually and physically incorporated herein in the Debenture Trust Deed;

(p) Within 15 (Fifteen) Business Days of receipt of a request from the Debenture Trustee, the Company shall authenticate any information relating to the Debentures, to be submitted by the Debenture Trustee with the Information Utility.

(q) The Company hereby covenants and undertakes that it shall within 60 (Sixty) calendar days from the end of each financial quarter, submit to the Debenture Trustee, a security cover certificate in respect of the Hypothecated Receivables in the applicable format prescribed under Annexure A of the SEBI circular dated November 12, 2020 (bearing reference number: SEBI/ HO/ MIRSD/ CRADT/ CIR/

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P/ 2020/23) to enable the Debenture Trustee to submit the same to the BSE within the timelines stipulated under Applicable Law.

(r) The Company shall submit a due diligence certificate issued by the Debenture Trustee in respect of the Security in the applicable format prescribed under Annexure A of the SEBI circular dated November 03, 2020 (bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218) to BSE, on or prior to issuing the Placement Memorandum and the Private Placement Offer cum Application Letter.

(s) The Company shall submit to the Debenture Trustee, such information as may be required by the Debenture Trustee from time to time.

(t) In addition to the aforesaid covenants, the Company shall also comply with the covenants set out in the Debenture Trust Deed.

(u) **LISTING**

the Company shall take all steps for making an application to the WDM segment of the BSE and all steps necessary to get the Debentures listed within 4 (Four) working days from the date of closing of the Issue. In case of delay in listing of the debt securities beyond 4 (Four) working days from the date of closing of the Issue, the Company will (i) pay penal interest of 1% (One percent) p.a. over the Coupon Rate from the expiry of 4 (Four) working days from the date of closing of the Issue till the listing of such Debentures; and (ii) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from BSE in respect of the Debentures.

(v) **PRESERVE CORPORATE STATUS**

the Company shall diligently preserve its corporate existence and status and its license to conduct business as a non-banking financial company-microfinance institution and any other rights, licenses, authorizations and franchises necessary for its obligations under the Debentures and the Transaction Documents and continue to be a validly existing organization in good standing and at all times act and proceed in relation to its affairs and business in compliance with Applicable Law.

(w) **COSTS AND EXPENSES**

the Company shall pay all costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of Debenture-holders' interests, including travelling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures.

(x) **FURTHER ASSURANCES**

The Company shall:

(i) execute and/or do, at their own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;

(ii) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all licenses or authorisations necessary to enable it

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lawfully to enter into and perform its obligations under the Debenture Trust Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of the Debenture Trust Deed and the other Transaction Documents;

(iii) comply with all Applicable Laws, as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following (i) the SEBI Debt Listing Regulations; and (ii) the provisions of the listing agreement entered into by the Company with the Stock Exchange in relation to the Debentures.

(iv) duly and punctually pay any rent, rate, cess, revenue impost, duty, tax, premium, payables and outgoings which become lawfully payable by the Company in respect of the assets of the Company or any part thereof or the carrying out by the Company or maintenance of any business or operations thereon and shall prevent any part of the assets of the Company from becoming charged with the payment of any such amounts of any outgoings, duties, taxes, any other payables, which may be lawfully payable by the Company and shall punctually discharge all claims and pay all amounts as stated above which are lawfully payable by the Company, unless contested in good faith.

(v) hereby expressly agrees that each Debenture Holder may in its sole discretion assign or transfer its rights, title and interest in the Debentures to any other person.

(vi) comply with any directions/ guidelines issued by any Governmental Authority, in relation to the Issue.

(vii) provide such other information relating to the Company (which is relevant to the rights of the Debenture Holders and/ or the ability of the Company to meet its obligations in respect of the Debentures) that is requested for by the Debenture Trustee in writing at reasonable time intervals. The Company shall be required to furnish all the relevant details to the Debenture Trustee, within 15 (Fifteen) Business Days from the receipt of such request.

(y) **CORPORATE GOVERNANCE**

The Company shall confirm to and comply with the corporate governance and fair practices code as prescribed by the RBI.

(z) **FINANCIAL STATEMENTS**

The Company shall submit to the Debenture Trustee and to the Debenture Holder(s), the duly audited annual financial accounts and statements on a standalone and consolidated basis within 120 (One Hundred and Twenty) calendar days from the closure of the preceding Financial Year.

(aa) **FURTHER DOCUMENTS AND ACTS**

The Company shall execute all such deeds, documents and assurances and do all such acts and things including the appointment of any consultant as the Debenture Trustee may reasonably require for exercising the rights under the Debenture Trust Deed and

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Chief Financial Officer

the Debentures on behalf of and for the benefit of the Debenture Holder(s).

(bb) **FINANCIAL TERMS AND CONDITIONS**

The Company shall at all times during the term of these presents comply with each of the Financial Terms and Conditions.

(cc) **RECORDS AND INSPECTION**

The Company hereby undertakes that it shall:

(i) keep such adequate accounting and control systems, management information systems, books of account, and other records as are required to be maintained under Applicable Law and such accounts as are adequate to reflect truly and fairly the financial condition and results of operations and which shall contain full, true and correct entries in conformity with IND AS consistently applied and all requirements of Applicable Law;

(ii) at its sole cost and expense permit the Debenture Trustee, as the representative of the Debenture Holders, to enter into its premises and carry out technical, financial and legal inspections of its assets, facilities and inspect and make copies of the books of record and accounts of the Company to discuss the affairs, finances and accounts of the Company with, and be advised as to the same, by its officers.

(iii) The Company shall maintain all registers required under the terms of the Act and permit the Debenture Trustee to inspect the same and take copies and extracts therefrom.

(dd) **The Company shall promptly notify the Debenture Trustee in writing of:**

(i) notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect, after the Company obtains knowledge thereof.

(ii) In the event a petition is filed for the winding up of the Company or any winding up proceedings are initiated against the Company.

(iii) occurrence of any event which has or might cause any potential default under the terms of any agreement entered into by them, in relation to their business, their assets or for the purpose of availing of any Financial Indebtedness or may otherwise result in the occurrence of a Material Adverse Effect.

(iv) occurrence of any event which constitutes (or, with the giving of notice, lapse of time, determination of materiality or satisfaction of other conditions, would be likely to constitute) an Event of Default, specifying the nature of such event and the steps the Company is proposing to remedy the same.

(ee) The Company shall ensure that the Debentures are rated by the Rating Agency and continue to be rated by the Rating Agency(ies) during the tenure of the Debentures.

(ff) The Company shall ensure that it has, at all times until the Final Settlement Date, at least 2 (Two) independent directors appointed on the Board of Directors of the Company. For the purposes of this sub-clause 2.5.1(o) the term "independent directors" shall have the meaning assigned to such term under the Act.

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Praveen T
Chief Financial Officer

(gg) The Company shall provide the Debenture Holders with access to all such data, information and information in respect of meetings with the management team of the Company for periodical portfolio monitoring, as and when the Debenture Holders may require.

(hh) The Company shall perform all of its respective obligations under the terms of the Transaction Documents and maintain in full force and effect each of the Transaction Documents to which it is a party.

(ii) The Company shall promptly inform the Debenture Trustee of any material breach of any Environmental and Social Requirements and provide accurate and complete information with respect to such breach and any additional information in relation thereto, in whichever form as the Debenture Trustee may request at its sole discretion.

(jj) The Company shall promptly inform the Debenture Trustee, on (i) any Environmental and Social Claim and/or any Client Protection Claim being commenced against it or against any Group Entity, and (ii) any facts or circumstances which will or are reasonably likely to result in any Environmental and Social Claim and/or any Client Protection Claim being commenced or threatened against it or any Group Entity, and provide accurate and complete information with respect to such Environmental and Social Claim and/or any Client Protection Claim and any additional information in relation thereto, in whichever form as the Debenture Trustee may request at its sole discretion.

(kk) The Company shall (and it shall ensure that the Group Entities will) abide by the Workers' Rights Requirements annexed as Schedule VII of Part D of the Debenture Trust Deed.

7.3.2. REPORTING COVENANTS

The Company hereby covenants with the Debenture Trustee that the Company undertakes to comply with the following covenants:

(a) Within 45 (Forty Five) calendar days from the end of each quarter of every calendar year, the Company shall submit a certificate signed by an authorised signatory of the Company confirming the Company's compliance with the Financial Covenants set out in Clause (*Financial Covenants*) of **Part B** of the Debenture Trust Deed.

(b) As soon as practicable and in any event within 45 (Forty Five) calendar days from the end of each quarter of every calendar year, the Company shall furnish a report, containing the following particulars:

(i) the information on financials, operations, portfolio growth and asset quality data (including information in relation to static portfolio cuts, collection efficiency and portfolio at risk), funding in the formats acceptable to the Debenture Holder(s);
(ii) the list of Board of Directors of the Company;
(iii) the list of Hypothecated Receivables;
(iv) the shareholding pattern of the Company;
(v) the copy of returns filed by the Company with the RBI; and
(vi) any information in relation to:
(A) any new products introduced by the Company and/or any change in features in existing products offered by the Company;

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Chief Financial Officer

(B) any new business correspondent relationships formed by the Company and/or any discontinuation of any relationship with an existing business correspondent of the Company;
(C) in the event the Company undertakes any form of geographic expansion in any new State;
(D) any material change in the information technology systems or procedures and/or MIS systems of the Company;
(E) any revision in the business plan of the Company;
(F) any change in the credit bureaus whose services are being used by the Company as on the date of the Debenture Trust Deed;
(G) any changes in the accounting policy of the Company;
(H) the occurrence of any fraud amounting to more than 1% (One Percent) of the Gross Loan Portfolio (as defined in **Clause 2.5.4** of **Part B** of the Debenture Trust Deed) of the Company.
(I) Impact measurement metrices;

(c) Within 120 (One Hundred and Twenty) calendar days from the end of each Financial Year, the Company shall submit to the Debenture Trustee:

(i) a certificate issued by a director or the chief financial officer of the Company confirming that no potential Event of Default or Event of Default has occurred or is continuing thereof;
(ii) a copy of all annual information submitted by the Company to the RBI; and
(iii) the corporate social responsibility report of the Company (if applicable).

(d) Within 15 (Fifteen) calendar days upon the occurrence of the following event(s):

(i) any change in the Board of Directors of the Company.

(ii) any change in the shareholding structure of the Company.

(iii) any change in any senior management officials (the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer or Chief Risk Officer) of the Company or any other person holding a similar position in the Company.

(iv) any change in statutory auditor of the Company.

(v) Upon the annual business plan of the Company being approved by the Board of Directors of the Company;

(vi) any material change in the constitutional documents of the Company.

(e) The Company shall provide / cause to be provided information in respect of the following promptly and no later than 5 (Five) Business Days from the occurrence of such event (unless otherwise specifically provided):

(i) any material change in the constitutional documents of the Company.

(ii) after the Company obtains knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect.

(iii) after the Company knew or received, notice of any dispute, litigation, investigation or other proceeding affecting the Company or its property or operations, which could result in a Material Adverse Effect.

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(iv) in the event a petition is filed for the winding up of the Company or any winding up proceedings are initiated against the Company including initiation of any insolvency resolution process against the Company under the Insolvency and Bankruptcy Code, 2016 ("**IBC**").

(v) after the Company obtains knowledge thereof, inform and keep the Debenture Trustee informed of the occurrence of any event which constitutes in the opinion of the Company, a potential Event of Default or an Event of Default specifying the nature of such event and any steps the Company is taking and proposes to take to remedy the same.

(vi) Any prepayment of any Financial Indebtedness by the Company or upon the receipt of notice of any prepayment of any Financial Indebtedness of the Company.

(f) The Company shall not enter into or perform any transaction(s) with a Related Party without prior written intimation to the Debenture Trustee. For the purpose of this paragraph, the term "Related Party" shall have the meaning assigned to such term in the Act.

7.3.3. NEGATIVE COVENANTS

The Company hereby covenants with the Debenture Trustee that until the Final Settlement Date, the Company shall not for so long as any amount remains outstanding under the Debentures, except as may otherwise be previously agreed to in writing by the Debenture Trustee (acting upon the receipt of the prior written approval of the Majority Debenture Holder(s)), take any action in relation to the items set out below:

(a) **CHANGE IN KEY SHAREHOLDERS**

(i) Each of the Key Shareholders shall not transfer or encumber the shares of the Company held by them respectively.

(ii) Any change in the shareholding of the Key Shareholders in the Company which in the aggregate would fall below 51% (Fifty One Percent) of the equity share capital of the Company.

(b) **CHANGE IN CONTROL / OWNERSHIP OF PROMOTER**

(i) In the event there is new / fresh equity raise by the Company, the Company shall not take any action for removal of the Promoters from the Company or any change in the Control of the Company (excluding employee stock option) below 51% (Fifty One Percent) of the equity share capital of the Company, without the prior written consent of the Debenture Trustee. For the avoidance of doubt, it is hereby clarified that if the Company has requested the consent of the Debenture Trustee to carry out any action set out in this Clause 7.3.3(b)(i) and the Debenture Trustee has not responded within a period of 14 (Fourteen) calendar days from the date of such request, the same would be construed to be formally approved by the Debenture Trustee and the Debenture Holder(s).

(ii) In the event there is no new / fresh equity raise by the Company, the Company shall not take any action resulting in any dilution in the ownership or any change in the Control of the Promoters in the Company.

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(c) **PURCHASE OR REDEMPTION OF SHARE CAPITAL**

The Company shall not purchase or redeem any of its share capital.

(d) **CHANGE IN FINANCIAL YEAR END**

Unless mandated by Applicable Law, the Company shall not change its financial year-end from 31st March (or such other date as may be approved by Debenture Holders) without prior consent of the Debenture Trustee.

(e) **SALE OF ASSETS / BUSINESS / DIVISION**

The Company shall not undertake any action in relation to any sale of assets / business / division that has the effect of exiting the business or re-structuring of the existing business of the Company.

(f) **MERGER, RESTRUCTURING ETC.**

the Company shall not engage in or undertake any corporate restructuring, by way of merger, de-merger, acquisition, restructuring or amalgamation, consolidation over and above 10% (Ten Percent) of the Net Worth of the Company in a Financial Year.

(g) **COMPROMISE OR ARRANGEMENT WITH CREDITORS/SHAREHOLDERS**

the Company shall not enter into any material compromise or arrangement or settlement with any of their creditors, whether secured or unsecured and shall ensure that the shareholders of each of such persons, do not vote for such persons to enter into any scheme of arrangement with their creditors generally without its liability with respect to the Debentures being completely discharged.

(h) **CONSTITUTIONAL DOCUMENTS**

the Company shall not make any amendments or modifications to its constitutional documents including the Memorandum of Association or to the Articles of Association, where such amendment or modification would have a Material Adverse Effect.

(i) **CHANGE OF BUSINESS**

the Company shall not undertake any new major business outside financial services or any diversification of its business outside financial services.

(j) **RESTRUCTURING OF BORROWING ARRANGEMENTS**

the Company shall not undertake any actions for restructuring its borrowing arrangements and/or restructuring of any arrangements in relation to its Financial Indebtedness.

(k) **RELATED PARTY TRANSACTIONS**

Without prejudice to the foregoing, the Company shall not without the prior written consent of the Debenture Trustee: (i) enter into any transaction(s) whereby the

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overall outstanding amount owed to the Company under all transactions exceed 10.00% (ten point zero zero percent) of its Net Worth; (ii)) enter into any transaction(s) whereby the overall expense incurred through such transactions during any financial year exceeds 10.00% (ten point zero zero) of its net profit; or (iii) provide any guarantee for any indebtedness of a Related Party. The Debenture Trustee shall be granted access to any additional information that it deems necessary to monitor and evaluate this covenant. For the purpose of this clause, the terms 'Net Worth' and 'Related Party' shall respectively have the meaning ascribed to them in section 2(57) and 2 (76) of the Act respectively and the rules framed thereunder.

(l) **EXCLUSION LIST**

the Company shall not perform, involve or undertake any of the excluded activities as listed under the Exclusion List or finance any Person or obligor of the Company performing any of the excluded activities as set out under the Exclusion List.

(m) **OBJECTIONABLE PRACTICES**

the Company shall not engage in any Objectionable Practice nor authorise or permit any other Person acting on its behalf or on behalf of such Person to do so.

(n) **SANCTIONS**

Neither the Company nor any other Person benefiting in any capacity, either directly or indirectly, in connection with or from the Debenture Trust Deed and/or any instruments and/or payments thereunder is included in any OFAC List or otherwise the subject or target of any Sanctions. The Company shall not and shall require that none of its borrowers engage in any transaction, activity or conduct which would result in violation of any Sanctions. The Company shall not use all or any part of the proceeds of the Issue for any purpose that would be in breach of any Sanctions. The Company shall require that none of its borrowers to whom any debt was made available by the Borrower utilising the proceeds of the Issue use all or any part of such debt for any purpose that would be in breach of any Sanctions.

(o) **DIVIDEND AND BUYBACK OF SHARES**

Declare or pay any dividend or make any distributions on its share capital (other than dividends or distributions payable on shares of the Company) to its shareholders during any Financial Year and/or buyback any of its shares unless it has paid all the amounts then due and payable on the Debentures and other amounts under the Transaction Documents or has made provisions satisfactory to the Debenture Trustee for making such payments and so long as no Event of Default exists or is continuing or would result therefrom or is reasonably likely to occur , as a result of such payment or declaration of any dividend or distribution and after giving effect to any such action, the Company is in compliance with all financial covenants. For the avoidance of doubt, it is hereby clarified that any dividends declared by the Company in a Financial Year shall only arise out of the net income of the Company in such Financial Year (excluding any amount resulting from the revaluation of any of the Company's assets).

(p) **NO ENCUMBRANCE OVER HYPOTHECATED RECEIVABLES**

The Company shall not create any further charge or encumbrance over the Hypothecated Receivables, except as created in favour of the Debenture Trustee for the benefit of the Debenture Holders, under the terms of the Deed of Hypothecation.

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7.3.4. FINANCIAL COVENANTS

(a) The Company shall ensure that until the Final Settlement Date:

(i) the Company shall maintain a ratio of the Tier 1 Capital to the Risk Weighted Assets of the Company of greater than 12% (Twelve Percent) or as per the regulatory requirement prescribed by the RBI, whichever is higher.

(ii) the Company shall maintain Capital Adequacy Ratio of greater than 16% (Sixteen Percent) or as per the regulatory requirement prescribed by the RBI under the NBFC Master Directions, whichever is higher.

For the purpose of calculations of the Capital Adequacy as mentioned above:

A. The first loss credit enhancement provided by the Company on securitization shall be reduced from Tier 1 Capital and Tier 2 Capital without any ceiling;

B. The credit enhancements provided by the Company on Client Loans originated on behalf of other institutions shall be reduced from Tier 1 Capital and Tier 2 Capital without any ceiling. The deduction shall be made at 50% (Fifty Percent) from Tier 1 Capital and 50% (Fifty Percent) from Tier 2 Capital; and

C. It is also clarified that in computing the amount of subordinated debt eligible for inclusion in Tier 2 Capital, the aforementioned subordinated debt shall be subject to discounting as prescribed by RBI.

(iii) on and from the Deemed Date of Allotment and until December 31, 2022, the Company shall maintain a ratio of PAR-90 and write-off (on the Company's entire portfolio including receivables sold or discounted on a non-recourse basis) to the Gross Loan Portfolio of not greater than 9% (Nine Percent). On and from January 1, 2023 and until the Final Settlement Date, the Company shall maintain a ratio of PAR-90 and write-off (on the Company's entire portfolio including receivables sold or discounted on a non-recourse basis during the trailing 12 (twelve) months) to the Gross Loan Portfolio of not greater than 5% (Five Percent);

(iv) on and from the Deemed Date of Allotment and until December 31, 2022, the Company shall maintain a 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 of not greater than 25% (Twenty Five Percent). On and from January 1, 2023 and until the Final Settlement Date, the Company shall maintain a 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 the Tangible Net Worth of not greater than 20% (Twenty Percent).

(v) the Company shall maintain a ratio of Off Balance Sheet Portfolio to Total Assets of not greater than 35% (Thirty Five Percent);

(vi) the Company shall maintain a positive after-tax net income; and

(vii) the Company shall maintain a ratio of PAR-90 net of loan loss provisions on the Gross Loan Portfolio to the Tangible Net Worth of less than 10% (Ten Percent).

For the purposes of this sub-clause 7.3.4 (*Financial Covenants*), following terms shall have the following meaning:

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"*Capital Adequacy Ratio*" shall mean the ratio of Tier 1 Capital plus Tier 2 Capital divided by Risk Weighted Assets;

"*Client Loan*" means each loan made by the Company as a lender and "*Client Loans*" shall refer to the aggregate of such loans;

"*Gross Loan Portfolio*" means and includes the outstanding principal amounts of the loans originated by the Borrower on its own books and Off Balance Sheet Portfolio;

"*Loan Loss Provisions*" means the outstanding provision in the balance sheet of the Company pertaining to on book and securitised book assets to provide for potential losses;

"*NBFC Master Directions*" means the master directions issued by the RBI on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 or Non-Banking Financial Company Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as may be applicable for the Borrower (as amended or modified or restated from time to time);

"*Off Balance Sheet Portfolio*" means principal balance of loans securitized, assigned, originated on behalf of other institutions in respect of which the Company has provided credit enhancements in any form or manner whatsoever;

"*PAR-90*" means, in a district or a branch or on the Company's Gross Loan Portfolio at any point of time, as the case may be, the outstanding principal amount of all Client Loans that have one or more instalments of principal interest, penalty interest, fee or any other expected payments overdue for 90 (Ninety) days or more and includes restructured loans;

"*Risk Weighted Assets*" shall mean the risk weighted assets of the Company calculated as per the norms applicable by the Reserve Bank of India from time to time;

"*Tangible Net Worth*" means, with respect to any Person, the amount paid up on such Person's issued equity share capital, compulsorily convertible instruments and any amount standing to the credit of its reserves, less equity or equity-like investments, goodwill, deferred tax assets and other intangible assets;

"*Tier 1 Capital*" shall have the meaning assigned to it in the NBFC Master Directions;

"*Tier 2 Capital*" shall have the meaning assigned to it in the NBFC Master Directions;

"*Total Assets*" means, for any date of determination, the total assets of the Company on such date, including owned, securitised and managed (non-owned portfolio);

(b) The Company shall within 45 (Forty Five) calendar days from the end of each quarter of every calendar year, provide to the Debenture Trustee, a certificate signed by an authorised signatory of the Company confirming the Company's compliance with the Financial Covenants set out in this **Clause 7.3.4** (*Financial Covenants*) of **Part B** of the Debenture Trust Deed.

(c) The Debenture Holder(s) shall be granted access to any additional information that it deems necessary to monitor and evaluate compliance with the aforementioned financial covenants under **Clause 7.3.4** (*Financial Covenants*) of **Part B** of the Debenture Trust Deed.

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7.4 EVENTS OF DEFAULT

If one or more of the events specified herein (hereinafter each an "**Event of Default**" and collectively, "**Events of Default**") happen(s), the Debenture Trustee may, in their discretion, and shall, upon request in writing of the Majority Debenture Holder(s) by a notice in writing to the Company take all such action, expressly or impliedly permitted under the Transaction Documents or in law.

(a) **NON-PAYMENT**

The failure to pay any amount payable in relation to the Debentures, including without limitation failure to make payment of the principal amount of the Debentures and/or the Coupon and/or any other amounts due in respect of the Debentures including the Payments in respect of the Debentures on the Due Date(s) at the place at which and in the currency in which it is expressed to be payable.

(b) **CESSATION OF BUSINESS**

(i) The Company ceases to carry on its business or any substantial part thereof or gives notice, in writing, of its intention to do so.

(ii) The cessation of business by or the dissolution, winding-up, insolvency or liquidation of the Company or the passing of any order of a court ordering, restraining or otherwise preventing the Company from conducting all or any material part of its business.

(c) **BREACH OF TERMS OF THE DEBENTURE TRUST DEED AND THE TRANSACTION DOCUMENTS**

Except for the event contained in **Clause 7.4(a)** (*Payment Default*) above, the Company defaults in the performance of any of its representations, warranties, obligations and covenants provided under the terms of the Debenture Trust Deed and/or the Transaction Documents.

(d) **SECURITY**

(i) When the Company creates or attempts to create any charge on the Hypothecated Receivables or any part thereof or attempts to sell, transfer, lease or otherwise dispose of in any manner whatsoever any assets constituting the Hypothecated Receivables without the prior approval of the Debenture Trustee / Debenture Holders or the Security Cover is not maintained by the Company;

(ii) if, in the opinion of the Debenture Trustee, the Security is in jeopardy.

(e) **INSOLVENCY OR INABILITY TO PAY DEBTS**

(i) The Company is unable or admits in writing its inability to pay its debts as they mature or, suspends making payments on any of its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation have been admitted by any competent court or a moratorium or other protection from its creditors is declared or imposed in respect of any indebtedness of the Company.

(ii) In the event that any notice is received by the Company threatening the initiation of corporate insolvency resolution process of the Company under the IBC in terms of the Insolvency and Bankruptcy (Insolvency and

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Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019.

(iii) Any application or any application has been filed or proceedings have been initiated against the Company by any financial creditor or any other entities under IBC.

(f) **FRAUD, EMBEZZLEMENT ETC**

There shall have occurred any act of significant fraud, embezzlement, misstatement, misappropriation or siphoning off of the funds of the Company or revenues or the funds of the promoter or any other act having a similar effect being committed by the management or an officer of the Company.

(g) **CROSS DEFAULT**

If the Company, in regards to any Financial Indebtedness availed by it from the Debenture Holders and/or any third party (A) defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created or (B) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Indebtedness to become due prior to its stated maturity; or (C) due to any default or an event of default, any Financial Indebtedness of the Company shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity thereof.

(h) **LIQUIDATION OR DISSOLUTION OF THE COMPANY / APPOINTMENT OF RECEIVER OR LIQUIDATOR**

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any indebtedness (unless waived by the Debenture Holder(s) in writing), winding-up, dissolution, insolvency, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company;

(ii) a composition, compromise, assignment or arrangement with any creditor of the Company;

(iii) the appointment of a liquidator, provisional liquidator, insolvency resolution professional, supervisor, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of the Company or any of its assets for all or any part of the undertaking of the Company;

(iv) enforcement of any security over any assets of the Company or any affiliate or any analogous procedure or step is taken in any jurisdiction; or

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(v) any other event occurs or proceeding is instituted that under any Applicable Law would have an effect analogous to any of the events listed in clauses (i), (ii, (iii) and (iv) above.

(i) **CREDITORS' PROCESS**

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Company.

(j) **TRANSACTION DOCUMENTS**

The Debenture Trust Deed or any other Transaction Document in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Company.

(k) **WINDING UP**

(i) In the event the shareholders of the Company pass a resolution for the winding up of the Company.

(ii) In the event a petition is filed for the winding up of the Company or a petition is filed in relation to the insolvency or bankruptcy of the Company and the same is admitted, and such petition is not dismissed or stayed;

(l) **EXPROPRIATION, NATIONALIZATION ETC.**

All or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired by any Governmental Authority, or any Governmental Authority shall have assumed custody or Control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or Governmental authority.

(m) **OFFENCES BY THE PROMOTER, MANAGEMENT ETC**

The Promoter or any of the senior management officials including Key Managerial Personnel (each as defined under the Act) being declared as a 'wilful defaulter' as defined under the applicable RBI regulations and/or any of the director(s) and/or any of the Promoter of the Company are accused of, charged with, arrested or convicted in a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the Promoter and/or the director(s), including any accusations, charges and/or convictions of any offence relating to bribery;

(n) **NET WORTH**

There shall have been an erosion of at least 50% (Fifty Percent) of the Net Worth of the Company as compared to the preceding Financial Year.

(o) **PETITION FOR REORGANIZATION, WINDING UP**

A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company is filed on the Company (voluntary or

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otherwise) or have been admitted or makes an assignment for the benefits of its creditors generally.

(p) **REORGANISATION, REARRANGEMENT ETC.**

The Company has taken or suffered to be taken any action for re-organisation of its share capital or any rearrangement, merger or amalgamation without the prior written approval of the Debenture Holder(s).

(q) **MISLEADING REPRESENTATIONS**

Any representation or warranty made by the Company in any Transaction Document delivered to the Debenture Trustee/Debenture Holders by the Company shall prove to have been incorrect, false or misleading in any respect when made or deemed made and such misrepresentation.

(r) **CHANGE IN BUSINESS**

There shall have occurred a change in the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of the Company, since the date hereof that has resulted in a Material Adverse Effect, as determined by the Debenture Trustee (acting solely on the instructions of the Majority Debenture Holders).

(s) **UNLAWFULNESS**

It is or becomes unlawful for the Company to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Company under any Transaction Document are not or cease to be valid, binding or enforceable.

(t) **REPUDIATION**

The Company rescinds, repudiates any of the Transaction Documents, or purports to rescind or repudiate or evidences an intention to rescind or repudiate any of the Transaction Documents (in whole or in part).

(u) **EXPROPRIATION**

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Company or any affiliate having an aggregate value more than or equal to the aggregate nominal value of the Debentures or 10% (Ten Percent) of the Net Worth of the Company, whichever is lesser and is not discharged within 15 (Fifteen) days.

(v) **RATING DOWNGRADE**

In the event the credit rating of the Company by any rating agency gets downgraded below "B".

(w) **SECURITY**

(i) If, in the opinion of the Debenture Trustee, the value of the Hypothecated Receivables is insufficient to maintain the Security Cover and/or the Security Cover is not maintained by the Company or the top-up of the

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Hypothecated Receivables is not completed within the timelines stipulated under the Deed of Hypothecation;

(ii) if, the Security provided pursuant to the Deed of Hypothecation, depreciates in value to such an extent that in the opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holder(s)), additional / further security is required to be provided to maintain the Security Cover and on instructing the Company to that effect, such additional / further security has not been provided to the Debenture Trustee to their satisfaction; and/or

(iii) If the Hypothecated Receivables or any part thereof is transferred, assigned, charged, encumbered or alienated without the approval of the Debenture Trustee.

7.5 CONSEQUENCES OF EVENTS OF DEFAULT

7.5.1 On and at any time after the occurrence of an Event of Default, unless such Event of Default at the request of the Company is expressly waived by the Debenture Trustee acting on the instructions of the Majority Debenture Holder(s), (a) upon the expiry of the cure period provided to the Company (if any), or (b) if the cure period provided is mutually extended by the Parties hereto upon the expiry of such extended period or (c) where it is not practical to provide a cure period, then forthwith, or (d) where no cure period has been provided and the Parties mutually agree to provide for a cure period, upon the expiry of such mutually agreed cure period, the Debenture Trustee shall if so directed by the Majority Debenture Holder(s) to exercise any or all of the following rights:

(a) to accelerate the redemption of the Debentures together with accrued but unpaid Coupon, and the Secured Obligations including all other costs, charges and expenses accrued or outstanding under the Transaction Documents to be immediately (or such other date as the Debenture Trustee may specify) due and payable, whereupon they shall become so due and payable immediately; and/or

(b) exercise any and all rights specified under the Debenture Trust Deed and/or the other Transaction Documents; and/or

(c) enforce the charge over the Hypothecated Receivables in accordance with the terms of the Deed of Hypothecation; and/or

(d) exercise such other remedies, including legal and equitable rights, as permitted or available under Applicable Law (including initiating insolvency proceedings under IBC) or the Transaction Documents; and/or

(e) exercise any other right that the Debenture Trustee and/or Debenture Holder(s) may have under the Transaction Documents or under Applicable Law including in relation to entering into the inter-creditor agreement with the creditors of the Company pursuant to the SEBI Circular dated October 13, 2020 (bearing reference number: SEBI/HO/MIRSD/CRADT/CIR/P/2020/203), as amended, modified or replaced from time to time.

7.5.2 Notwithstanding any cancellation or termination pursuant to Clause 7.5 (*Consequences of an Event of Default*) above, all the provisions of the Transaction Documents for the benefit or protection of the Debenture Holders and their interests shall continue to be in full force and effect as specifically provided in the Transaction Documents. The Debenture Trustee shall, on being informed by the Company of the happening of any of the Event(s) of Default set out in

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Clause 7.4 (*Events of Default*) above or upon the happening of any of such Event(s) of Default coming to its notice, forthwith give written notice to the Debenture Holder(s) of the same.

Please note that the capitalised terms used in this section, but not defined herein, shall have the meaning as assigned to such term in the Debenture Trust Deed.

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SECTION 8: OTHER INFORMATION AND APPLICATION PROCESS

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Placement Memorandum, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

8.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL and CDSL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the Register of Debenture Holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

8.2 Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/EFT/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The list of beneficiaries as of the relevant Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

8.3 Debenture Trustee for the Debenture Holder(s)

The Issuer has appointed Catalyst Trusteeship Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee have entered/intend to enter into the Debenture Trustee Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and coupon thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trustee

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Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

8.4 Sharing of Information

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

8.5 Debenture Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

8.6 Modification of Debentures

The Debenture Trustee and the Issuer will agree to make any modifications in the Placement Memorandum which, in the opinion of the Debenture Trustee, is of a formal, minor or technical nature or is to correct a manifest error.

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders.

For the avoidance of doubt, the following matters require the consent of Majority Debenture Holders, either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holders as set out below:

(a) Creating of any additional security; and
(b) Amendment to the terms and conditions of the Debentures or the Transaction Documents.

8.7 Right to accept or reject Applications

The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

8.8 Notices

Any notice may be served by the Issuer/ Debenture Trustee upon the Debenture Holders through registered post, recognized overnight courier service, hand delivery or by facsimile transmission addressed to such Debenture Holder at its/his registered address or facsimile number.

All notice(s) to be given by the Debenture Holder(s) to the Issuer/ Debenture Trustee shall be sent by registered post, recognized overnight courier service, hand delivery or email or by facsimile transmission to the Issuer or to such persons at such address/ facsimile number as may be notified by the Issuer from time to time through suitable communication. All correspondence regarding the Debentures should be marked "Private Placement of Debentures".

Notice(s) shall be deemed to be effective (a) in the case of registered mail, 3 (three) Business Days after posting; (b) 1 (One) Business Day after delivery by recognized overnight courier service, if sent for next Business Day delivery(c) in the case of facsimile at the time when dispatched with a report

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confirming proper transmission or (d) in the case of personal delivery, at the time of delivery or (e) or in case of e-mail at the time of the sending thereof (provided no delivery failure notification is received by the sender within 24 hours of sending such email).

8.9 Issue Procedure

Only Eligible Investors as given hereunder may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

The applicant should transfer payments required to be made in any relation by EFT/RTGS, to the bank account of the Issuer as per the details mentioned in the Application Form.

8.10 Application Procedure

Potential investors will be invited to subscribe by way of the Application Form prescribed in the Placement Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Issuer reserves the right to change the Issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons. The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

8.11 Fictitious Applications

All fictitious applications will be rejected.

8.12 Basis of Allotment

Notwithstanding anything stated elsewhere, the Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, priority will be given to potential investors on a first come first serve basis. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to the Issuer by the Deemed Date of Allotment.

8.13 Payment Instructions

The Application Form should be submitted directly. The entire amount of Rs. 10,00,000/- (Rs. Ten Lakhs only) per Debenture is payable along with the making of an application. Applicants can remit the application amount through RTGS on Pay-in Date. The RTGS details of the Issuer are as under:

Beneficiary Name	**MUTHOOT MICROFIN LIMITED**
Bank Account No.	0137102000006521
SWIFT Code	-
IFSC Code	IBKL0000137
Bank Name	IDBI Bank
Branch Address	IDBI Bank building near passport office panampilly nagar post bag NUM 4253, kochi, Kerala-682036

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8.14 Eligible Investors

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The following categories of investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form (**"Eligible Investors"**):

(a) Mutual Funds
(b) NBFCs
(c) Provident Funds and Pension Funds
(d) Corporates
(e) Banks
(f) Foreign Institutional Investors (FIIs)
(g) Qualified Foreign Investors (QFIs)
(h) Foreign Portfolio Investors (FPIs)
(i) Insurance Companies
(j) Alternative Investment Funds
(k) Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures.

All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Note: Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

8.15 **Procedure for Applying for Dematerialised Facility**

(a) The applicant must have at least one beneficiary account with any of the DP's of NSDL and CDSL prior to making the application.

(b) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".

(c) Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.

(d) For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.

(e) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.

(f) If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.

(g) For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the

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applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.

(h) The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

8.16 Depository Arrangements

The Issuer shall make necessary arrangement with CDSL and NSDL for issue and holding of Debenture in dematerialised form.

8.17 List of Beneficiaries

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

8.18 Application under Power Of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

8.19 Procedure for application by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The Application Forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

(a) SEBI registration certificate
(b) Resolution authorizing investment and containing operating instructions
(c) Specimen signature of authorized signatories

8.20 Documents to be provided by Investors

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Investors need to submit the following documents, as applicable:

(a) Memorandum and Articles of Association or other constitutional documents
(b) Resolution authorising investment
(c) Certified true copy of the Power of Attorney to custodian
(d) Specimen signatures of the authorised signatories
(e) SEBI registration certificate (for Mutual Funds)
(f) Copy of PAN card
(g) Application Form (including EFT/RTGS details)

8.21 Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through cheque/EFT/RTGS.

8.22 Succession

In the event of winding up of a Debenture Holder (being a company), the Issuer will recognise the legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such legal representative as having title to the Debenture(s), unless they obtains legal representation, from a court in India having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such legal representation, in order to recognise any person as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on the production of sufficient documentary proof and an indemnity.

8.23 Mode of Payment

All payments must be made through cheque(s) demand draft(s), EFT/RTGS as set out in the Application Form.

8.24 Effect of Holidays

If the date of payment of any Redemption Amount falls on a day that is not a Business Day, such payment of instalment shall be made on the immediately preceding Business Day; and

If the Redemption Date (also being the Coupon Payment Date) as the case may be, falls on a day that is not a Business Day, such payment of interest and Redemption Amount shall be made on the immediately preceding Business Day.

It is hereby clarified that any payments to be made in relation to the Debentures shall also be subject to the day count convention as per the SEBI Debt Listing Regulations.

8.25 Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate/document must be lodged by the Debenture Holder(s) at the office of the R&T Agent of the Issuer at least 15 (Fifteen) calendar days before the relevant payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money, should be submitted along with the Application Form.

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If any payments under this Issue is subject to any tax deduction other than such amounts as are required as per current regulations existing as on the date of the Debenture Trust Deed, including if the Company shall be required legally to make any payment for Tax from the sums payable under the Debenture Trust Deed, ("**Tax Deduction**"), the Company shall make such Tax Deduction, as may be necessary and shall simultaneously pay to the Debenture Holders such additional amounts as may be necessary in order that the net amounts received by the Debenture Holders after the Tax Deduction shall equal the respective amounts which would have been receivable by the Debenture Holders in the absence of such Tax Deduction.

8.26 Letters of Allotment

The letter of allotment, indicating allotment of the Debentures, will be credited in dematerialised form within 2 (Two) Business Days from the Deemed Date of Allotment. The aforesaid letter of allotment shall be replaced with the actual credit of Debentures, in dematerialised form, within a maximum of 2 (Two) Business Days from the Deemed Date of Allotment or such period as is permissible under Applicable Law.

8.27 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is July 29, 2022 by which date the Investors would be intimated of allotment.

8.28 Record Date

The Record Date will be 7 (Seven) calendar days prior to any Due Date.

8.29 Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

8.30 Interest on Application Money

Interest shall be payable on the application monies received at the Coupon Rate / Effective Annualized Coupon Rate commencing from the date of realization of the application monies by the Company up to 1 (One) calendar day prior to the Deemed Date of Allotment and the same shall be paid to the Debenture Holder(s) within 5 (five) Business Days from the Deemed Date of Allotment.

8.31 PAN Number

Every applicant should mention its Permanent Account Number ("**PAN**") allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

8.32 Payment on Redemption

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the Debenture Holder(s) whose

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names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL and CDSL and accordingly the account of the Debenture Holder(s) with NSDL and CDSL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

Disclaimer: Please note that only those persons to whom this Placement Memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may, but is not bound to, revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Provisions in respect of investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

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Chief Financial Officer

SECTION 9: UNDERTAKING

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other applicable laws have been complied with and no statement made in this Placement Memorandum is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Placement Memorandum is as applicable to privately placed debt securities and subject to the information available with the Issuer. The extent of disclosures made in the Placement Memorandum is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Placement Memorandum contains all information with regard to the Issuer and the Issue, that the information contained in the Placement Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Issuer confirms that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters of the Issuer and Permanent Account Number of the directors of the Issuer have been submitted to the stock exchange(s) on which the non-convertible securities are proposed to be listed, at the time of filing of the draft Placement Memorandum.

Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number 15 under SECTION 3'General Risks'.

The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the Placement Memorandum. Any covenants later added shall be disclosed on the relevant stock exchange's website where the Debentures are listed.

The Issuer hereby declares the credit rating obtained by it in relation to the Debentures from CRISIL Limited being "CRISIL PP MLD A" shall be valid on the date of Issue and on the date of listing of Debentures.

For **Muthoot Microfin Limited**

_____
Authorised Signatory

Name: _____
Title: _____
Date: July 29, 2022

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

SECTION 10: FORM NO. PAS-4 - PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

Addressed to: _____
Serial No: _____

July 29, 2022

FORM NO PAS-4 PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

[Pursuant to Section 42 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014]

Issue of up to 700 (Seven Hundred) Secured, Rated, Listed, Redeemable, Taxable, Principle Protected, Market Linked Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) on a private placement basis (the "Issue").

10.1 General Information:

(a) Name, address, website and other contact details of the Company, indicating both registered office and the corporate office:

Issuer / Company:	Muthoot Microfin Limited
Registered Office:	13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra
Corporate Office:	5th Floor, Muthoot Towers, M G Road, Kochi, Kerala -682035.
Telephone No.:	+91 - 484 - 4277500
Website:	www.muthootmicrofin.com
Fax:	+91 – 484 - 2351494
Contact Person:	Mr. Praveen T
Email:	praveen.t@muthoot.com

(b) **Date of Incorporation of the Company:**

April 06, 1992

(c) **Business carried on by the Company and its subsidiaries with the details of branches or units, if any;**

Muthoot Microfin Limited is a Non-Banking Finance Company-Micro Finance Institution (NBFC-MFI) registered with the Reserve Bank of India, operational since March 2015. The entity is a subsidiary of Muthoot Fincorp Limited, part of the Muthoot Pappachan Group (MPG).

Muthoot Fincorp Limited, the flagship company of MPG, is based out of Trivandrum (Kerala) and engaged primarily in the business of gold loans. MPG's history dates back to 1887 when it was established and was engaged in financing and chit business. Currently, the gold loan business through Muthoot Fincorp.

The company diversified into microfinance through the Joint-Liability Group (JLG) Model in 2010. This was done under the brand-name of Muthoot Mahila Mitra (MMM), the Microfinance division of Muthoot Fincorp. MMM is a strategic business unit (SBU) of MFL

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Praveen T
Chief Financial Officer

that engages in microfinance operations. An existing NBFC was acquired in 2012 to spin-off the microfinance business into a separate legal entity so as to be able to run it independently.

MMM as a separate and independent SBU, started operations from Chullaimedu Branch of Chennai in 2010 and gradually expanded to 9 states of TN, Kerala, Karnataka, Goa, Maharashtra, Gujarat, Madhya Pradesh, Rajasthan and Uttar Pradesh.

Muthoot Microfin Limited (MML) received the NBFC-MFI license in March 2015. As of March 31, 2022, the entity is capitalized to the tune of INR 1336.5 Cr, with there being plans to further increase the same to approx. INR 1550 Cr, within the current FY. While the registered office of the company is currently in Mumbai, a corporate office has been established in Delhi. The view behind this is to be able to manage expansion of operations in North India. Muthoot Microfin is spread across 692 branches as on June 30 2022, in 17 states.

(d) **Brief particulars of the management of the Company:**

Management Details		
Name	**Designation**	**Description**
Sadaf Sayeed	Chief Executive Officer	He has been associated with the Muthoot Pappachan Group for the last ten years. He has been serving as the Chief Executive Officer of the Company for the last three years with effect from August 01, 2015 and was also associated with MFL as the Chief Operating Officer of microfinance division from August 16, 2010. He holds a Bachelor of Commerce (Honours course) degree from University of Delhi and a Master of Business Administration degree from Guru Gobind Singh Indraprastha University. He has over 15 years of experience in banking and financial services. 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 in credit and risk management functions.
Subhransu Pattnayak	VP – HR & Products	He has been associated with the Muthoot Pappachan Group for the last eight years. He has been serving as the Vice President - Human Resources and Products for the last three years with effect from August 26, 2015. He was also associated with MFL from July 20, 2012 to August 25, 2015. 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 over 17 years of experience including over five years in banking and financial services. Prior to joining our Company, he was associated with Nicholas Piramal India Limited and ICICI Bank Limited in strategy and product
Udeesh Ullas	COO	He has been associated with the Muthoot Pappachan Group for the last 12 years. He has been serving as the Executive Vice President - Operations. He was also associated with MFL from January 15, 2008 to February 25, 2016. He holds a Bachelor of Commerce degree from Mahatma Gandhi University and a Masters in Business Administration degree from Ariston School of Business Studies. He has over 15 years of experience in retail banking operations, debt

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Praveen T
Chief Financial Officer

		management and microfinance. Prior to joining our Company, he was associated with L&L Services Private Limited, i-Process Services (India) Private Limited and Fullerton India Credit Company Limited.
Dileep Pathak	Sr. AVP-Audit and Risk	Has 7 years of experience in SME banking and microfinance industry. Started his career with ICICI Bank and later joined Satin Credit Care Network Ltd, where he handled Microfinance audit for 4 years. He holds Masters in Business Administration from Lucknow University. Mr Dileep is associated with Muthoot Microfinance since November 2011.
Praveen T	CFO	He has been associated with the Muthoot Pappachan Group for the last seven years. He has been serving as the Chief Financial Officer for the last two 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 MFL as Chief Manager from February 04, 2013 to January 25, 2016. He is a member of the Institute of Chartered Accountants of India with eight years of experience in finance, accounts, management reporting and compliance. Prior to joining our Company, he was associated with Ark Power Controls Private Limited.
Neethu Ajay	Company Secretary and Compliance Officer	She has been associated with our Company for over six years and was appointed as the Company Secretary with effect from February 13, 2014 and was designated as Company Secretary and Compliance Officer with effect from June 27, 2018. She holds a Bachelor of Commerce degree from Mahatma Gandhi University. She is an associate member of the Institute of Company Secretaries of India with over four years of experience in compliance and secretarial functions.

(e) **Name, addresses, DIN and occupations of the directors**:

S. No.	Name of the Director	Designation and Occupation	Date of Birth	Address	DIN	PAN	Director of the company since	Director in other company
1	Thomas John Muthoot	Non Executive Director	07-06-1962	TC 4/1008(1), Kowdiar P.O, Trivandrum, Kerala-695003	00011618	ABNPT4694B	08/05/2017	• EMMEL Realtors and Developers Private Limited • L.M. Realtors Private Limited • Mariposa Agri Ventures and Hospitalities Private Limited • MPG Hotels and Infrastructure

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Chief Financial Officer

								Ventures Private Limited • Muthoot APT Ceramics Limited • Muthoot Automobile Solutions Private Limited • Muthoot Automotive (India) Private Limited • Muthoot Buildtech (India) Private Limited • Muthoot Capital Services Limited • Muthoot Equities Limited • MFL • Muthoot Hotels Private Limited • Muthoot Housing Finance Company Limited • Muthoot Land and Estates Private Limited • Muthoot Motors Private Limited • Muthoot Pappachan Centre of Excellence in Sports • Muthoot Pappachan Medicare Private Limited • Muthoot Pappachan Technologies Limited • Muthoot Risk Insurance and Broking Services Private Limited

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Chief Financial Officer

								• Trivandrum Centre for Performing Arts
2	Thomas George Muthoot	Non Executive Director	07-06-1962	Muthoot Towers, College Road P.O, M G Road, Ernakulam, Kerala - 6832035	00011552	ABNPT4693G	08/05/2017	• Buttercup Agri Projects and Hospitalities Private Limited • Finance Companies' Association (India) • Fox Bush Agri Development and Hospitalities Private Limited • Jungle Cat Agri Development and Hospitalities Private Limited • Mandarin Agri Ventures and Hospitalities Private Limited • MPG Hotels and Infrastructure Ventures Private Limited • Muthoot APT Ceramics Limited • Muthoot Automobile Solutions Private Limited • Muthoot Automotive (India) Private Limited • Muthoot Capital Services Limited • MFL • Muthoot Hotels Private Limited • Muthoot Housing Finance Company Limited • Muthoot Pappachan

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								Medicare Private Limited • Muthoot Pappachan Technologies Limited • Muthoot Properties (India) Private Limited • Muthoot Risk Insurance and Broking Services Private Limited • The Thinking Machine Media Private Limited • Muthoot Pappachan Centre of Excellence in Sports
3	Thomas Muthoot	Managing Director	15-07-1966	Muthoot Towers, 6th Floor, M G Road, Opp.Abad Plaza, Ernakulam, Kerala -682035	00082099	AEAPM0424L	08/05/2017	• Flame Agri Projects and Hospitalities Private Limited • Goblin Agri Projects and Hospitalities Private Limited • L.M. Realtors Private Limited • MPG Hotels and Infrastructure Ventures Private Limited • Muthoot Agri Development and Hospitalities Private Limited • Muthoot Agri Projects and Hospitalities Private Limited • Muthoot APT Ceramics Limited • Muthoot Automobile Solutions Private Limited

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								• Muthoot Automotive (India) Private Limited • Muthoot Capital Services Limited • Muthoot Dairies and Agri Ventures Private Limited • MFL • Muthoot Hotels Private Limited • Muthoot Housing Finance Company Limited • Muthoot Motors Private Limited • Muthoot Pappachan Centre of Excellence in Sports • Muthoot Pappachan Technologies Limited • Muthoot Risk Insurance and Broking Services Private Limited • The Right Ambient Resorts Private Limited
4	Thomas Muthoot John	Non Executive Director	17-11-1989	TC 4/1008(1), Kowdiar P.O, Trivandrum, Kerala-695003	07557585	AQQPJ2310L	01/12/2016	Planterstreasure Enterprises Private Limited
5	Kenneth Dan Vander Weele	Non Executive Director	22-04-1953	445 East North Water Street, #2101 Chicago, IL 60611 USA	02545813	NIL	27/12/2016	Indian Companies: • Fusion Micro Finance Private Limited • Sohan Lal Commodity Management Private Limited • Sonata Finance Private Limited

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Chief Financial Officer

								Foreign Companies: • Commercial Credit and Finance plc (Sri Lanka) • NOA Holdings NV- Holland
6	Alok Prasad	Independent Director	08-09-1952	144 Vista Villas, Sector - 46, Gurugram, 122001	00080225	DBDPP0625M	10/05/2017	• Accela Fiduciary Services Private Limited • Fincare Small Finance Bank Limited • Gang-Jong Development Finance Private Limited • Ummeed Housing Finance Private Limited • Capfloat Financial Services Private Limited
7	T S Vijayan	Independent Director	25/02/1953	Sunnyvale, TC 8/725 (1), Thirumala, Trivandrum 695 006, Kerala, India	00043959	AAVPV4834C1	15/05/18	Reliance Trusteeship Company Limited
8	Bhama Krishna murthy	Independent Director	19/12/1954	4th Floor, Avarsekars Srushti, Old Prabhadevi Road, Prabhadevi, Mumbai 400 025, Maharashtra, India	02196839	AAPPK0269A	15/05/18	• Five-Star Business Finance Limited • India SME Asset Reconstruction Company Limited • Jains Sons Finlease Limited • Kolte – Patil I-Ven Townships (Pune) Limited • Paisalo Digital Limited • Reliance Industrial Infrastructure Limited

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

								• Reliance Payment Solutions Limited • TAB Capital Limited
9	Pushpy B Muricken	Independent Director	08/05/1974	Kodiyatt, 5-Vrindavanam, Subash Chandra Bose Road, Vyttila 682 019, Kerala, India	03431198	ARCPM3105D	31/03/18	Brainstream Advisors Private Limited

10.2 **MANAGEMENT PERCEPTION OF RISK FACTORS:**

Please refer to Section 3 of this Placement Memorandum.

10.3 **RISKS RELATED TO THE BUSINESS OF THE ISSUER**

Please refer to Section 3 of this Placement Memorandum.

10.4 **Details of defaults, if any, including the amounts involved, duration of default, and present status, in repayment of:**

(i) Statutory Dues: NIL
(ii) Debentures and interest thereon: NIL
(iii) Deposits and interest thereon: NIL
(iv) Loan from any bank or financial institution and interest thereon: NIL

10.5 **Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the Issue:**

Name: Neethu Ajay
Designation: Company Secretary
Address: Muthoot Microfin Ltd., 5th Floor, Muthoot Towers, M.G. Road, Kochi - 682 035
Phone No.: 0484 - 4277580
Email: neethu.ajay@muthoot.com

10.6 **Any default in annual filing of the Company under the Companies Act, 2013 or the rules made thereunder**:

The Company has not defaulted in annual filing under the Companies Act, 2013, or the rules made thereunder.

10.7 **Particulars of the Offer:**

Financial position of the Company for the last 3 (three) financial years	Please refer to **PART A** below.
Date of passing of Board Resolution	May 10, 2022 read with the resolution passed by the Debenture Issue Committee of the Board of Directors dated July 23, 2022.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Date of passing of resolution in annual general meeting, authorizing the offer of securities	Shareholders resolutions under Section 180(1)(a) & Section 180(1)(c) of the Companies Act, 2013 dated September 29, 2021.
Kind of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued	700 (Seven Hundred) Secured, Rated, Listed, Redeemable, Taxable, Principle Protected, Market Linked Non-Convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) on a private placement basis (the "**Issue**").
Price at which the security is being offered, including premium if any, along with justification of the price	The Debentures are being offered at face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture.
Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer	Not Applicable as the Debentures are being offered at face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture. Given that the Issue consists of Market Linked Debentures, please also refer to **Annexure X** of this Placement Memorandum for the Valuation Report issued by the Valuation Agency in relation to the valuation of the Debentures.
Relevant date with reference to which the price has been arrived at **[Relevant Date means a date at least 30 days prior to the date on which the general meeting of the Company is scheduled to be held]**	Not applicable.
The class or classes of persons to whom the allotment is proposed to be made	The following categories of investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form ("**Eligible Investors**"): (i) Mutual Funds (ii) NBFCs (iii) Provident Funds and Pension Funds (iv) Corporates (v) Banks (vi) Foreign Institutional Investors (FIIs) (vii) Qualified Foreign Investors (QFIs) (viii) Foreign Portfolio Investors (FPIs) (ix) Insurance Companies (x) Alternative investment funds (xi) Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures. All potential investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

	Note: Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.
Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) [Not required in case of issue of non-convertible debentures]	Not applicable.
The proposed time within which the allotment shall be completed	Issue Opening Date: July 29, 2022 Issue Closing Date: July 29, 2022 Pay-in Date: July 29, 2022 Deemed Date of Allotment: July 29, 2022
The names of the proposed allottees and the percentage of post private placement capital that may be held by them [Not applicable in case of issue of non-convertible debentures]	Not applicable.
The change in control, if any, in the company that would occur consequent to the private placement	No change in control would occur consequent to this private placement.
The number of persons to whom allotment on preferential basis / private placement / rights issue has already been made during the year, in terms of securities as well as price	Nil
The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	N.A.
Amount, which the Company intends to raise by way of proposed offer of securities	Up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) on a private placement basis.

For Muthoot Microfin Limited

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Terms of raising of securities:	
	Duration, if applicable: — 21 (Twenty One) months from the Deemed Date of Allotment.
	Rate of Interest or Coupon: — Coupon Rate shall be linked to the Underlying Performance of the Reference Index being 5.77% GS 2030 as published by Financial Benchmarks India Private Limited (available at www.fbil.org.in.) and shall be paid at the Maturity Date / Redemption Date as set out in detail in the Placement Memorandum and the Debenture Trust Deed.
	Mode of Payment — cheque(s)/ demand draft/ electronic clearing services (ECS)/credit through RTGS system/funds transfer.
	Mode of Repayment — cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer
Proposed time schedule for which the Issue/Offer Letter is valid	July 29, 2022
Purpose and objects of the Issue/Offer	To raise debt to the extent of up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) and 100% (One Hundred Percent) of the issue proceeds will be utilised towards originating joint liability group loans for women borrowers.
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	N.A.
Principal terms of assets charged as security, if applicable	The Issue shall be secured by a charge created by the Issuer in favour of the Debenture Trustee (for the benefit of the Debenture Holders) being a first ranking exclusive and continuing charge by way of hypothecation over the identified receivables of the Issuer, present and future (as set out more particularly in the Deed of Hypothecation), (collectively the "**Hypothecated Receivables**") such that the value of security shall be equivalent to at least 1.10 (One Decimal Point One Zero) times or 110% (One Hundred and Ten Percent) of the value of the principal amount outstanding payable on all the Debentures issued by the Company in respect of which the Hypothecated Receivables constitutes security on an exclusive basis wherein at least 1.10 (One Decimal Point One Zero) times or 110% (One Hundred and Ten Percent) of the Security Cover is from the principal amount of the underlying Receivables ("**Security Cover**"). The Issuer undertakes: (i) Upon the execution of the Deed of Hypothecation, to maintain the value of the Security Cover at all times till the Final Settlement Date. (ii) to create the security over the Hypothecated Receivables by executing a duly stamped deed of hypothecation ("**Deed of Hypothecation**") on or

For Muthoot Microfin Limited
Praveen T
Chief Financial Officer

	prior to the Deemed Date of Allotment. (iii) to register and perfect the security over the Hypothecated Receivables by filing the relevant Form CHG-9 with the relevant Registrar of Companies, on or prior to the Deemed Date of Allotment. (iv) to pay a penal interest of 2% (Two Percent) per annum in case there is any delay in the creation, registration and perfection of security over the Hypothecated Receivables. (v) The value of the Hypothecated Receivables for this purpose shall be the amount reflected as the value thereof in the books of accounts of the Issuer. (vi) Upon the execution of the Deed of Hypothecation, in the event of any fall in the Security Cover, additional Hypothecated Receivables shall be taken in the manner as provided for in the Deed of Hypothecation. (vii) Upon the execution of the Deed of Hypothecation, to provide a list, on a quarterly basis (within 7 calendar days from the end of each quarter), of specific loan receivables to the Debenture Trustee and over Debenture Holders over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Security Cover ("**Quarterly Hypothecated Receivables Report**"). (viii) to add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Receivables is at least equal to 1.10x (One decimal one zero) time or 110.0% (One hundred and ten percent) the aggregate amount of principal payable on the Debentures where at least 1.10x (One decimal one zero) time or 110.0% (One hundred and ten percent) of the Security Cover is from the principal amount of the underlying Receivables. (ix) Eligibility criteria for the Receivables (as defined in the Deed of Hypothecation) constituting the Hypothecated Receivables shall be as set out under the Deed of Hypothecation. (x) The Issuer shall authorize the Debenture Trustee (by itself or through its nominee) to conduct credit bureau scrub on the Hypothecated Receivables from time to time.
The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations	NIL

The pre-issue and post-issue shareholding pattern of the Company in the following format:

	Category	Pre-issue	Post-issue

For Arohan Financial Services Limited

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Chief Financial Officer

S. No.		No. of shares held	Percentage (%) of shareholding	No. of shares held	Percentage (%) of shareholding
A	Promoters' holding				
	Indian				
1	Individual	27095019	23.73%	27095019	23.73%
	Bodies Corporate	72625449	63.61%	72625449	63.61%
	Sub-total	**99720468**	**87.34%**	**99720468**	**87.34%**
2	Foreign promoters				
	Sub-total (A)	**112727246**	**98.73%**	**112727246**	**98.73%**
B	Non-promoters' holding				
1	Institutional Investors	13006778	11.39%	13006778	11.39%
2	Non-Institutional Investors				
	Private Corporate Bodies	-	-	-	-
	Directors and relatives	-	-	-	-
	Indian public	-	-	-	-
	Others (including Non-resident Indians)	1443256	1.27%	1443256	1.27%
	Sub-total (B)	**1443256**	**1.27%**	**1443256**	**1.27%**
	GRAND TOTAL	**114170502**	**100%**	**114170502**	**100%**

10.8 **Mode of payment for subscription (Cheque/ Demand Draft/ other banking channels):**
Other banking channels – RTGS/NEFT.

10.9 **Disclosure with regard to interest of directors, litigation, etc:**

Any financial or other material interest of the directors, promoters or key managerial personnel in the offer/ Issue and the effect of such interest in so far as it is different from the interests of other persons	The directors, promoters or key managerial personnel do not have any financial or other material interest in the offer/ Issue.
Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last 3 (three) years immediately preceding the year of the issue of this Offer Letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	There is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter or director of the Company during the last 3 (three) years immediately preceding the year of the circulation of this Offer Letter.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Remuneration of directors (during the current year and last 3 (three) financial years)	

Name of the Director	Remuneration (in Rs)	Sitting Fees (In Rs. In Million)
2021 -22		
Pushpy B Muricken	0	0.66
T S Vijayan	0	0.63
Alok Prasad	0	0.78
Bhama Krishnamurthy	0	0.78
2020-21		
Pushpy B Muricken	0	0.49
T S Vijayan	0	0.46
Alok Prasad	0	0.49
Bhama Krishnamurthy	0	0.56
2019-20		
Pushpy B Muricken	0	0.59
T S Vijayan	0	0.52
Alok Prasad	0	0.62
Bhama Krishnamurthy	0	0.72

Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this Offer Letter including with regard to loans made or, guarantees given or securities provided	Please refer to **CHAPTER C** for the related party transactions for the financial years 2020, 2021 and 2022.
Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of this Offer Letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark	NIL
Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of circulation of the Offer Letter in the case of the Company and all of its subsidiaries. Also if there were any were any prosecutions filed	No inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last 3 (three) years immediately preceding the year of circulation of this Offer Letter. The details of Compounding of Offences made during last three immediately preceding financial year are given herein.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

(whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this Offer Letter and if so, section-wise details thereof for the Company and all of its subsidiaries	
Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the company	NIL

10.10 **Financial Position of the Company:**

The capital structure of the company in the following manner in a tabular form:

The authorized, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)	**Number**	**Description (Type of Security)**	**Aggregate Nominal Value (INR)**
	20,00,00,000	150,000,000 Equity shares 50,000,000 Compulsorily convertible preference shares	20,00,00,00,000
	12,38,04,341	11,41,70,602 Equity Shares 9633739 Compulsorily convertible preference shares	1,23,80,43,410
	12,38,04,341	11,41,70,602 Equity Shares 9633739 Compulsorily convertible preference shares	1,23,80,43,410
	12,38,04,341	11,41,70,602 Equity Shares 9633739 Compulsorily convertible preference shares	1,23,80,43,410
Size of the Present Offer	Up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) on a private placement basis.		
Paid-up Capital: **a. After the offer:** **b. After the conversion of Convertible Instruments (if applicable)**	Equity Share Capital: Rs. 114,17,06,020 Preference Share Capital: Rs.963,37,390 Not Applicable		
Share Premium Account: **a. Before the offer:**	Rs. 498,87,43,805		

For Muthoot Microfin Limited

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Chief Financial Officer

b. After the offer:	Rs. 498,87,43,805

Details of the existing share capital of the Issuer including details of allotments made by the Company in the last one year prior to the date of this Offer Letter for consideration other than cash and details of the consideration in each case:

S. No.	Date of Allotment	Number of Equity Shares Allotted	Face Value of Shares	Price of allotment (including premium)	Form of consideration	Cumulative Capital (Number of Shares)
	September 29,2012, January 15,2014, May 27,2015, June 15,2015, January 21,2016, April 29,2016, December 21,2016, March 31,2018	72625449	10	726254490	Cash	72625449
	May 27,2015, September 29,2016, December 21,2016, August 31,2017, December 19,2017, March 31,2018	6350459	10	63504590	Cash	78975908
	May 27,2015, September 29,2016, December 21,2016, August 31,2017, December 19,2017, March 31,2018	6328806	10	63288060	Cash	85304714
	May 27,2015, September 29,2016,	6327160	10	63271600	Cash	91631874

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

	December 21,2016, August 31,2017, December 19,2017, March 31,2018					
	May 27,2015, March 31,2018	2704513	10	27045130	Cash	94336387
	May 27,2015, March 31,2018	2702867	10	27028670	Cash	97039254
	May 27,2015, March 31,2018	2681214	10	26812140	Cash	99720468
	December 26,2016, March 31,2018, December 26,2016	13006778	10	130067780	Cash	112727246
	March 31,2018, December 26,2016, August 31,2017 December 19,2017, March 24, 2018	1443256	10	14432560	Cash	114170502
	December 8, 2021	100	10	1000	Cash	114170602
	Total Equity Shares	**114170602**		**1141705020**		

Details of allotments made by the Company in the last one year prior to the date of this Offer Letter for consideration other than cash and details of the consideration in each case.	NIL
Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the	

FY	PBT (in Rs. Cr)	PAT (in Rs. Cr)
FY 2022	64.72	47.40

For Muthoot Microfin Limited

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Praveen T
Chief Financial Officer

<table>
<tr><td>date of circulation of this Offer Letter</td><td><table>
<tr><td>FY 2021</td><td>9.05</td><td>7.05</td></tr>
<tr><td>FY 2020</td><td>19.70</td><td>18.20</td></tr>
<tr><td>FY 2019</td><td>270.52</td><td>201.22</td></tr>
</table></td></tr>
<tr><td>Dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)</td><td><table>
<tr><th>Year</th><th>2022</th><th>2021</th><th>2020</th></tr>
<tr><td>Dividend Declared</td><td>NIL</td><td>NIL</td><td>NIL</td></tr>
<tr><td>Interest Coverage Ratio</td><td>1.14</td><td>1.07</td><td>1.06</td></tr>
</table></td></tr>
<tr><td>A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this Offer Letter</td><td>Please refer CHAPTER A to this Private Placement Offer cum Application Letter.</td></tr>
<tr><td>Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this Offer Letter</td><td>Please refer CHAPTER B to this Private Placement Offer cum Application Letter.</td></tr>
<tr><td>Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company</td><td>NIL</td></tr>
</table>

10.11 **PART B (To be filed by the Applicant)**

(i) Name: Northern Arc Capital Limited

(ii) Father's name: NA

(iii) Complete Address including Flat / House Number, Street, Locality, Pin Code: 10th Floor phase-1, IIT Madras Research Park, Kanagam Village, Taramani, Chennai 600113 India

(iv) Phone number; if any: 044 66687382

(v) Email ID, if any: Kalyanasundaram.c@northernarc.com

(vi) PAN Number: AACCI0979B ; and

(vii) Bank Account details: 10023719388

Bank Name	IDFC Bank
IFSC Code	IDFB0080101
Address	Chennai R K Salai

(viii) Tick whichever is applicable:

(a) The applicant is not required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares / securities:

✓

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

(b) The applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith: Not applicable.

_____
Signature

_____
Initial of the Officer of the Company designated to keep the record

Enclosed
Copy of Board Resolution
Copy of Shareholders Resolution
Copy of _____
Chapter A - A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this Offer Letter
Chapter B - Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this Offer Letter
Chapter C - Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this Offer Letter including with regard to loans made or, guarantees given or securities provided
Optional Attachments, if any

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

CHAPTER A: FINANCIAL POSITION OF THE COMPANY AS IN THE 3 (THREE) AUDITED BALANCE SHEETS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THIS PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

Muthoot Microfin Limited

Regd. Office: 12th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051
Admin Office: 5th Floor, Muthoot Towers, Opp Abad Hotel, MG Road, Ernakulam - 682035

Statement of financial results for the 6 months and year ended 31 March 2021

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Particulars	6 months ended 31 March 2021	6 months ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
	Unaudited (Refer Note 12)	Unaudited (Refer Note 12)	Audited	Audited
Revenue from operations				
Interest income	33,509.01	34,505.53	62,097.37	80,636.13
Fees and commission income	157.12	428.16	321.15	947.00
Net gain on fair value changes	4,273.29	9,932.44	4,273.29	21,628.42
Income on investments	405.63	1,460.64	1,690.52	2,581.70
Sale of services	15.54	27.08	25.16	44.37
Total revenue from operations	**38,360.58**	**45,345.85**	**68,416.67**	**86,021.55**
Other income	788.16	610.35	1,211.46	451.75
Total income	**39,148.73**	**45,956.80**	**69,628.13**	**86,473.30**
Expenses				
Finance costs	14,933.39	18,404.29	28,532.40	39,067.28
Fees and commission expenses	577.99	469.68	973.64	1,442.49
Impairment on financial instruments	6,425.19	15,456.09	13,141.45	21,250.80
Employee benefit expenses	11,277.30	10,574.89	18,686.06	19,494.95
Depreciation and amortisation expense	991.59	718.71	1,662.84	1,310.86
Other expenses	1,948.36	3,040.44	4,103.32	5,935.10
Total expenses	**36,649.93**	**47,064.80**	**68,732.83**	**84,701.58**
Profit / (loss) before tax for the period / year	**2,507.80**	**(1,107.80)**	**905.30**	**1,969.71**
Tax expense				
Current tax	3,472.89	1,424.89	3,472.89	1,892.32
Deferred tax	(2,696.12)	(1,598.96)	(3,177.16)	(1,695.49)
Tax relating to prior years	(95.63)	(16.68)	(95.63)	(76.98)
Total tax expense	**671.14**	**(190.75)**	**299.10**	**149.15**
Profit / (loss) for the period / year	**2,506.66**	**(947.05)**	**705.40**	**1,820.56**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of the net defined benefit liability / asset	(37.73)	(70.57)	(91.36)	(377.77)
Income tax relating to items that will not be reclassified to profit or loss	9.50	17.76	30.48	89.97
Items that will be reclassified to profit or loss				
Remeasurement of financial assets carried at fair value through OCI	(6,121.93)	3,378.03	(3,174.60)	583.02
Income tax relating to items that will be reclassified to profit or loss	1,540.89	(850.23)	799.05	(146.74)
Other comprehensive income / (loss), net of tax	**(4,609.27)**	**2,475.10**	**(2,436.43)**	**226.08**
Total comprehensive income / (loss) for the period / year	**(2,102.61)**	**1,528.05**	**(1,731.03)**	**2,046.64**
Paid-up equity share capital (face value of ₹ 10 each)	11,417.05	11,417.05	11,417.05	11,417.05
Reserves (excluding revaluation reserves)	Not Applicable	Not Applicable	77,571.93	79,282.16
Analytical Ratios				
Debt equity ratio	2.55	1.72	2.55	1.72
Networth	88,989.98	90,699.23	88,989.98	90,699.23
Earnings per share (not annualized for half year)				
Basic (₹)	2.35	(0.83)	0.62	1.59
Diluted (₹)	2.35	(0.83)	0.62	1.59
Par value of equity shares (₹)	10.00	10.00	10.00	10.00

See accompanying notes to financial results

For Identification Purpose Only
Walker Chandiok & Co LLP
Chartered Accountants

For Muthoot Microfin Limited

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Praveen T
Chief Financial Officer

Muthoot Microfin Limited

Regd. Office: 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051
Admin Office: 5th Floor, Muthoot Towers, Opp Abad Hotel, MG Road, Ernakulam - 682035

Statement of assets and liabilities as at 31 March 2021

(All amounts are in Lakhs, unless otherwise stated)

Particulars	As at 31 March 2021 Audited	As at 31 March 2020 Audited
Assets		
Financial assets		
Cash and cash equivalents	61,967.57	118,129.29
Bank balances other than cash and cash equivalents	22,590.37	17,885.20
Receivables		
Other receivables	829.24	1,104.44
Loans	328,545.08	256,380.14
Investments	4.50	-
Other financial assets	238.48	233.24
	414,215.74	393,742.30
Non-financial assets		
Current tax assets (net)	941.45	3,796.19
Deferred tax asset (net)	1,003.82	-
Property, plant and equipment	3,084.46	3,686.79
Right of use assets	7,001.80	7,209.01
Other intangible assets	17.61	18.33
Other non-financial assets	358.14	716.97
	12,311.82	15,422.10
Total assets	426,527.56	409,164.46
Liabilities and equity		
Liabilities		
Financial liabilities		
Payables		
Other payables		
total outstanding dues of micro enterprises and small enterprises	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	270.90	368.05
Debt securities	45,246.82	21,449.05
Borrowings (other than debt securities)	253,822.64	268,193.07
Subordinated liabilities	2,466.26	2,482.77
Lease liabilities	7,798.92	7,581.84
Other financial liabilities	19,040.66	14,519.36
	328,665.30	314,604.16
Non-financial liabilities		
Deferred tax liabilities (net)	-	2,993.16
Provisions	463.84	508.89
Other non-financial liabilities	389.24	358.96
	853.08	3,861.00
Equity		
Equity share capital	11,417.05	11,417.35
Other equity	77,571.93	79,282.16
	88,988.98	90,699.23
Total liabilities and equity	426,527.36	409,164.46

See accompanying notes to financial results



For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

d/c

Muthoot Microfin Limited
Balance Sheet as at March 31, 2020
(All amounts in INR millions, unless stated otherwise)

	Notes	As at March 31, 2020	As at March 31, 2019
Assets			
Financial assets			
Cash and cash equivalents	2	11,812.92	4,700.10
Bank balances other than cash and cash equivalents	3	1,789.53	1,189.19
Receivables			
Other receivables	4	730.45	58.71
Loans	5	25,638.01	26,992.51
Other financial assets	6	23.19	19.07
		39,374.23	36,959.58
Non-financial assets			
Current tax assets (net)		579.52	165.35
Property, plant and equipment	7	368.67	206.18
Right-of-use assets	8	700.50	-
Capital work-in-progress	9	-	6.58
Other intangible assets	10	7.83	1.58
Other non-financial assets	11	57.55	63.45
		1,527.86	443.12
Total		40,902.09	36,581.89
Liabilities and equity			
Liabilities			
Financial liabilities			
Payables			
Other payables			
Total outstanding dues of micro enterprises and small enterprises	12	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	12	30.41	54.92
Debt securities	13	2,344.91	2,750.67
Borrowings (other than debt securities)	14	26,616.84	23,473.70
Subordinated liabilities	15	249.28	248.25
Lease liabilities	8	758.19	-
Other financial liabilities	16	1,379.04	1,335.59
		31,382.62	28,903.71
Non-financial liabilities			
Deferred tax liabilities (net)	17	299.32	460.92
Provisions	18	50.80	9.03
Other non-financial liabilities	19	99.92	70.74
		450.13	540.69
Equity			
Equity share capital	20	1,141.71	1,141.71
Other equity	21	7,928.33	7,716.19
		9,069.93	8,857.90
Total		40,902.09	36,581.89
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements.
This is the balance sheet referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of the Board of Directors of
Muthoot Microfin Limited

Kavitha Kumar Ananthanivas
Partner
Membership No.: 036220
Place: Kochi

Thomas Muthoot
Managing Director
DIN: 00082090
Place: Kochi

Thomas John Muthoot
Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011582
Place: Kochi

Date: 19 June 2020

Praveen T
Chief Financial Officer
Place: Kochi

Nanthu Ajay
Company Secretary
Place: Kochi

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Muthoot Microfin Limited
Statement of Profit and Loss for the year ended March 31, 2020
(All amounts in INR million, unless stated otherwise)

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations			
Interest income	22	6,910.87	5,169.25
Fees and commission income	23	34.79	166.38
Net gain on fair value changes	24	2,162.04	1,745.85
Income from investments	25	256.17	152.36
Sale of services		4.44	2.57
Total revenue from operations		9,429.31	7,236.41
Other income	26	65.10	226.60
Total income		9,394.39	7,464.21
Expenses			
Finance costs	27	2,906.75	2,338.37
Fees and commission expense	28	144.25	137.23
Impairment on financial instruments	29	2,647.04	283.50
Employee benefits expenses	30	1,598.19	1,476.12
Depreciation and amortisation expense	31	137.09	29.66
Other expenses	32	593.01	540.14
Total expenses		8,367.31	4,709.03
Profit before tax		596.98	2,755.29
Tax expense			
Current tax	34	186.33	453.69
Deferred tax	34	(160.35)	86.39
Tax relating to prior years		(1.36)	-
Profit for the year (A)		572.46	2,215.25
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurement of the net defined benefit (liability)/asset		(27.74)	4.49
Income tax relating to the above		6.99	(1.31)
Items that will be reclassified to profit and loss			
Remeasurement of loan assets		59.56	434.23
Income tax relating to the above		(14.99)	(126.40)
Other comprehensive income for the year, net of tax (B)		23.63	311.01
Total comprehensive income for the year (A+B)		595.49	2,526.26
Earnings per equity share (face value of ₹ 10 each)	33		
Basic (₹)		1.89	19.43
Diluted (₹)		1.89	19.43
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements.
This is the statement of profit and loss referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No: 001076N/N500013

Kuthalakumar Ananthakrishnan
Partner
Membership No: 204229
Place: Kochi

Date: 19 June 2020

For and on behalf of the Board of Directors of
Muthoot Microfin Limited

Thomas Muthoot
Managing Director
DIN: 00082909
Place: Kochi

Praveen T
Chief Financial Officer
Place: Kochi

Thomas John Muthoot
Director
DIN: 00011958
Place: Thiruvananthapuram

Nicchu Ajay
Company Secretary
Place: Kochi

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

For Muthoot Microfin Limited
Praveen T
Chief Financial Officer

Muthoot Microfin Limited
Balance sheet as at March 31, 2019
(All amounts in INR million, unless stated otherwise)

	Notes	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Assets				
Financial assets				
Cash and cash equivalents	2	4,700.10	5,712.16	3,162.28
Bank balances other than cash and cash equivalents	3	1,349.19	1,004.45	674.57
Receivables				
Other receivables	4	33.21	34.66	21.25
Loans	5	28,992.51	18,536.36	14,566.27
Other financial assets	6	19.67	12.94	7.12
		35,095.68	25,301.57	18,431.29
Non-financial assets				
Current tax assets (net)		145.35	84.50	-
Property, plant and equipment	7	205.18	131.02	70.63
Capital work-in-progress	8	6.58	-	5.21
Other intangible assets	9	1.56	0.89	1.15
Other non-financial assets	10	83.45	28.97	13.91
		442.12	245.38	90.94
Total		35,301.80	25,547.95	18,712.23
Liabilities and Equity				
Liabilities				
Financial liabilities				
Payables				
Other payables				
total outstanding dues of micro enterprises and small enterprises		-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	11	54.92	31.71	29.90
Debt securities	12	2,790.07	2,785.22	2,055.06
Borrowings (other than debt securities)	13	21,473.70	14,412.45	8,590.12
Subordinated liabilities	14	248.55	3,934.35	1,817.64
Other financial liabilities	15	1,373.63	1,042.46	4,971.47
		25,941.28	21,226.19	16,582.19
Non Financial liabilities				
Current tax liabilities (net)		-	-	20.99
Deferred tax liability (net)	16	460.90	252.82	174.03
Provisions	17	9.05	6.51	4.65
Other non financial liabilities	18	32.70	33.03	19.61
		502.65	292.36	219.28
Equity				
Equity share capital	19	1,141.71	1,028.78	838.52
Other equity	20	7,716.19	3,000.62	672.24
		8,857.90	4,029.40	1,510.76
Total		35,301.80	25,547.95	18,712.23
Summary of Significant Accounting Policies	1			

The accompanying notes are an integral part of the financial statements.

This is the balance sheet referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Krishnakumar Ananthapiran
Partner
Membership No.: 206239

Place: Kochi
Date: 14 May 2019

For and on behalf of the Board of Directors of
Muthoot Microfin Limited

Thomas Muthoot
Managing Director
DIN: 00382999

Thomas John Muthoot
Director
DIN: 00011618

Thomas George Muthoot
Director
DIN: 00011552

Praveen T
Chief Financial Officer

Neethu Ajay
Company Secretary

Place: Kochi
Date: 14 May 2019

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Muthoot Microfin Limited
Statement of Profit and Loss for the year ended March 31, 2019
(All amounts in INR millions, unless stated otherwise)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations			
Interest income	21	5,140.28	3,787.89
Fees and commission income	22	166.28	168.51
Net gain on fair value changes	23	1,795.85	1,073.05
Sale of services		2.67	1.24
Total revenue from operations		7,345.08	5,030.69
Other income	24	501.15	83.47
Total income		7,604.23	5,113.96
Expenses			
Finance costs	25	2,358.57	1,891.80
Fees and commission expenses	26	137.25	200.92
Net loss on fair value changes	27	-	1,150.56
Impairment on financial instruments	28	283.50	180.96
Employee benefits expenses	29	1,470.12	1,038.27
Depreciation and amortisation expense	30	29.65	28.41
Other expenses	31	540.14	514.96
Total expenses		4,799.23	4,761.88
Profit before tax		2,705.10	352.08
Tax expense			
Current tax	34	612.60	417.37
Deferred tax	34	80.55	79.95
Profit/(loss) for the year (A)		2,012.10	(144.32)
Other Comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurement of the net defined benefit liability/asset		4.49	(1.33)
Income tax relating to the above		(1.31)	0.46
Items that will be reclassified to profit and loss			
Remeasurement of loan assets		454.29	0.91
Income tax relating to the above		(126.46)	(0.32)
Other comprehensive income/(loss) for the year, net of tax (B)		311.01	(0.28)
Total comprehensive income/(loss) for the year (A+B)		2,323.26	(144.59)
Earning/(Loss) per equity share (face value of ₹ 10 each)	33		
Basic (₹)		19.45	(5.60)
Diluted (₹)		19.45	(5.60)
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements.

This is the statement of profit and loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Krishnakumar Ananthanarayan
Partner
Membership No.: 206220

Place: Kochi
Date: 14 May 2019

For and on behalf of the Board of Directors of
Muthoot Microfin Limited

Thomas Muthoot
Managing Director
DIN: 00082099

Thomas John Muthoot
Director
DIN: 00011618

Thomas George Muthoot
Director
DIN: 00011552

Praveen T
Chief Financial Officer

Neethu Ajay
Company Secretary

Place: Kochi
Date: 14 May 2019

For Muthoot Microfin Limited
Praveen T152
Chief Financial Officer

CHAPTER B: AUDITED CASH FLOW STATEMENT FOR THE 3 (THREE) YEARS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THIS PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

Muthoot Microfin Limited
Cash Flow Statement for the Year ended March 31, 2021
(All amounts in INR million, unless stated otherwise)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from operating activities		
Profit before tax	**90.36**	**196.91**
Adjustments		
Depreciation and amortisation	166.33	137.00
(Gain)/Loss on sale of tangible assets	(0.18)	0.14
Provision for employee benefits	59.26	54.59
Impairment on financial instruments	1,914.15	2,647.04
Profit on sale of financial assets carried at fair value through profit or loss	(169.95)	(256.17)
Interest income on security deposits	(2.65)	(0.75)
Other Interests	(1.86)	
Gain on sale of loan asset through direct assignment	(427.50)	(2,162.84)
Adjustments towards effective interest rate in respect of loan assets	92.05	(8.97)
Adjustments towards effective interest rate in respect of debt securities, borrowings and subordinate liabilities	1.69	(60.67)
Share based payments	3.65	3.45
Finance cost on leases	80.82	89.80
Operating profit before working capital changes	**1,567.92**	**626.50**
Working capital changes		
(Increase)/ decrease in loans	(8,582.66)	937.75
(Increase)/ decrease in other assets-others	17.55	(72.24)
(Increase)/ decrease in other financial assets	(0.50)	(22.98)
(Increase)/ decrease in other non financial assets	6.54	32.46
Increase/ (decrease) in other payables	(0.74)	(24.51)
Increase/ (decrease) in other financial liabilities	455.05	52.50
Increase/ (decrease) in provisions	(50.90)	(20.50)
Increase/ (decrease) in other non financial liabilities	3.02	20.18
Cash used in operating activities	**(6,586.02)**	**1,510.72**
Income taxes paid (net)	(52.51)	(398.64)
Net cash used in operating activities	**(7,038.50)**	**1,340.08**
Cash flows from investing activities		
Purchase of tangible assets (including capital advances, capital creditors and capital work in progress) and intangible assets	(79.71)	(231.35)
Investment in term deposits with banks (net)	(469.50)	(680.34)
Proceeds from sale of tangible assets	0.18	0.57
Profit on sale of investments	169.95	256.17
Net cash used in investing activities	**(379.08)**	**(654.95)**
Cash flows from financing activities		
Proceeds from borrowings	14,060.70	19,525.60
Proceeds from debt securities	2,390.00	700.00
Repayment of borrowings	(13,809.77)	(14,145.54)
Repayment of debt securities		(1,350.00)
Proceeds from/(payment for) treasury shares	(1.88)	4.49
Payment of lease liabilities	(144.50)	(110.26)
Net cash generated from financing activities	**788.55**	**4,627.49**
Net increase in cash and cash equivalents	(6,623.13)	5,312.82
Cash and cash equivalents at at the beginning of the year	11,812.91	6,700.10
Cash and cash equivalents as at the end of the year	**5,190.76**	**11,812.91**
Operational cash flows from interest		
Interest paid	2,895.31	2,845.78
Interest received	4,681.47	4,160.13

Place: Kochi
Date:

MUTHOOT MICROFIN LIMITED MUMBAI 400057

For Muthoot Microfin Limited

153

Praveen T
Chief Financial Officer

Muthoot Microfin Limited
Cash flow statement for the year ended March 31, 2020
(All amount in INR million, unless stated otherwise)

	Year ended March 31, 2020	Year ended March 31, 2019
Cash flows from operating activities		
Profit before tax	196.98	2,705.39
Adjustments		
Depreciation and amortisation	137.20	39.45
Loss on sale of tangible assets	0.34	0.68
Provision for employee benefits	34.58	12.32
Impairment on financial instruments	2,647.04	285.90
Net gain on debt instrument designated at fair value through profit or loss	-	(140.94)
Net gain on conversion of debt instruments to equity	-	(46.19)
Profit on sale of financial assets carried at fair value through profit or loss	(256.17)	(152.55)
Interest income on security deposits	(0.75)	(1.17)
Gain on sale of loan asset through direct assignment	(3,162.84)	(1,795.88)
Adjustment towards effective interest rate in respect of loan assets	(9.37)	70.67
Adjustment towards effective interest rate in respect of debt securities, borrowings and subordinate liabilities	(30.47)	1.13
Share based payments	1.85	3.25
Finance cost on leases	(0.83)	-
Operating profit before working capital changes	526.98	971.08
Working capital changes		
(Increase)/decrease in loans	937.72	(6,366.17)
Increase in other receivables	(72.24)	(2.38)
Increase in other financial assets	(22.88)	(6.73)
(Increase)/decrease in other non financial assets	32.46	(15.69)
Increase/(decrease) in other payables	(34.51)	1.80
Increase in other financial liabilities	53.39	303.17
Decrease in provisions	(20.50)	(3.31)
Increase/(decrease) in other non financial liabilities	29.16	(0.53)
Cash used in operating activities	1,530.72	(5,325.91)
Income taxes paid (net)	(705.64)	(109.16)
Net cash used in operating activities	1,360.06	(5,416.07)
Cash flows from investing activities		
Purchase of tangible assets (including capital advances, capital creditors and capital work in progress) and intangible assets	(251.38)	(110.09)
Investment in term deposits with banks (net)	(388.34)	(104.70)
Proceeds from sale of tangible assets	0.57	0.20
Profit on sale of investments	256.17	252.55
Net cash used in investing activities	(454.98)	(47.09)
Cash flows from financing activities		
Proceeds from borrowings	19,325.05	16,875.60
Proceeds from debt securities	700.00	-
Repayment of borrowings	(14,141.54)	(9,813.82)
Repayment of debt securities	(1,350.00)	-
Proceeds from treasury shares	4.49	2.52
Payment of lease liabilities	(119.20)	-
Net cash generated from financing activities	4,417.80	7,064.30

Walker Chandiok & Co LLP
Kochi

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MUTHOOT MICROFIN LIMITED
MUMBAI
400051

For Muthoot Microfin Limited

154

Praveen T
Chief Financial Officer

Muthoot Microfin Limited
Cash flow statement for the year ended March 31, 2020
(All amount in INR million, unless stated otherwise)

	Year ended March 31, 2020	Year ended March 31, 2019
Net increase in cash and cash equivalents	5,112.82	987.94
Cash and cash equivalents as at the beginning of the year	6,790.93	5,715.16
Cash and cash equivalents as at the end of the year	11,845.92	6,798.10
Operational cash flows from interest		
Interest paid	3,845.78	2,235.61
Interest received	4,149.11	4,462.79

Summary of Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements.
This is the statement of cash flow referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Krishnakumar Ananthasivan
Partner
Membership No.: 206229
Place: Kochi

Date: 19 June 2020

Walker Chandiok & Co LLP Kochi

For and on behalf of the Board of Directors of Muthoot Microfin Limited

Thomas Muthoot
Managing Director
DIN: 00102993
Place: Kochi

Thomas John Muthoot
Director
DIN: 00831688
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00831302
Place: Kochi

Praveen T
Chief Financial Officer
Place: Kochi

Nandini Ajay
Company Secretary
Place: Kochi

MUTHOOT MICROFIN LIMITED MUMBAI 400051

For Muthoot Microfin Limited
155
Praveen T
Chief Financial Officer

Muthoot Microfin Limited
Cash flow statement for the year ended March 31, 2020
(All amount in INR million, unless stated otherwise)

	Year ended March 31, 2020	Year ended March 31, 2019
Net increase in cash and cash equivalents	5,112.82	987.54
Cash and cash equivalents as at the beginning of the year	6,780.10	5,713.16
Cash and cash equivalents as at the end of the year	11,892.92	6,700.10
Operational cash flows from interest		
Interest paid	2,845.78	2,235.01
Interest received	4,149.21	4,462.79

Summary of Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements.
This is the statement of cash flow referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
Muthoot Microfin Limited

Krishnakumar Ananthasivan
Partner
Membership No.: 206229
Place: Kochi

Thomas Muthoot
Managing Director
DIN: 00082093
Place: Kochi

Thomas John Muthoot
Director
DIN: 00031688
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00031368
Place: Kochi

Date: 19 June 2020

Praveen T
Chief Financial Officer
Place: Kochi

Neethu Ajay
Company Secretary
Place: Kochi

Walker Chandiok & Co LLP Kochi

MUTHOOT MICROFIN LIMITED MUMBAI 400051

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Muthoot Microfin Limited
Cash flow statement for the year ended March 31, 2020
(All amount in INR million, unless stated otherwise)

	Year ended March 31, 2020	Year ended March 31, 2019
Net increase in cash and cash equivalents	5,112.82	987.94
Cash and cash equivalents at the beginning of the year	6,780.10	5,792.16
Cash and cash equivalents at the end of the year	11,892.92	6,780.10
Operational cash flows from interest		
Interest paid	8,845.78	7,858.01
Interest received	4,368.21	4,482.79

Summary of Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements.
This is the statement of cash flow referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Krishnakumar Ananthanarayanan
Partner
Membership No.: 208229
Place: Kochi

Date: 19 June 2020

For and on behalf of the Board of Directors of
Muthoot Microfin Limited

Thomas Muthoot
Managing Director
DIN: 00382993
Place: Kochi

Praveen T
Chief Financial Officer
Place: Kochi

Thomas John Muthoot
Director
DIN: 00831688
Place: Thiruvananthapuram

Nandini Ajay
Company Secretary
Place: Kochi

Thomas George Muthoot
Director
DIN: 00831702
Place: Kochi

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Muthoot Microfin Limited
Cash flow statement for the year ended March 31, 2019
(All amount in INR million, unless stated otherwise)

	Year ended March 31, 2019	Year ended March 31, 2018
Net increase in cash and cash equivalents	987.94	2,349.87
Cash and cash equivalents as at the beginning of the year	3,713.74	3,162.39
Cash and cash equivalents as at the end of the year	4,701.68	5,512.26
Operational cash flows from interest		
Interest paid	2,137.52	1,329.27
Interest received	2,625.59	4,913.07

Summary of Significant Accounting Policies
The accompanying notes are an integral part of the financial statements.

This is the statement of cash flow referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Krishnakumar Ananthanarayanan
Partner
Membership No.: 205229

Place: Kochi
Date: 14 May 2019

For and on behalf of the Board of Directors of
Muthoot Microfin Limited

Thomas Muthoot
Managing Director
DIN: 00082099

Thomas John Muthoot
Director
DIN: 00071838

Thomas George Muthoot
Director
DIN: 00011332

Praveen T
Chief Financial Officer

Neethu Ajay
Company Secretary

Place: Kochi
Date: 14 May 2019

CHAPTER C: RELATED PARTY TRANSACTIONS ENTERED DURING THE LAST 3 (THREE) FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF ISSUE OF THIS OFFER LETTER INCLUDING WITH REGARD TO LOANS MADE OR, GUARANTEES GIVEN OR SECURITIES PROVIDED

Names of related parties

Nature of relationship	Name of the party
Holding Company	Muthoot Fincorp Limited
Entities in which KMP are able to exercise control or have significant influence	Muthoot Exim Private Limited
	Muthoot Pappachan Foundation
Fellow subsidiary	Muthoot Pappachan Technologies Limited
Common directorship	The Thinking Machine Media Private Limited
Key Management Personnel (KMP)	Thomas Muthoot, Managing Director
	Thomas John Muthoot, Director
	Thomas George Muthoot, Director
	Thomas Muthoot John, Director
	Kenneth Dan Vander Weele, Director
	T S Vijayan, Independent Director
	Alok Prasad, Independent Director
	Bhama Krishnamurthy, Independent Director
	Pushpy B Muricken, Independent Director
	Akshaya Prasad, Independent Director
	Sadaf Sayeed, Chief Executive Officer
	Praveen.T, Chief Financial Officer
	Neethu Ajay, Company Secretary

Transactions with related parties

Nature	Name of the party	Year ended March 31, 2022	Year ended March 31, 2021
Cash management charges*	Muthoot Fincorp Limited	34.11	20.28
Commission income*	Muthoot Fincorp Limited	2.87	22.25
Commission income*	Muthoot Exim Private Limited	3.56	1.09
Software support charges*	Muthoot Pappachan Technologies Limited	12.88	30.24
Rent expenses*	Muthoot Fincorp Limited	3.15	3.62
Rent expenses*	Thomas Muthoot	2.69	2.55
Rent expenses*	Thomas George Muthoot	3.17	3.03
Rent expenses*	Thomas John Muthoot	1.16	1.11

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Rental deposits given/(refunded)	Muthoot Fincorp Limited	0.13		0.72
CSR expenditure	Muthoot Pappachan Foundation	19.93		34.99
Travel expenses	Muthoot Fincorp Limited	0.35		0.33
Trade mark Fees	Thomas George Muthoot		0.20	-
Trade mark Fees	Thomas John Muthoot		0.20	-
Trade mark Fees	Thomas Muthoot		0.20	-
Sitting fees	Pushpy B Muricken		0.66	0.49
Sitting fees	T S Vijayan		0.63	0.46
Sitting fees	Alok Prasad		0.78	0.49
Sitting fees	Bhama Krishnamurthy		0.78	0.56
Remuneration	Sadaf Sayeed	43.17		18.31
Remuneration	Praveen T	4.17		3.05
Remuneration	Neethu Ajay	1.62		1.22
Investment made in Equity Instruments	The Thinking Machine Media Private Limited	-		0.45

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

SECTION 11: DECLARATION BY THE DIRECTORS

Each of the directors of the Company hereby confirm and declare that:

A. the Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act, 2013 and the rules and regulations made thereunder, including the compliances in relation to making a private placement of the Debentures;

B. the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, if applicable, is guaranteed by the Central Government;

C. the monies received under the Issue shall be used only for the purposes and objects indicated in this Placement Memorandum; and

D. whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 3 of this Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

I am authorized by the Board of Directors of the Company vide resolution number _____ dated May 10, 2022 read with the resolution passed by the Debenture Issue Committee of the Board of Directors dated July 23, 2022 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Placement Memorandum has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For **MUTHOOT MICROFIN LIMITED**

_____
Director
Name: _____
Title: Director
Date: July 29, 2022

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

ANNEXURE I: TERM SHEET

As provided in Section 5.37 above.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

ANNEXURE II: RATING LETTER, RATING RATIONALE AND DETAILED PRESS RELEASE FROM THE RATING AGENCY

Attached separately.

For Muthoot Microfin Limited

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Praveen T
Chief Financial Officer

ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

CATALYST

Believe in yourself. Trust us.

CL/MUM/22-23/DEB/831

21-July-2022

Manju. K - Resource Planning

Muthoot Microfin Ltd
5th Floor, Muthoot Towers,
M.G. Road, Cochin -682035

Dear Madam,

Consent to act as Trustee for Secured, Listed, Rated, Redeemable, Non-Convertible Debentures aggregating to INR 70 Crores to be issued by your Company.

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited to act as Debenture Trustee for the Secured, Listed, Rated, Redeemable Non-Convertible Debentures aggregating to INR 70 Crores be issued by your Company. In this connection, we are agreeable to act as Trustee on the terms and conditions as mutually agreed between the Trustee and the Company.

We hereby convey our acceptance to act as Debenture Trustees for the said issue Debentures, subject to execution of Debenture Trustee Agreement as per Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993, thereby agreeing to create the security within the timeline as per relevant Laws / Regulations and in the Offer Document / Information Memorandum / Disclosure Document and company agreeing / undertaking to comply with the provisions of SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue And Listing Of Non-Convertible Securities) Regulation, 2021, SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, Companies Act, 2013 and Rules thereunder and other applicable laws as amended from time to time.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Yours faithfully,
For Catalyst Trusteeship Limited

Authorised Signatory

We accept the above terms
For Muthoot Microfin Limited

For Muthoot Microfin Limited
Praveen T
Chief Financial Officer

Authorised Signatory

NOTE: As per GST guidelines, CTL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.

CATALYST TRUSTEESHIP LIMITED

Pune | Mumbai | Bangalore | Delhi | Chennai | GIFT City | Kolkata

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For Muthoot Microfin Limited
Praveen T
Chief Financial Officer

CATALYST

Trusteeship Limited

CL/MUM/22-23/DEB/431

22-July-2022

Manju. K - Resource Planning

Muthoot Microfin Limited
5th Floor, Muthoot Towers,
M.G. Road, Cochin -682035

Dear Madam,

Consent to act as Trustee for Secured, Listed, Rated, Redeemable, Non-Convertible Debentures aggregating to INR 70 Crores to be issued by your Company.

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited (CTL) [Formerly GDA Trusteeship Limited] to act as Debenture Trustee for the Secured, Listed, Rated, Redeemable, Non-Convertible Debentures aggregating to INR 70 Crores to be issued. In this connection, we are agreeable to act as Trustee on the following trusteeship remuneration:

Acceptance fee: INR 1,00,000/- plus applicable taxes (One Time, Non-Refundable payable on appointment as trustee).

Service Charges: INR 1,50,000/- plus applicable taxes payable in advance, for each financial year or any part thereof, effective from the date of execution till satisfaction of charges in full. Pro-rata charges would apply for the first year from date of appointment till 31-Mar-2023.

All out of pocket expenses incurred towards legal fees, travelling, inspection charges, etc shall be levied and re-imbursed on actual basis.

Yours faithfully,

For Catalyst Trusteeship Limited

Authorised Signatory

We accept the above terms

For Muthoot Microfin Limited

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Authorised Signatory

NOTE: As per GST guidelines, CTL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

ANNEXURE IV: APPLICATION FORM

MUTHOOT MICROFIN LIMITED

A public limited company incorporated under the Companies Act, 1956

Date of Incorporation: April 06, 1992

Registered Office: 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra

Telephone No.: +91 - 484 - 4277500

Website: www.muthootmicrofin.com

DEBENTURE SERIES APPLICATION FORM SERIAL NO.										

Issue of up to 700 (Seven Hundred) Secured, Rated, Listed, Redeemable, Taxable, Principle Protected, Market Linked Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) on a private placement basis (the "Issue").

DEBENTURE SERIES APPLIED FOR:

Number of Debentures: ____ In words: _____-only
Amount Rs._____/-In words Rupees :_____Only

DETAILS OF PAYMENT:

Cheque / Demand Draft / RTGS
No. _____ Drawn on_____

Funds transferred to Muthoot Microfin Limited
Dated _____

Total Amount Enclosed
(In Figures) Rs. /- (In words) Only

APPLICANT'S NAME IN FULL (CAPITALS) **SPECIMEN SIGNATURE**

APPLICANT'S ADDRESS

ADDRESS																			
STREET																			
CITY																			
PIN							**PHONE**							**FAX**									

APPLICANT'S PAN/GIR NO. _____ IT CIRCLE/WARD/DISTRICT ____

WE ARE ( ) COMPANY ( ) OTHERS ( ) SPECIFY _____

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

We have read and understood the Terms and Conditions of the issue of Debentures including the Risk Factors described in the Placement Memorandum and have considered these in making our decision to apply. We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Debenture Holders.

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's Signature:

We the undersigned, are agreeable to holding the Debentures of the Company in dematerialised form. Details of my/our Beneficial Owner Account are given below:

DEPOSITORY	**NSDL and CDSL**
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	

Applicant Bank Account : (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	

FOR OFFICE USE ONLY

DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in the Placement Memorandum is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) we must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures. We undertake that upon sale or transfer to subsequent investor or transferee ("**Transferee**"), we shall convey all the terms and conditions contained herein and in this Placement Memorandum to such Transferee. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer and also hold the Issuer and each of such person harmless in respect of any claim by any Transferee.

Applicant's
Signature

FOR OFFICE USE ONLY
DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note : Cheque and Drafts are subject to realisation)

----------(TEAR HERE)----------

ACKNOWLEDGMENT SLIP

(To be filled in by Applicant) **SERIAL NO.**	1	-	-	-	-	-	-	-	-

Received from _____

Address _____

Cheque/Draft/UTR # _____ Drawn on _____ for Rs. _____ on account of application of _____ Debenture

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

ANNEXURE V: LAST AUDITED FINANCIAL STATEMENTS

Sharp & Tannan Associates
Chartered Accountants
87 Nariman Bhavan, 227 Nariman Point
Mumbai (Bombay) 400 021, INDIA.
T: +91 22 6153 7500 ; 2202 2224 / 8857
F: +91 22 2202 3856
E: mumbai.office@sharp-tannan.com
W: www.sharp-tannan.com

Independent Auditor's Limited Review Report on Unaudited Financial Results of Muthoot Microfin Limited for the quarter and nine months ended 31 December 2021 pursuant to the Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
Muthoot Microfin Limited
(CIN: U65190MH1992PLC066228)
Mumbai - 400051

Introduction:

1. We have reviewed the accompanying statement of unaudited financial results of Muthoot Microfin Limited (the "Company") for the quarter and nine months ended 31 December 2021, together with notes thereon (the "Statement") being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Attention is drawn to the fact that the Statement includes figures for the quarter ended and nine months period ended 31 December 2020 which have been approved by the Company's Board of Directors, but have not been subjected to review since the requirement of submission of quarterly financial results has become mandatory only from 07 September 2021.

2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors on 10 February 2022, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 *"Interim Financial Reporting"* ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, as amended (the "Act"), read with relevant rules issued thereunder and other recognised accounting practices and policies generally accepted in India and in compliance with Regulation 52 of the Listing Regulations including circulars issued by the Securities and Exchange Board of India ("SEBI") from time to time in this regard. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of Review:

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries primarily with company personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Emphasis of Matter:

4. We draw attention to Note 5 of the accompanying Statement, which describes the uncertainty relating to the effects of COVID-19 pandemic on the Company's operations and the consequential impact on the appropriateness of the impairment losses recognized towards the loan assets outstanding as at 31 December 2021. Our conclusion is not modified in respect of this matter.

Conclusion:

5. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 as prescribed under section 133 of the Act and other recognised accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations including circulars issued by SEBI from time to time in this regard, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other matters

6. The Statement includes the results for the year ended 31 March 2021 which were audited by the predecessor auditor who issued their unmodified opinion vide their report dated 03 June 2021.

Our conclusion is not modified in respect of these other matters.

For Sharp & Tannan Associates
Chartered Accountants
Firm's registration no. 109983W
by the hand of



Tirtharaj Khot
Partner
Membership no.(F) 037457
UDIN: 22037457ABFNEJ4855

Pune, 10 February 2022

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Muthoot Microfin Limited

Regd. Office: 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051
Admin Office: 9th Floor, Muthoot Towers, Opp Kaloor Hotel, MG Road, Kochi, Kerala - 682035
Statement of financial results for the quarter and nine months ended 31 December 2021
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Particulars	Quarter Ended			Year to date		Year Ended
	31-Dec-21	30-Sep-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Mar-21
	Unaudited	Unaudited	Unaudited	Unaudited (Refer Note 12)	Unaudited (Refer Note 12)	Audited
Revenue from operations						
Interest income	19,227.38	17,353.67	18,072.54	52,572.06	49,681.89	62,057.57
Fees and commission income	159.63	70.83	53.87	277.43	217.28	221.19
Net gain on fair value changes	1,665.15	2,800.51	-	4,470.08	-	4,273.28
Income on investments	117.52	107.67	272.37	444.62	1,588.16	1,699.52
Sale of services	74.98	3.03	2.89	84.42	12.27	26.15
Total revenue from operations	21,193.14	20,337.69	18,401.31	57,747.61	49,497.26	68,416.47
Other income	276.54	109.26	326.14	689.76	740.54	1,211.46
Total income	21,469.67	20,557.14	18,727.52	58,437.37	50,237.83	69,628.13
Expenses						
Finance costs	8,462.32	7,816.14	6,896.75	24,036.75	22,276.23	29,532.90
Fees and commission expense	435.65	347.53	300.54	1,040.98	695.65	973.54
Impairment on financial instruments	4,222.94	1,335.75	4,579.84	8,941.54	11,298.05	13,141.40
Employee benefit expenses	6,172.17	5,722.13	4,736.82	17,181.41	12,040.99	16,688.38
Depreciation and amortisation expense	518.21	505.90	476.71	1,522.51	1,396.50	1,863.34
Other expenses	1,400.37	1,187.46	1,293.54	3,761.29	3,765.89	4,103.32
Total expenses	21,211.46	17,316.90	18,283.70	57,084.39	51,367.28	68,722.63
Profit / (loss) before tax for the period / year	258.21	2,250.24	441.80	1,352.81	(1,160.47)	905.50
Tax expense						
Current tax	1,511.84	900.03	2,503.71	3,244.13	2,303.71	3,472.49
Deferred tax	(1,435.32)	(245.64)	(1,975.90)	(2,572.90)	(2,496.50)	(2,177.19)
Tax relating to prior years	-	7.93	-	7.93	-	(89.43)
Total tax expense	76.52	662.32	526.13	679.16	(492.79)	206.13
Profit / (loss) for the period / year	174.29	1,587.92	313.67	943.65	(1,667.26)	705.42
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Remeasurement of the net defined benefit liability / asset	(9.19)	(115.68)	-	(262.70)	(43.63)	(81.39)
Income tax relating to items that will not be reclassified to profit or loss	(4.58)	29.11	-	94.20	10.98	20.48
Items that will be reclassified to profit or loss						
Remeasurement of financial assets carried at fair value through OCI	1,868.27	84.62	339.58	2,757.64	2,270.91	(2,114.82)
Income tax relating to items that will be reclassified to profit or loss	(469.03)	(21.30)	(82.73)	(694.10)	(624.54)	196.29
Other comprehensive income / (loss), net of tax	1,485.39	(23.23)	245.89	1,871.84	2,418.71	(2,434.43)
Total comprehensive income / (loss) for the period / year	1,564.28	1,564.69	559.53	2,815.29	751.73	(1,731.01)
Paid-up equity share capital (face value of ₹ 10 each)	11,417.09	11,417.09	11,417.09	11,417.09	11,417.09	11,417.09
Reserves (excluding revaluation reserves) as per balance sheet of previous accounting year	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	77,571.83
Earnings per share (not annualised)						
Basic (EPS) (₹)	0.15	1.65	0.28	0.83	(1.46)	0.62
Diluted (EPS) (₹)	0.15	1.65	0.28	0.82	(1.46)	0.62
Par value of equity shares (₹)	10.00	10.00	10.00	10.00	10.00	10.00

See accompanying notes to financial results

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

MUTHOOT MICROFIN LIMITED MUMBAI 400051

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Muthoot Microfin Limited
Regd. Office: 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051
Admin Office: 5th Floor, Muthoot Towers, Opp Abad Hotel, MG Road, Kochi, Kerala - 682035
Notes to financial results as at 31 December 2021

1 The above results have been reviewed by the Audit Committee dated 09th February 2022 and approved by the Board of Directors of Muthoot Microfin Limited at their respective meetings held on 10th February 2022.

2 The financial results of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

3 The above financial results have been audited by the statutory auditors of the Company as required under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 ("Listing Regulations").

4 The Company is primarily engaged in the business of financing and as such no separate information is required to be furnished in terms of Ind AS 108 "Operating Segments" specified under section 133 of the Companies Act, 2013.

5 The outbreak of COVID-19 and second wave of pandemic continues to have a significant impact and volatility in domestic economy. Various staggered lockdowns / movement restrictions announced by the various State Governments in India have lead to further slowdown of the economic activity. The extent to which the same may impact the Company's operations and financial position remain uncertain and is dependent on several factors including measures initiated by the Government to mitigate the impact as well as regulatory measures notified by the Reserve Bank of India ("RBI"). The Company's management continues to closely monitor the day-to-day operations, business, and liquidity position as well as adequacy of capital. Though the operations of the Company witnessed improvement and, as the uncertainty associated with the pandemic situation continues and the actual impact may vary, the company holds a management overlay of Rs. 7,405.74 Lakhs in addition to existing expected credit losses (ECL) as at 31 December 2021.

6 The Company had introduced digital payment option to enable customers to make the remittance online and the Company has recorded 6.17 % of the total collection in digital mode in Q3 of FY 22. The Company has also demonstrated improvement in collection efficiency in Q3 of FY 22 with 96%.

The Company has taken all possible measures to protect its employee's health and their life by providing adequate preventive measures to avoid contracting COVID-19 and by extending insurance protection. To safeguard the health of its employees and for being the part of the strives of the State Government and Government of India to fight against the pandemic- Covid-19, Company has extended support to vaccinate employees. The Company has introduced Doctor on Call Facility to support the employees and their family, where the employees can consult registered doctors totally free of cost over call in their local language for any disease.

7 The business model of the company under Ind AS 109 "Financial Instruments" continues to be "hold to collect and sell" and consequently the financial assets have been fair valued through other comprehensive income as on 31 December 2021.

Sharp & Tannan Associates
ICAI Regn. No. 109983W
S & T
Chartered Accountants

MUTHOOT MICROFIN LIMITED
MUMBAI
400051

For Muthoot Microfin Limited

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Praveen T
Chief Financial Officer

Muthoot Microfin Limited

Regd. Office: 12th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051
Admin Office: 5th Floor, Muthoot Towers, Opp. Asad hotel, MG Road, Kochi, Kerala - 682035
Notes to financial results as at 31 December 2021

5 Details of credit ratings assigned by various credit rating agencies

Rating agency	Instrument	Rating
CRISIL	Non-convertible debentures	CRISIL A-/ Stable
	Non-convertible debentures (MLD)	CRISIL PP-MLD A-/ Stable
	Commercial paper	CRISIL A1
	Long term bank	CRISIL A-/ Stable (Reaffirmed)
	MFI rating	MFI2
India Ratings and Research (Ind - Ra	Non convertible debentures	IND A/Stable
	Bank Loans	IND A/Stable

6 The following are the details of nature and extent of security provided towards secured listed non convertible debentures

Serial Number	ISIN Number	Nature of security	Outstanding balance as at December 31, 2021 (amount in Lakhs)	Rate of interest	Security cover
1	INE046W07099	Book debts	7,500	11.25%	105%
2	INE046W07081	Book debts	7,500	11.40%	105%
3	INE046W07081	Book debts	12,500	9.50%	117%
4	INE046W07107	Book debts	4,000	10.50%	110%
5	INE046W07115	Book debts	4,500	11.40%	105%
6	INE046W07123	Book debts	7,500	10.25%	110%
7	INE046W07131	Book debts	5,000	10.50%	110%
8	INE046W07140	Book debts	11,040	10.60%	110%

(A) Details of previous due date for the repayment of principal and interest as at 31 December 2021:

ISIN	Description	Previous repayment date	Principal amount	Interest amount	Paid on or before due date
INE046W07072	Blue Orchard NCD I	28-Apr-21	-	4,01,66,558	Yes
INE046W07072	Blue Orchard NCD I	29-Oct-21	10,00,00,000	4,23,60,274	Yes
INE046W07098	Blue Orchard NCD III	16-Sep-21	-	4,26,34,247	Yes
INE046W07080	Blue Orchard NCD IV	27-May-21	-	3,99,51,148	Yes
INE046W07063	Blue Orchard NCD IV	27-Nov-21	-	4,02,27,945	Yes
INE046W07115	Japan Asian Women Empowerment Fund	25-Nov-21	-	2,94,24,370	Yes
INE046W07115	Japan Asian Women Empowerment Fund	25-Nov-21	-	2,58,50,822	Yes
INE046W07081	Punjab National Bank NCD	13-Aug-21	-	1,19,07,534	Yes
INE046W07081	Indian Bank NCD	13-Aug-21	-	4,76,30,137	Yes
INE046W07107	KGS UNION BANK	19-May-21	-	2,06,27,397	Yes
INE046W07107	KGS UNION BANK	19-Nov-21	-	2,11,72,603	Yes
NA	IFMR subordinated debt	28-Apr-21	-	39,25,342	Yes
NA	IFMR subordinated debt	29-May-21	-	39,25,342	Yes
NA	IFMR subordinated debt	29-Jun-21	-	39,16,931	Yes
NA	IFMR subordinated debt	28-Jul-21	-	39,25,342	Yes
NA	IFMR subordinated debt	30-Aug-21	-	31,27,877	Yes
NA	IFMR subordinated debt	28-Sep-21	-	27,21,184	Yes
NA	IFMR subordinated debt	28-Oct-21	-	39,25,342	Yes
NA	IFMR subordinated debt	29-Nov-21	-	37,73,899	Yes
NA	IFMR subordinated debt	28-Dec-21	-	27,21,184	Yes

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

MUTHOOT MICROFIN LIMITED MUMBAI 400051

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

(f) Details of next due date for the repayment of principal and interest as at 31 December 2021

ISIN	Description	Repayment date	Principal amount	Interest amount
INE046N07099	Blue Orchard NCD III	21-Mar-22	-	4,18,40,753
INE046N07099	Blue Orchard NCD III	19-Sep-22	-	4,25,34,247
INE046N07099	Blue Orchard NCD III	20-Mar-23	-	4,18,40,753
INE046N07099	Blue Orchard NCD III	19-Sep-23	75,00,00,000	4,25,34,247
INE046N07065	Blue Orchard NCD IV	27-Mar-23	-	3,66,72,099
INE046N07065	Blue Orchard NCD IV	26-Nov-23	70,00,00,000	4,02,27,945
INE046N07115	Japan Asian Women Empowerment Fund	29-Mar-22	-	2,54,39,178
INE046N07115	Japan Asian Women Empowerment Fund	29-Nov-23	22,50,00,000	2,09,60,822
INE046N07115	Japan Asian Women Empowerment Fund	24-Mar-31	22,50,00,000	1,27,42,032
INE046N07081	Punjab National Bank NCD	11-Feb-27	25,00,00,000	1,16,42,466
INE046N07081	Indian Bank NCD	11-Feb-27	1,00,00,00,000	4,73,69,843
INE046N07107	Union Bank NCD	19-Mar-29	40,00,00,000	2,08,27,397
INE046N07123	JM financial capital Ltd	15-Dec-27	75,00,00,000	-
INE046N07131	9.05 NAY Finsoft	15-Jun-23	50,00,00,000	-
INE046N07149	NCD MLD 3 Northern Arc	31-Mar-24	1,15,40,00,000	-
NA	IFMR subordinated debt	28-Jan-22	-	29,19,521
NA	IFMR subordinated debt	28-Feb-22	-	29,19,521
NA	IFMR subordinated debt	29-Mar-22	-	26,35,986
NA	IFMR subordinated debt	29-Apr-22	25,00,00,000	29,19,521

10 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:

Sl No.	Description	Individual Borrowers		Small Businesses
		Personal Loans	Business Loans	
A	Number of requests received for invoking resolution process under (in numbers)	1,94,824	-	-
B	Number of accounts where resolution plan has been implemented under this window (in numbers)	1,94,824	-	-
C	Exposure to accounts mentioned at (B) before implementation of the plan (Amount in Rs. Lakhs)	40,398.10	-	-
D	Of (C), aggregate amount of debt that was converted into other securities (Amount in Rs. Lakhs)	-	-	-
E	Additional funding sanctioned, if any including between invocation of the plan and implementation (Amount in Rs. Lakhs)	-	-	-
F	Increase in provisions on account of the implementation of the resolution plan (Amount in Rs. Lakhs)	3,114.33	-	-

None of the loan accounts of the individual borrowers restructured under Resolution Framework 1.0 as per RBI Circular dt. 06 August 2020.

11 Ratios required as per Regulations 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended for the period ended December 31, 2021 is provided in Annexure I.

12 The Company has maintained requisite full asset cover by way of floating charge on book debts of the Company on its Secured Listed non-convertible debentures as at 31 December 2021.

13 Figures for the nine months period ended 31 December 2021 and 31 December 2020 represent the figures for the nine months period from 01 April 2021 and 01 April 2020 respectively.

14 Related party disclosures as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended for the period ended December 31, 2021 is provided in Annexure II.

15 Previous period's / year's figures have been regrouped / reclassified wherever necessary to correspond with the current period's / year's classification / disclosure.

For and on behalf of the Board of Directors

Name	Thomas Muthoot
Designation	Managing Director
DIN	00082089
Place	Kochi
Date	10 February 2022

THOM AS MUTH OOT

Sharp & Tannan Associates ICAI Regn. No. 109983W S.S.T.T. Chartered Accountants

MUTHOOT MICROFIN LIMITED MUMBAI 400051

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Muthoot Microfin Limited

Regd. Office: 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051
Admin Office: 5th Floor, Muthoot Towers, Opp Abad Hotel, MG Road, Kochi, Kerala - 682035

Annexure I to financial results as at 31 December 2021

Disclosure in compliance with Regulations 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended for the period ended December 31, 2021.

Sl No.	Particulars	Period ended 31 Dec 2021
1	Debt Equity Ratio (No.of times)	3.06
2	Debt Service coverage ratio	Not applicable
3	Interest service coverage ratio	Not applicable
4	Outstanding redeemable preference shares (Quantity)	Nil
5	Outstanding redeemable preference shares (Amount in lakhs)	Nil
6	Capital redemption reserve (Amount in lakhs)	Nil
7	Debenture redemption reserve	Nil
8	Net worth (Amount in Lakhs)	1,10,225.00
9	Net profit after tax (Amount in lakhs)	943.45
10	Earning per share (In Rs.) (Face value of Rs. 10 per equity share	
(i)	Basic (Not annualised)	0.43
(ii)	Diluted (Not annualised)	0.42
11	Current ratio	Not applicable
12	Long term debt to working capital (No. of times)	Not applicable
13	Bad debts to accounts receivable ratio	Not applicable
14	Current liability ratio (No. of times)	Not applicable
15	Total debt to total assets (No. of times)	0.71
16	Debtors turnover ratio	Not applicable
17	Inventory turnover ratio	Not applicable
18	Operating margin	9.28%
19	Net profit margin	1.62%
20	Sector specific equivalent ratios include following:	
(i)	Gross NPAs	34,188.44
(ii)	Net NPAs	4,830.07
(iii)	% of Gross NPA	7.84%
(iv)	% of Net NPA	1.19%
(v)	Capital risk adequacy ratio (CRAR) %	24.84%

Notes:

1. Debt-equity ratio= [Debt securities + Borrowings (Other than debt securities) + Subordinated liabilities / Net worth
2. Net worth = Equity share capital + Other equity
3. Total debt to total assets = (Debt securities + Borrowings (Other than debt securities)+ Subordinate Liabilities)/Total assets
4. Operating margin = Profit before tax (PBT)/ Total Income
5. Net profit margin = Profit after tax(PAT)/Total Income
6. % of Gross NPA = Stage III loans (Greater than 90 DPD)/Gross loan outstanding
7. % of Net NPA = Stage III loans (Greater than 90 DPD) - Total Expected Credit Losses (ECL)/(Gross loan outstanding - ECL)
8. CRAR = Adjusted net worth / Risk weighted assets, calculated as per RBI Guidelines

For and on behalf of the Board of Directors

Name : Thomas Muthoot
Designation : Managing Director
DIN : 00082098

THOMAS MUTHOOT

Place : Kochi
Date : 10 February 2022

MUTHOOT MICROFIN LIMITED MUMBAI 400051

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Muthoot Microfin Limited

Regd. Office: 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051
Admin Office: 5th Floor, Muthoot Towers, Opp. Kaloor Stadium, M.G. Road, Kochi, Kerala - 682035
Annexure II to financial results as at 31 December 2021

Related party transactions for the period ended December 31, 2021

Names of the related parties and nature of relationship	
Nature of relationship	Name of the party
Holding Company	Muthoot Finance Limited
Entities in which KMP are able to exercise control or have significant influence	Muthoot Exim Private Limited Muthoot Pappachan Foundation
Fellow subsidiary	Muthoot Pappachan Technologies Limited
Common directorship	The Thinking Machine Media Private Limited
Key Management Personnel (KMP)	Mr. Thomas Muthoot, Managing Director Mr. Thomas John Muthoot, Director Mr. Thomas George Muthoot, Director Mr. Thomas Muthoot John, Director Mr. Kenneth Dan Vander Weide, Director Mr. T S Vijayan, Independent Director Mr. Alex Prasad, Independent Director Ms. Bhama Krishnamurthy, Independent Director Ms. Rishita S Murickan, Independent Director Mr. Akshaya Prasad, Independent Director Mr. Sabil Sayed, Chief Executive Officer Mr. Praveen T, Chief Financial Officer Ms. Nekhu Ajay, Company Secretary

Transactions with the related parties

(All amount in Rs. Lakhs unless otherwise stated)

Nature	Name of the party	Transactions during the period ended December 31, 2021	(Payable)/ Receivable as at December 31, 2021
Cost management charges and Commission Expense*	Muthoot Finance Limited	211.84	-
Commission Income*	Muthoot Finance Limited	47.99	2.74
	Muthoot Exim Private Limited	25.82	0.09
Software support charges*	Muthoot Pappachan Technologies Limited	63.83	-
Travelling charges*	My Travel Muthoot	3.62	(1.28)
Rent expenses*	Muthoot Finance Limited	29.43	(3.59)
	Mr. Thomas George Muthoot	33.56	(4.83)
	Mr. Thomas John Muthoot	8.70	(1.05)
	Mr. Thomas Muthoot	20.12	(2.41)
Rental Deposits	Muthoot Finance Limited	1.28	7.53
	Mr. Thomas George Muthoot	-	0.09
	Mr. Thomas John Muthoot	-	0.81
	Mr. Thomas Muthoot	-	1.78
CSR Expenditure	Muthoot Pappachan Foundation	152.17	-
Remuneration (CEO)	Mr. Sabil Sayed	187.10	-
Remuneration (CFO)	Mr. Praveen T	28.97	-
Remuneration (CS)	Ms. Nekhu Ajay	10.58	-
Sitting Fees	Mr. Alex Prasad	3.70	-
	Ms. Bhama Krishnamurthy	5.00	-
	Ms. Rishita Murickan	5.10	-
	Mr. T S Vijayan	4.60	-

*Including applicable taxes

For and on behalf of the Board of Directors

Name	Thomas Muthoot
Designation	Managing Director
DIN	00083909
Place	Kochi
Date	10 February 2022

THOMAS MUTHOOT

MUTHOOT MICROFIN LIMITED MUMBAI 400051

Sharp & Tannan Associates Chartered Accountants ICAI Regn. No. 109983W S.E.T.H.

#MuthootBlue
MUTHOOT MICROFIN LIMITED

Independent Auditor's Report

To the Members of Muthoot Microfin Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Muthoot Microfin Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Loss), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its loss (including other comprehensive loss), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. 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.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
A. Recognition of interest income (Refer note 23 of the accompanying financial statements) Revenue of the company consists primarily of interest income charged on loan assets. Total interest income recognised in the financial year 2020-21 amounts to INR 6,209.76 million (2019-20 INR 6,083.91 million). Such interest income is manually computed by the management on the reporting date and recorded on the basis of actual money collected from the customers as adjusted in the general ledger with the interest accrued or interest received in advance. Considering the volume of transactions and materiality of amounts involved, significant auditor attention is required to test accuracy of interest income recognised during the period, we have identified recognition of interest income as a key audit matter.	Our audit work included, but was not restricted to, the following procedures: • Obtained an understanding of management's process for recognizing interest income, interest accrued and interest collected in advance. • Evaluated the design and tested the operating effectiveness of key controls around above mentioned process. • Evaluated the accounting policy for recognition of interest income in accordance with applicable accounting standards. • Obtained management working of recomputation of interest income earned during the year and reconciled the summary totals with the financial statements to ensure completeness of the underlying data on which interest income is recomputed by the management.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Key audit matters	How our audit addressed the key audit matters
	• Tested the mathematical accuracy of management working obtained as above. • On a sample basis, tested the interest income earned during the year by inspection of the approved loan documents, collection during the year and an independent recomputation of the amount of interest income recognized during the year. • Performed substantive analytical procedures such as ratio analysis between the interest income and outstanding loan portfolio during the year. • Ensured appropriateness and adequacy of disclosures of the interest income in the accompanying financial statements in accordance with the applicable accounting standards.
B. Computation of impairment losses on loan assets and implementation of COVID-19 relief measures. (Refer notes 1(ix), 5 and 42A of the accompanying financial statements for related disclosures) As at 31 March 2021, the Company has reported total gross loan assets of INR 35,045.78 million (March 2020: INR 27,526.45 million) against which an impairment loss of INR 2,091.21 million (March 2020: INR 1,888.44 million) has been recorded. The calculation of impairment losses on loans is complex and is based on application of significant management judgement and the use of different modelling techniques and assumptions which have a material impact on reported profits. The Company has applied a three stage approach based on changes in credit quality to measure expected credit loss on loans which is as follows: • If the loan is not credit-impaired on initial recognition then it is classified in 'Stage 1' and its credit risk is continuously monitored by the Company i.e. the default in repayment is within the range of 0 to 30 days. • If a significant increase in credit risk since initial recognition is identified, it is moved to 'Stage 2' but is not yet deemed to be credit-impaired i.e. the default in repayment is within the range of 31 to 90 days.	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following: • Evaluated the Company's accounting policies for estimation of expected credit loss on loans in accordance with Ind AS 109, Financial Instruments. • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios. • Assessed and tested the design and operating effectiveness of key manual and automated controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized. Also, evaluated the controls over the modelling process, validation of data and related approvals. • Tested the assumptions underlying the impairment identification and quantification including the forecast of future cash flows by corroborating it with the agreed

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Key audit matters	How our audit addressed the key audit matters
COVID-19 During the current year, the Company has also implemented the "COVID-19 Regulatory Package-Asset Classification and Provisioning" announced by the Reserve Bank of India ('the RBI') on 27 March 2020, 17 April 2020 and 23 May 2020 ("collectively referred to as "COVID-19 regulatory package"), which has been considered by the management in identification and provisioning of loan assets for impairment. Considering the significance of the above matter to the financial statements, additional complexities involved in the current year on account of ongoing impact of COVID-19, degree of estimation uncertainty involved and significant management judgments involved, this area required significant auditor attention to test such complex accounting estimates and hence, has been determined as a key audit matter. We also draw attention to note 52 to the accompanying financial statements, which describes the uncertainties relating to the effects of COVID-19 pandemic outbreak and the consequential impact on the appropriateness of the impairment provision recognised towards the loan asset outstanding as at 31 March 2021.	• Obtained the approved policy of board of directors to understand the relief measures sanctioned to various class of borrowers in accordance with the directions given by RBI and tested, on sample basis, the compliance with respect to asset classification and provisioning norms as per such directions. • With respect to the management's assessment for the requirement of additional provisions to be made or not to be made on account of the impact of the COVID-19 pandemic, we understood and evaluated the underlying assumptions used for such estimate basis our understanding of the risk profiles of the customers of the Company. • Assessed the appropriateness and adequacy of the related presentation and disclosures of note 42 "Financial risk management" disclosed in the financial statements in accordance with the applicable accounting standards.
C. Financial instruments measured at fair value (Refer notes 1(xiii), 5 and 41 of the accompanying financial statements for related disclosures) The financial statements of the Company include financial assets valued at fair value. Total financial assets measured at fair value as at 31 March 2021 is INR 9,834.60 million (March 2020: INR 19,787.39 million). Impact of the same on other comprehensive income for the year ended 31 March 2021 is INR (237.55) million (2019-20: INR 44.42 million) (net of tax). The fair value of company's financial assets is determined by the management with the help of valuation experts, using various valuation techniques which involve the exercise of judgement by the management in for assumptions and inputs involved. Estimation uncertainty has been determined to be high for those financial assets where significant valuation inputs are unobservable (i.e., level 3 instruments). As at 31 March 2021, financial assets worth INR 9,884.50 million (March 2020: INR 20,401.89 million) are valued using level 3 valuation model, discounted cash flow method. Considering the significant degree of judgement and subjectivity involved in the estimates and key assumptions used in determining the future cash flows which are used in the fair valuation methodology adopted, we have determined fair valuation of financial assets as a key audit matter.	Our audit work included, but was not limited to, the following procedures: • Obtained an understanding of the management process for: - assessment of accounting treatment for such transactions in accordance with the requirements of Ind AS 109, Financial Instruments. - identification of financial assets subject to fair valuation measurement (assignable loan assets having no delinquency). - determining the input data and models used for valuation. • Evaluated the design and tested the operating effectiveness of the key manual and automated controls over the accuracy of the key inputs and assumptions considered for valuation of financial assets. • Assessed the valuation specialist's qualification and expertise and reviewed their terms of engagement to determine whether there were any matters that may have imposed scope limitations upon their work. • Obtained the valuation reports of management valuation specialists for the fair value of financial assets. • Involved auditor's expert to test appropriateness of methodology adopted, key assumptions used in the valuation of loan receivables such as risk-free rate of return, credit spread of the borrowings etc. • Assessed the reliability and completeness of underlying data used for the valuation. Traced the management projections of cash flows pertaining to the financial assets to approved business plans, repayment schedules of loans, etc. • Tested the mathematical accuracy of the valuation workings.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Key audit matters	How our audit addressed the key audit matters
	• Obtained specific representation from the management with respect to identification of assignable financial assets carried at fair value, including impact of COVID-19 on such identification. • Assessed the appropriateness and adequacy of the related disclosures in note 41 "Financial instruments and fair value disclosure", in accordance with the applicable accounting standards.
D. Migration to new loan management system During the year ended 31 March 2021, the Company has migrated to a new loan management system 'SerenePro' (except for accrual module) from the erstwhile system (Legacy) for its operations. Post such implementation, the Company's accounting and financial reporting processes are dependent on automated controls enabled by IT systems which impacts key financial accounting and reporting items such as loans, interest income, impairment on loans amongst others. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness, and validity of data that is processed by the applications and is ultimately used for financial reporting. Such significant system change increases the risk to the internal financial controls environment. We have focused on this migration due to the inherent risk of error and impact such an error may have on the Company's financial accounting and reporting process. Hence, considering the significance of the activity and the volume of the loan portfolio involved in the migration process we have determined this to be a key audit matter for current year audit.	We included specialized IT auditors as part of our audit team to perform audit procedures which included, but were not limited to the following: • Obtained an understanding of the Company's migration process carried out during the current year ended 31 March 2021. • Evaluated the controls established by the management for the migration activity to ensure the activity has been completed appropriately. • Assessed, among other things, the quality of controls in place during the implementation of the new loan management system; the rigor of the user acceptance testing conducted by the users of the system; and the configuration of relevant automated application controls. • Evaluated the design and tested the operating effectiveness of key automated and IT dependent manual controls both before and after the migration, including IT general controls. • Verified that the pre-migration and post migration reports were approved by the respective authorized personnel from the Operations and Finance teams, along with the personnel from conversion team. • Verified that the conversion reports are preserved after authentication as a permanent record for future reference. • Verified, on a test basis, that the balances and loan IDs have been appropriately transferred from 'Legacy' (erstwhile system) to 'SerenePro' (new system) to ensure the accuracy and completeness of data migration activity. • Obtained the exception reports generated during data migration procedure and ensured that the exceptions, if any, have been rectified and necessary sign off was obtained by the management. • We also performed substantive audit procedures including review of reconciliations between the two systems performed by the management to ensure the accuracy and completeness of data migration activity.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Information other than the Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

8. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

16. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

17. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

18. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) the financial statements dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 3 June 2021 as per Annexure II expressed unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2021;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Krishnakumar Ananthasivan
Partner
Membership No.: 206229
UDIN: 21206229AAAABV2266

Place: Kochi
Date: 3 June 2021

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Muthoot Microfin Limited

Regd. Office: 12th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051
Admin Office: 6th Floor, Muthoot Towers, Opp Abad Hotel, MG Road, Ernakulam - 682035

Statement of financial results for the 6 months and year ended 31 March 2021

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Particulars	6 months ended 31 March 2021	6 months ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
	Unaudited (Refer Note 12)	Unaudited (Refer Note 12)	Audited	Audited
Revenue from operations				
Interest income	33,559.01	34,503.53	62,087.57	80,830.13
Fees and commission income	157.12	422.16	321.15	947.93
Net gain on fair value changes	4,273.26	8,032.44	4,273.26	21,428.42
Income on investments	426.63	1,462.64	1,685.57	2,561.79
Sale of services	15.34	27.08	25.15	44.27
Total revenue from operations	**38,360.56**	**45,345.85**	**68,416.67**	**86,921.55**
Other income	788.15	610.97	1,211.86	911.75
Total income	**39,148.71**	**45,956.82**	**69,628.53**	**88,471.30**
Expenses				
Finance costs	14,853.35	15,404.29	29,337.80	28,067.25
Fees and commission expenses	577.98	868.06	973.64	1,442.40
Impairment on financial instruments	9,423.19	16,456.39	13,191.45	27,308.89
Employee benefit expenses	11,377.90	10,574.59	18,568.05	19,491.93
Depreciation and amortisation expense	991.55	716.71	1,883.34	1,370.90
Other expenses	1,646.30	3,040.44	4,103.32	3,830.10
Total expenses	**39,648.57**	**47,064.68**	**68,727.63**	**84,703.99**
Profit / (loss) before tax for the period / year	**(499.87)**	**(1,107.86)**	**900.90**	**3,767.31**
Tax expense				
Current tax	3,472.89	1,424.89	3,472.89	1,863.32
Deferred tax	(2,956.12)	(1,566.96)	(3,177.16)	(1,685.49)
Tax relating to prior years	(95.53)	(10.68)	(95.63)	(70.65)
Total tax expense	**421.24**	**(150.75)**	**200.10**	**107.18**
Profit / (loss) for the period / year	**(921.11)**	**(957.11)**	**700.80**	**3,660.13**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of the net defined benefit liability / asset	(37.73)	(70.67)	(81.36)	(277.77)
Income tax relating to items that will not be reclassified to profit or loss	9.50	17.79	20.48	69.91
Items that will be reclassified to profit or loss				
Remeasurement of financial assets carried at fair value through OCI	(5,121.33)	3,376.22	(3,174.62)	520.62
Income tax relating to items that will be reclassified to profit or loss	1,340.89	(830.23)	799.05	(146.32)
Other comprehensive income / (loss), net of tax	**(3,808.27)**	**2,475.10**	**(2,436.43)**	**224.39**
Total comprehensive income / (loss) for the period / year	**(4,729.38)**	**1,518.00**	**(1,735.63)**	**3,884.52**
Paid-up equity share capital (face value of ₹ 10 each)	11,417.05	11,417.05	11,417.05	11,417.05
Reserves (excluding revaluation reserves)	Not Applicable	Not Applicable	77,571.93	79,282.14
Analytical Ratios				
Debt equity ratio	2.55	1.72	2.30	1.72
Networth	90,989.99	90,499.23	88,089.94	90,499.23
Earnings per share (not annualized for half year)				
Basic: (₹)	2.35	(0.83)	0.62	1.69
Diluted (₹)	2.35	(0.83)	0.62	1.69
Par value of equity shares (₹)	10.00	10.00	10.00	10.00

See accompanying notes to financial results

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Muthoot Microfin Limited
Regd. Office: 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051
Admin Office: 5th Floor, Muthoot Towers, Opp Ahalia Hotel, MG Road, Ernakulam - 682035
Statement of assets and liabilities as at 31 March 2021
(All amounts are in Lakhs unless otherwise stated)

Particulars	As at 31 March 2021 Audited	As at 31 March 2020 Audited
Assets		
Financial assets		
Cash and cash equivalents	51,997.57	118,129.25
Bank balances other than cash and cash equivalents	22,596.27	17,955.28
Receivables		
Other receivables	928.24	1,104.46
Loans	329,545.56	256,380.14
Investments	4.50	-
Other financial assets	238.46	233.24
	405,215.74	393,742.39
Non-financial assets		
Current tax assets (net)	981.45	3,795.19
Deferred tax asset (net)	1,923.52	-
Property, plant and equipment	3,684.40	3,686.70
Right of use assets	7,001.60	7,206.01
Other intangible assets	12.51	18.23
Other non-financial assets	398.14	715.97
	13,311.62	15,422.10
Total assets	418,527.36	409,164.49
Liabilities and equity		
Liabilities		
Financial liabilities		
Payables		
Other payables		
total outstanding dues of micro enterprises and small enterprises	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	270.50	368.05
Debt securities	45,246.92	21,449.09
Borrowings (other than debt securities)	253,872.84	268,193.07
Subordinated liabilities	3,486.26	2,492.77
Lease liabilities	7,798.92	7,581.84
Other financial liabilities	16,049.66	14,519.36
	326,695.30	314,604.18
Non-financial liabilities		
Deferred tax liabilities (net)	-	2,993.18
Provisions	453.84	506.89
Other non-financial liabilities	399.24	350.98
	853.08	3,851.05
Equity		
Equity share capital	11,417.05	11,417.05
Other equity	77,571.93	79,292.19
	89,988.98	90,709.23
Total liabilities and equity	418,527.36	409,164.46

See accompanying notes to financial results

For Muthoot Microfin Limited

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Praveen T
Chief Financial Officer

Muthoot Microfin Limited
Regd. Office: 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051
Admin Office: 5th Floor, Muthoot Towers, Opp Abad Hotel, M.G Road, Ernakulam - 682035
Notes to financial results as at 31 March 2021

1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors of Muthoot Microfin Limited at their respective meetings held on 2 June 2021 and 3 June 2021.

2 The financial results of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

3 The above financial results have been audited by the statutory auditors of the Company as required under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 ("Listing Regulations").

4 The Company is primarily engaged in the business of financing and as such no separate information is required to be furnished in terms of Ind AS 108 "Operating Segments" specified under section 133 of the Companies Act, 2013.

5 The outbreak of COVID-19 pandemic continues to have a significant impact and volatility in the global and domestic economies resulting in decrease in economic activities. Increase in infection rate and various lockdowns / movement restrictions announced by the Central Government and various State Governments in India and the outbreak of current 'second wave' of the pandemic may further slowdown the economic activity. The extent to which the same may impact the Company's operations and financial position remain uncertain and is dependent on several factors including measures initiated by the Government to mitigate the impact as well as regulatory measures notified by the Reserve Bank of India ("RBI"). There is stress on collection of dues from customers, however the Company is closely monitoring the collection efficiency and will undertake additional steps if the efficiency levels breach the current level. The Company's management continues to closely monitor the day-to-day operations, business, and liquidity position as well as adequacy of capital.

Further, pursuant to RBI circulars DOR. No. BP.BC.47/21.04.048/2019-20 and DOR. No. BP.BC.71/21.04.048/2019-20 (COVID-19 - Regulatory Package) dated 27 March 2020 and 23 May 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between 1 March 2020 and 31 August 2020, the Company granted moratorium to all its borrowers in accordance with its Board approved policy. 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). RBI has issued directions DOR.No. BP.BC/3/21.04.048/2020-21 on resolution framework Covid-19 – related stress dated 6 August 2020 and in accordance therewith, the Company has not done any restructuring on the loans.

Considering the widespread impact of COVID-19 pandemic, the Company has estimated and recognised sufficient provision for expected credit loss as on 31 March 2021, based on the information available now to reflect, among other things, the deterioration in the macro economic factors. These estimates are based on indicators, subject to uncertainty and may be affected by the severity and duration of the pandemic and the actual impact of the pandemic, including governmental and regulatory measures, on the business and financial metrics of the Company could be different from that estimated by the Company. The Company has sufficient funds and sanctioned credit facilities which are adequate to fulfil its obligations as and when these become due in the foreseeable future.

6 To streamline the collection process in the pandemic situation, the Company has initiated an App for customers to foster themselves with more information about various products, to view loan statement and to make remittance through the App. Further the Company has introduced digital payment option to enable customers to make the remittance online. 3.49 Lakh customers have installed the App and 1.73 Lakh customers have activated to make the remittance in digital mode. The Company has demonstrated improvement in collection efficiency in Q4 with 93% and 96% in the month of March 2021.

The Company has taken all possible measures to safeguard and protect its employee's health and their life by providing adequate preventive measures to avoid contracting COVID-19 and by extending insurance protection. The Company has also taken initiatives for vaccination for its employees.

The Company will continue to monitor any material changes to future economic conditions.

7 The Company has made loan loss provision based on the expected credit loss method as per Ind AS 109 "Financial Instruments". Further based on specific identification method, the Company has prudently written off certain non- performing advances amounting to ₹ 11,113.27 lakhs (including waiver of interest). In the opinion of the management any recovery from these advances are uncertain.

8 The business model of the company under Ind AS 109 "Financial Instruments" continues to be 'held to collect and sell' and consequently the financial assets have been fair valued through other comprehensive income as on 31 March 2021.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Muthoot Microfin Limited
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Notes to financial results as at 31 March 2021

9 **Details of credit ratings assigned by various credit rating agencies**

Rating agency	Instrument	Rating
CRISIL	Non convertible debentures	CRISIL A / Stable
	Commercial paper	CRISIL A1
	Long term bank	CRISIL A / Stable (Reaffirmed)
	MFI rating	M1Cl
India Ratings and Research (Ind - Ra)	Non convertible debentures	IND A - Stable

10 **Details of secured non-convertible debentures and unsecured subordinated debt are as follows :**

(A) Details of previous due date for the repayment of principal and interest as at 31 March 2021

ISIN	Description	Previous repayment date	Principal amount	Interest amount
INE046M07073	Blue Orchard NCD I	26-Apr-20	-	40,060,822
INE046M07073	Blue Orchard NCD I	27-Oct-20	-	40,790,068
INE046M07099	Blue Orchard NCD III	27-Sep-20	-	41,405,410
INE046M07099	Blue Orchard NCD III	16-Mar-21	-	41,774,430
INE046M07065	Blue Orchard NCD IV	27-May-20	-	39,762,876
INE046M07065	Blue Orchard NCD IV	27-Nov-20	-	40,116,033
INE046M07081	Punjab National Bank NCD	11-Feb-21	-	11,842,466
INE046M07081	Indian Bank NCD	11-Feb-21	-	47,369,863
NA	IFMR subordinated debt	28-Apr-20	-	2,731,164
NA	IFMR subordinated debt	28-May-20	-	2,825,342
NA	IFMR subordinated debt	29-Jun-20	-	3,013,699
NA	IFMR subordinated debt	28-Jul-20	-	2,731,164
NA	IFMR subordinated debt	28-Aug-20	-	2,919,521
NA	IFMR subordinated debt	28-Sep-20	-	2,919,521
NA	IFMR subordinated debt	28-Oct-20	-	2,825,342
NA	IFMR subordinated debt	30-Nov-20	-	3,107,877
NA	IFMR subordinated debt	28-Dec-20	-	2,636,986
NA	IFMR subordinated debt	28-Jan-21	-	2,919,521
NA	IFMR subordinated debt	1-Mar-21	-	3,013,699
NA	IFMR subordinated debt	29-Mar-21	-	3,636,986

(B) Details of next due date for the repayment of principal and interest as at 31 March 2021

ISIN	Description	Repayment date	Principal amount	Interest amount
INE046M07073	Blue Orchard NCD I	26-Apr-21	-	40,150,138
INE046M07073	Blue Orchard NCD I	26-Oct-21	700,000,000	40,399,774
INE046M07099	Blue Orchard NCD III	28-Sep-21	-	40,434,247
INE046M07099	Blue Orchard NCD III	21-Mar-22	-	41,840,753
INE046M07065	Blue Orchard NCD IV	27-May-21	-	39,151,148
INE046M07065	Blue Orchard NCD IV	27-Nov-21	-	40,227,945
INE046M07115	Blue Orchard NCD V	25-May-21	-	35,424,315
INE046M07115	Blue Orchard NCD V	26-Nov-21	-	35,860,827
INE046M07081	Punjab National Bank NCD	13-Aug-21	-	11,957,534
INE046M07081	Punjab National Bank NCD	11-Feb-22	250,000,000	11,842,466
INE046M07081	Indian Bank NCD	13-Aug-21	-	47,530,137
INE046M07081	Indian Bank NCD	11-Feb-22	1,000,000,000	47,369,863
INE046M07107	Union Bank NCD	18-May-21	-	38,807,397
INE046M07107	Union Bank NCD	18-Nov-21	-	21,172,603
NA	IFMR subordinated debt	28-Apr-21	-	2,636,342
NA	IFMR subordinated debt	28-May-21	-	2,825,342
NA	IFMR subordinated debt	28-Jun-21	-	2,919,521
NA	IFMR subordinated debt	28-Jul-21	-	2,825,342
NA	IFMR subordinated debt	30-Aug-21	-	3,107,877
NA	IFMR subordinated debt	28-Sep-21	-	2,731,164
NA	IFMR subordinated debt	28-Oct-21	-	2,825,342
NA	IFMR subordinated debt	29-Nov-21	-	3,013,699
NA	IFMR subordinated debt	28-Dec-21	-	2,731,164
NA	IFMR subordinated debt	28-Jan-22	-	2,919,521
NA	IFMR subordinated debt	28-Feb-22	-	2,919,521
NA	IFMR subordinated debt	28-Mar-22	-	3,636,986

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Muthoot Microfin Limited
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Admin Office: 5th Floor, Muthoot Towers, Opp Abad Hotel, MG Road, Ernakulam - 682035
Notes to financial results as at 31 March 2021

11 The Company has maintained requisite full asset cover by way of floating charge on book debts of the Company on its secured listed non-convertible debentures as at 31 March 2021.

12 Figures for the six months period ended 31 March 2021 and 31 March 2020 represent the difference between the audited figures in respect of full financial years and the published reviewed figures for the six months period ended 30 September 2020 and 30 September 2019 respectively.

13 Previous period's / year's figures have been regrouped / reclassified wherever necessary to correspond with the current period's / year's classification / disclosure.

For and on behalf of the Board of Directors

THOMAS MUTHOOT

Name	: Thomas Muthoot
Designation	: Managing Director
DIN	: 00082089
Place	: Kochi
Date	: 3 June 2021

For Muthoot Microfin Limited

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Praveen T
Chief Financial Officer

Muthoot Microfin Limited
Cash Flow Statement for the Year ended March 31, 2021
(All amounts in INR million, unless stated otherwise)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from operating activities		
Profit before tax	**90.56**	**196.59**
Adjustments		
Depreciation and amortisation	140.33	137.09
(Gain)/Loss on sale of tangible assets	(0.18)	0.14
Provision for employee benefits	59.26	54.59
Impairment on financial instruments	1,354.15	2,647.04
Profit on sale of financial assets carried at fair value through profit or loss	(169.95)	(256.17)
Interest income on security deposits	(2.15)	(0.75)
Other Income	(5.96)	
Gain on sale of loan asset through direct assignment	(427.35)	(2,142.84)
Adjustments towards effective interest rate in respect of loan assets	32.05	(8.07)
Adjustments towards effective interest rate in respect of debt securities, borrowings and subordinate liabilities	1.69	(10.07)
Share based payments	3.65	1.85
Finance cost on leases	80.82	69.86
Operating profit before working capital changes	**1,107.53**	**626.55**
Working capital changes		
(Increase)/decrease in loans	(8,352.46)	937.75
(Increase)/decrease in other receivables	17.55	(75.58)
(Increase)/decrease in other financial assets	(0.35)	(22.46)
(Increase)/decrease in other non financial assets	4.54	52.46
Increase/(decrease) in other payables	(5.74)	(24.31)
Increase/(decrease) in other financial liabilities	493.97	52.36
Increase/(decrease) in provisions	(50.90)	(20.50)
Increase/(decrease) in other non financial liabilities	3.02	29.14
Cash used in operating activities	**(6,986.83)**	**1,535.72**
Income taxes paid (net)	(52.55)	(198.64)
Net cash used in operating activities	**(7,039.38)**	**1,340.08**
Cash flows from investing activities		
Purchase of tangible assets (including capital advances, capital creditors and capital work in progress) and intangible assets	(79.71)	(261.50)
(Investment in term deposits with banks (net)	(405.00)	(600.54)
Proceeds from sale of tangible assets	0.18	0.57
Profit on sale of investments	169.95	256.17
Net cash used in investing activities	**(379.48)**	**(604.95)**
Cash flows from financing activities		
Proceeds from borrowings	14,660.70	19,525.09
Proceeds from debt securities	2,500.00	700.00
Repayment of borrowings	(13,809.77)	(14,141.54)
Repayment of debt securities		(3,500.00)
Proceeds from/(payment for) treasury shares	(3.39)	4.49
Payment of lease liabilities	(144.82)	(119.26)
Net cash generated from financing activities	**753.31**	**4,627.69**
Net increase in cash and cash equivalents	(6,422.55)	8,102.82
Cash and cash equivalents as at the beginning of the year	11,812.91	4,760.10
Cash and cash equivalents as at the end of the year	**5,390.36**	**12,862.91**
Operational cash flows from interest		
Interest paid	2,893.11	2,648.78
Interest received	4,681.67	4,160.11

Place: Kochi
Date:

MUTHOOT MICROFIN LIMITED MUMBAI 400093

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of Muthoot Microfin Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Muthoot Microfin Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to note 50 to the accompanying financial statements, which describes the uncertainty relating to the effects of the COVID-19 pandemic outbreak on the Company's operations. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

For Muthoot Microfin Limited

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Praveen T
Chief Financial Officer

Key audit matter	How our audit addressed the key audit matter
Considering the volume of transactions and materiality of amounts involved, significant auditor attention required to test accuracy of interest income recognised during the period, we have identified recognition of interest income as a key audit matter	• Tested the mathematical accuracy of management working obtained as above. • On a sample basis, tested the interest income earned during the year by inspection of the approved loan documents, collection during the year and an independent re-computation of the amount of interest income recognized during the year • Performed substantive analytical procedures such as ratio analysis between the interest income and outstanding loan portfolio during the year. • Ensured appropriateness and adequacy of disclosures of the interest income in the accompanying financial statements in accordance with the applicable accounting standards.
(b) Computation of impairment losses on loan assets (Refer notes 1(ix), 5 and 41A of the accompanying financial statements for related disclosures) As at 31 March 2020, the Company has reported total gross loan assets of ₹ 27,526.45 million (March 2019: ₹27,373.49 million) against which an impairment loss of ₹1,888.44 million (March 2019: ₹ 380.98 million) has been recorded. The calculation of impairment losses on loans is complex and is based on application of significant management judgement and the use of different modelling techniques and assumptions which have a material impact on reported profits. The Company has applied a three stage approach based on changes in credit quality to measure expected credit loss on loans which is as follows: • If the loan is not credit-impaired on initial recognition then it is classified in 'Stage 1' and its credit risk is continuously monitored by the Company i.e. the default in repayment is within the range of 0 to 30 days. • If a significant increase in credit risk since initial recognition is identified, it is moved to 'Stage 2' but is not yet deemed to be credit-impaired i.e. the default in repayment is within the range of 31 to 90 days.	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following: • Evaluated the Company's accounting policies for estimation of expected credit loss on loans in accordance with Ind AS 109, Financial Instruments. • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios; • Assessed and tested the design and operating effectiveness of key manual and automated controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized. Also, evaluated the controls over the modelling process, validation of data and related approvals. • Tested the assumptions underlying the impairment identification and quantification including the forecast of future cash flows by corroborating it with the agreed repayment schedules of the borrowers.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Key audit matter	How our audit addressed the key audit matter
These parameters are derived from the Company's internally developed statistical models, other historical data and macro-economic factors including impact of COVID-19 pandemic which has added to the complexity of determination of aforesaid parameters. Considering the significance of the above matter to the financial statements, degree of estimation uncertainty involved and significant management judgments involved, this area required significant auditor attention to test such complex accounting estimates and hence, has been identified as a key audit matter. We also draw attention to note 50 to the accompanying financial statements regarding uncertainties arising out of COVID-19 pandemic and the consequential impact on the appropriateness of impairment losses recognized towards loan assets outstanding as on 31 March 2020.	• Performed an assessment of critical assumptions used by the management for estimation of allowance for expected credit losses as at 31 March 2020 including the impact of COVID-19 pandemic and the related moratorium facility availed by certain customers on such assumptions. • Performed an assessment of the adequacy of the credit losses expected within 12 months by reference to credit losses actually incurred on similar portfolios historically. • Assessed the appropriateness and adequacy of the related presentation and disclosures of note 41 "Financial risk management" disclosed in the financial statements in accordance with the applicable accounting standards.
(c) Financial assets measured at fair value (Refer notes 1(xiii), 5 and 40 of the accompanying financial statements for related disclosures) The financial statements of the Company include financial assets valued at fair value. Total financial assets measured at fair value as at 31 March 2020 is ₹ 19,787.39 million (March 2019: ₹ 20,055.10 million). Impact of the same on other comprehensive income for the year ended 31 March 2020 is ₹ 44.42 million (2018-19: ₹ 307.83 million) (net of tax). The fair value of company's financial assets is determined by the management with the help of valuation experts, using various valuation techniques which involve the exercise of judgement by the management in for assumptions and inputs involved. Estimation uncertainty has been determined to be high for those financial assets where significant valuation inputs are unobservable (i.e., level 3 instruments). As at 31 March 2020, financial assets worth ₹ 20,401.89 million (March 2019: ₹19,862.59 million) are valued using level 3 valuation model, discounted cash flow method. Considering the significant degree of judgement and subjectivity involved in the estimates and key assumptions used in determining the future cash flows which are used in the fair valuation methodology adopted, we have determined fair valuation of financial assets as a key audit matter.	Our audit work included, but was not limited to, the following procedures: • Obtained an understanding of the management process for: - assessment of accounting treatment for such transactions in accordance with the requirements of Ind AS 109, Financial Instruments - identification of financial assets subject to fair valuation measurement (assignable loan assets having no delinquency) - determining the input data and models used for valuation • Evaluated the design and tested the operating effectiveness of the key manual and automated controls over the accuracy of the key inputs and assumptions considered for valuation of financial assets. • Assessed the valuation specialist's qualification and expertise and reviewed their terms of engagement to determine whether there were any matters that may have imposed scope limitations upon their work. • Obtained the valuation reports of management valuation specialists for the fair value of financial assets. • Involved auditor's expert to test appropriateness of methodology adopted, key assumptions used in the valuation of loan receivables such as risk-free rate of return, credit spread of the borrowings etc.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Information other than the Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

8. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

10. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

16. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

17. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

18. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) the financial statements dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 19 June 2020 as per Annexure II expressed unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2020;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Krishnakumar Ananthasivan
Partner
Membership No.: 206229
UDIN: 20206229AAAABL1804

Place : Kochi
Date : 19 June 2020

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

Annexure I to the Independent Auditor's Report of even date to the members of Muthoot Microfin Limited on the financial statements for the year ended 31 March 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) There are no dues in respect of income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. The Company has no loans or borrowings payable to government.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle / surplus funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.

(x) 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.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the company.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Krishnakumar Ananthasivan
Partner
Membership No.: 206229
UDIN: 20206229AAAABL1804

Place: Kochi
Date: 19 June 2020

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS

Illustration of Bond Cash Flows	
Company	Muthoot Microfin Limited
Face Value (per security)	Rs. 10,00,000/- (Rupees Ten Lakhs only)
Issue Date / Date of Allotment	Issue Opening Date: July 29, 2022 Deemed Date of Allotment: July 29, 2022
Redemption Date / Maturity Date	Redemption Date / Maturity Date: April 29, 2024 or such other date on which the principal amount of the Debentures is payable, whether by way of acceleration or otherwise.
Coupon Rate	The Coupon payable in relation to the Debentures is a floating rate linked to the Reference Index / Underlying Index and shall be payable at the Effective Coupon Amount per Debenture to the Debenture Holders as interest / Coupon on the Redemption Date. The said 'Effective Coupon Amount' being the interest / Coupon amount to be paid per Debenture by the Issuer to the Debenture Holders shall be determined in accordance with the method of calculation set out in Clause 5.38 (*Method of calculation of Effective Coupon Amount*) of this Placement Memorandum.
Frequency of the Coupon Payment with specified dates	Coupon payable on the Coupon Payment Date / Maturity Date being April 29, 2024 (subject to day count convention in accordance with the SEBI Debt Listing Regulations).
Day Count Convention	Actual/365

Redemption Instalments	Redemption Date / Maturity Date / Coupon Payment Date	Amount to be redeemed per Debenture (in INR)
1	April 29, 2024	10,00,000

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

ANNEXURE VII: DUE DILIGENCE CERTIFICATE

Attached separately.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

ANNEXURE VIII: TERMS AND CONDITIONS OF DEBENTURE TRUSTEE AGREEMENT

Attached separately.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

ANNEXURE IX: IN-PRINCIPLE APPROVAL RECEIVED FROM BSE

Attached separately.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer

ANNEXURE X: VALUATION REPORT

Attached separately.

For Muthoot Microfin Limited

Praveen T
Chief Financial Officer