MCSL/SEC/23-24/149

August 30, 2023

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051
Trading Symbol - MUTHOOTCAP

Dear Sir/Madam,

Sub: 29th AGM Notice and Annual Report of Muthoot Capital Services Limited for the FY 2022 – 2023

This is to inform you that the 29th Annual General Meeting (AGM) of the Company will be held on Wednesday, September 20, 2023, at 01.00 P.M., through Video Conference ("VC") or Other Audio-Visual Means ("OAVM") without the physical presence of the Members at a common venue. Pursuant to the provisions of Regulation 34 (1) and 53 of the SEBI (LODR) Regulations, 2015, the Notice calling the 29th AGM along with the Annual Report of the Company for the FY 2022 - 2023, is attached herewith for your information and records. The same is also available on the website of the Company: www.muthootcap.com under "Investors" tab.

The Annual Report for the Financial Year 2022-23 is being sent electronically to those Members whose E-mail IDs are registered with the Company/Registrar and Transfer Agent, Integrated Registry Management Services Private Limited ("RTA") or the Depository Participant(s). The Member who wishes to obtain a hard copy of the Annual Report can send a request for the same at mail@muthootcap.ccom mentioning Folio No/ DP ID and Client ID.

The Company had fixed September 13, 2023, as the cut-off for the purpose of determining the Members who are eligible to exercise their votes electronically on the resolutions being placed before the 29th AGM of the Company. The remote e-voting will commence at 9.00 A.M. on September 17, 2023, and will end on 5.00 P.M. on September 19, 2023. The e-voting module will be disabled for voting thereafter.

We request you to kindly take the Revised Annual Report on your records, as the Annual Report filed previously, had some figures missing in it, on account of certain errors, caused by inadvertence. Kindly, treat the same as compliance with the applicable provisions of the Listing Regulations.

Thanking you,

Yours faithfully,

For Muthoot Capital Services Limited

DEEPA GOPALAKRISHNAN

Digitally signed by DEEPA GOPALAKRISHNAN
Date: 2023.08.30 11:56:46 +05'30'

Deepa G
Company Secretary & Compliance Officer
Membership No.: A68790

MUTHOOT CAPITAL SERVICES LIMITED
(CIN: L67120KL1994PLC007726)
Regd. Office: 3rd Floor, Muthoot Towers, M.G. Road, Kochi - 682 035
Tel: +91 - 484 – 6619600 Web: www.muthootcap.com,
Email: mail@muthootcap.com

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 29th Annual General Meeting ("AGM") of the Members of **"Muthoot Capital Services Limited"** will be held on **Wednesday, September 20, 2023, at 01.00 P.M.**, through Video Conference ("VC") or Other Audio-Visual Means ("OAVM") without the physical presence of the Members at a common venue, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the standalone Audited Statement of Profit and Loss for the financial year ended March 31, 2023, the Audited Balance Sheet as at that date, together with the Cash Flow Statement, the Reports of the Board of Directors and Independent Auditors, thereon.

2. To appoint a Director in place of Mr. Thomas John Muthoot, (DIN: 00011618), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT Mr. Thomas John Muthoot, Director (DIN: 00011618), who retires by rotation from the Board of Directors pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, and being eligible offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company."

SPECIAL BUSINESS:

3. **Appointment of Mrs. Divya Abhishek (DIN: 08709050) as Independent Woman Director**

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

   "RESOLVED THAT based on recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)Regulations, 2015 and the Articles of Association of the Company, Mrs. Divya Abhishek (DIN: 08709050), who was appointed by the Board of Directors as an Additional Non-Executive Independent Director of the Company with effect from August 08, 2023 pursuant to the provisions of Section 161(1) of the Companies Act,

2013, and who holds office upto the date of this Annual General Meeting of the Company, be and is hereby appointed as an Independent Director of the Company, who shall hold office for a period of five consecutive years with effect from August 08, 2023 to August 07, 2028 and whose office shall not, henceforth, be liable to retire by rotation.

RESOLVED FURTHER THAT to give effect to this resolution, the Board of Directors of the Company and the Company Secretary be and are hereby severally authorised to do all the acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

4. Adoption of fresh set of Articles of Association

To consider and approve Alteration of Articles of the Company by way of adoption of fresh set of Articles of Association in conformity with the provisions of the Companies Act, 2013 consequent to the compliance with the requirement of Regulation 23(6) of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended and in this regard, to pass the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 5, Section 14 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the applicable rules framed thereunder (including any statutory modification(s) or amendment(s) thereto or re-enactment thereof for the time being in force) and all other laws, acts, rules, regulations, guidelines, circulars, directions and notifications issued by the regulatory authorities as applicable from time to time, the consent of Members of the Company be and is hereby accorded to substitute the existing Articles of Association of the Company with new set of Articles of Association as per the provisions of the Companies Act, 2013.

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

For and on behalf of Board of Directors
Sd/-
Deepa G
Company Secretary and Compliance Officer
Membership Number : A68790

Place: Kochi
Date: August 28, 2023

NOTES

1. The Ministry of Corporate Affairs vide its General Circular Nos. 20/2020 dated May 5, 2020, 02/2022 dated May 5, 2022, and 11/2022 dated December 28, 2022, and the Securities and Exchange Board of India (SEBI) vide its circular dated May 13, 2022 and January 05, 2023, have permitted the holding of AGM through VC / OAVM, without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), MCA Circulars and SEBI Circular, the AGM of the Company is being held through VC / OAVM and hence the Members can attend and participate in this AGM through VC / OAVM. The deemed venue for the AGM will be the Registered Office of the Company.

2. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with Annual Report for the FY 2022-23 is being sent in electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participant(s). Members (Physical / Demat) who have not registered their email addresses with the Company can get the same registered with the Company by requesting to our Registrar and Share Transfer Agent i.e., Integrated Registry Management Services Private Limited ("RTA") at csdstd@integratedindia.in and to the Company at mail@muthootcap.com .

3. Members may please note that the Notice of the AGM and the Annual Report for the FY 2022-23 has been uploaded on the Company's website at www.muthootcap.com. The same can also be accessed on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL at www.evotingindia.com. Any Member may request for a physical copy of the same by writing to mail@muthootcap.com mentioning their Folio No./DP ID and Client ID.

4. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Since this AGM is being held, pursuant to the MCA Circulars, through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Attendance Slip and Proxy Form are not annexed to this Notice.

6. The statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of the special business as set out above is annexed hereto. The relevant details pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.

7. Shareholders may note that the Company or its Registrar cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank

particulars or bank mandates. Such changes are to be advised only to the Depository Participant of shareholders.

8. Shareholders holding shares in physical form are requested to inform the Company and those holding shares in demat form to inform the Depository Participant about any changes in their mailing address and also to quote Folio Number / Client ID / DP ID, in all their correspondence with the Company / Depository Participant.

9. Members who have not claimed/received their dividend paid by the Company in respect of earlier years, are requested to check with the Company's Registrar. Members are requested to note that in terms of Section 125 of the Act, any dividend unpaid/unclaimed for a period of 7 years from the date these first became due for payment, is to be transferred to the Central Government to the credit of the Investor Education & Protection Fund (IEPF). The details of the unclaimed dividends and the underlying shares that are liable to be transferred to IEPF are also available at the Company's website mail@muthootcap.com. In view of this, Members/ claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available at www.iepf.gov.in.

10. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the management to keep the information ready at the meeting.

11. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

12. **SEBI has mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, e-mail address, mobile number, bank account details) and nomination details by holders of securities. Effective from 1st January 2022, any service requests or complaints received from the Member, will not be processed by RTA till the aforesaid details/documents are provided to RTA. On or after 1st October 2023, in case any of the above cited documents/details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s) the said folios shall be frozen by RTA and the said folios shall be restored to normal status only after furnishing by the holders of Physical securities all the completed documents/details as stated. Further, those folios that were frozen on or after 1st October 2023 and continues to remain frozen till 31st December 2025 post that such securities will be referred by RTA/Company to the administering authority under Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002. Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at https://www.muthootcap.com/investors/?data_tab=tab-211/#tab11 .**

13. As per Regulation 40 of the SEBI LODR, as amended, securities of listed companies can be transferred only in dematerialised form with effect from 1st April 2019, except in case of request received for transmission or transposition of securities. To eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company's Registrar at csdstd@integratedindia.in for assistance in this regard.

14. The Members can join the AGM through VC / OAVM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through electronic mode will be made available for 1000 members on first come first served basis. It may be noted that the large Shareholders (i.e. Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors are allowed to attend the AGM without restriction on account of first come first served basis.

15. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statements of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.

16. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

17. a) Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to members to exercise the right to vote by electronic means. The Company has arranged this facility on the CDSL platform. The Members whose names appear in the Register of Members/List of Beneficiary Owners as on September 13, 2023 (cut-off date) shall only be allowed to vote.

    b) Shareholders who have acquired shares after the dispatch of notice and before the cut-off date may approach the Company for issuance of User ID and Password for exercising their votes by electronic means.

    c) The remote e-voting period will commence at 9.00 a.m. on September 17, 2023 and will end on 5.00 p.m. on September 19, 2023. At the end of the remote e-voting period, the said facility shall forthwith be blocked. The Company has appointed CS Puzhankara Sivakumar, Managing Partner, SEP & Associates, Company Secretaries, First Floor, Building No. C.C 56/172, K.C. Abraham Master Road, Panampilly Nagar, Kochi - 682 036, failing which CS Syam Kumar R, Senior Partner, SEP & Associates, failing which CS E.P Madhusudhanan, Partner, SEP & Associates, to conduct the scrutiny of votes cast in the remote e-voting process and poll at the AGM of the Company.

    d) Once the vote on a Resolution is cast by the shareholder, he shall not be allowed to change it subsequently.

    e) The members who had cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to vote again at the meeting.

f) The results of the remote e-voting and poll in the AGM shall be declared within 48 hours of conclusion of the AGM on the website of the Company and will also be intimated to the Stock Exchanges.

g) Shareholders who are not members as on the cut-off date shall treat this notice for information purposes only.

h) Documents/Papers relating to the items contained in the Notice may be perused on any working day during business hours at the Registered Office of the Company and the copies shall also be made available for inspection at the Meeting.

The members desiring to vote through electronic mode may refer to the detailed procedure on remote e-voting as given below:

Instructions for e- voting

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode **15 minutes** before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

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

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

8. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

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

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The voting period begins on **Sunday, September 17, 2023 (9:00 A.M.)** and ends on **Tuesday, September 19, 2023 (5:00 P.M.).** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Wednesday September 13, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

SHAREHOLDERS INSTRUCTIONS FOR E- VOTING

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders**, **by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) *In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.*

Pursuant to abovesaid SEBI Circular**,** Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	**Login Method**
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	**Helpdesk details**
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant **MUTHOOT CAPITAL SERVICES LIMITED** on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

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

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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

(xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Institutional Members are encouraged to attend and vote at this AGM through VC/OAVM. Institutional/Corporate Shareholders (i.e., other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its board or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC/OAVM or to vote through remote e-voting. The said Resolution/Authorisation shall be sent to the Scrutiniser by e-mail through its registered e-mail id at info@sepmail.in with a copy marked helpdesk.evoting@cdslindia.com, not later than **48 hours** before the scheduled time of the commencement of the Meeting.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **5 days prior to** meeting mentioning their name, demat account number/folio number, email id, mobile number at mail@muthootcap.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior** to meeting mentioning their name, demat account number/folio number, email id, mobile number at mail@muthootcap.com. These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to

Company at mail@muthootcap.com **/RTA email id a**t csdstd@integratedindia.in or helpdesk.evoting@cdslindia.com.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**

3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

For and on behalf of Board of Directors
Sd/-
Deepa G
Company Secretary and Compliance Officer
Membership Number : A68790

Place: Kochi
Date: August 28, 2023

STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

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

Item No. 3: Appointment of Mrs. Divya Abhishek (DIN: 08709050) as Independent Woman Director

The Board of Directors of the Company, at its meeting held on the 8th of August 2023, had appointed Mrs. Divya Abhishek (DIN: 08709050) as an Additional Director of the Company in the category of Independent Director with effect from 8th of August 2023, based on the recommendation of the Nomination and Remuneration Committee and holds office upto the date of this Annual General Meeting of the Company.

The Company has received a notice, in writing, as envisaged under Section 160 (1) of the Act proposing the candidature of Mrs. Divya Abhishek for the office of Independent Director of the Company. The Company has received all statutory disclosures/declarations from Mrs. Divya Abhishek.

The Company has received from Mrs. Divya Abhishek, (i) consent in writing to act as a Director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under the provisions of sub-section (2) of Section 164 of the Companies Act, 2013. Based on the declaration received from the proposed Director, the Board confirms that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(SEBI LODR). In terms of Regulation 25(8) of the SEBI LODR, Mrs. Divya Abhishek has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. She has also confirmed that she is not debarred from holding the office of a director by virtue of any SEBI Orders or any such Authority pursuant to circular dated 20th June 2018, issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by listed companies. Mrs. Divya Abhishek has confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs. In terms of Sections 149, 152 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, and in terms of the applicable provisions of the SEBI LODR, each as amended, the appointment of Mrs. Divya Abhishek as an Independent Director of the Company is being placed before the Shareholders for their approval by way of a Special Resolution. Mrs. Divya Abhishek, once appointed, will not be liable to retire by rotation.

Mrs. Divya Abhishek is a Graduate, Postgraduate, Law Graduate, Associate Member of the Institute of Cost Accountants of India, Associate Member of the Institute of Company Secretaries of India, Fellow Member of the Institute of Chartered Accountants of India, Diploma holder in IFRS (ACCA) and Advanced Diploma holder in International Taxation (UK).

Mrs. Divya Abhishek is a Practicing Chartered Accountant being a Partner at DSNR & Co Chartered Accountants, Chennai and has an excellent exposure to corporate audits, corporate and allied laws, corporate consultancy, corporate advisory services, corporate legal compliances, transfer pricing and international taxation.

In the opinion of the Board, and based on its evaluation, Mrs. Divya Abhishek is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder read with the provisions of the SEBI (LODR) Regulations as amended, and is independent of the Management of the Company.

Mrs. Divya Abhishek would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof, where she is a member.

The disclosure under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards, is provided as a part of this Notice.

Except Mrs. Divya Abhishek, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested - financially or otherwise- in this item of business. Mrs. Divya Abhishek is not related to any other Director or KMP of the Company.

The Board recommends the Resolution set forth in Item No. 4 for approval of the members.

Item No. 4: Adoption of fresh set of Articles of Association

The members are requested to note that Securities and Exchange Board of India (SEBI), vide Notification No. SEBI/LAD-NRO/GN/2023/119 dated February 02, 2023 (SEBI Notification), had amended SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. Accordingly, a listed company issuing non-convertible debt securities is required to ensure that its Articles of Association enables the Board of Directors to appoint a person nominated by the debenture trustee(s) in terms of clause (e) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a Nominee director on its Board of Directors on the occurrence of the following events:

(i) two consecutive defaults in payment of interest to the debenture holders; or
(ii) default in creation of security for debentures; or
(iii) default in redemption of debentures

In case of listed company whose debt securities are listed as on the date of publication of the SEBI Notification, it shall alter its Articles of Association to comply with the requirement of the SEBI Notification, on or before September 30, 2023.

The Company being a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI), in ordinary course of its business issues debt securities including non-convertible debentures, from time to time for the purpose of on-lending, growing the Company's asset book, refinancing existing debt and other general purposes as may be decided by the Board. The issue of debt securities is made through private placement on judicious evaluation of various factors

including cost effectiveness, prevailing market conditions etc. The Company had 16,900 secured debt securities, issued on private placement basis, aggregating to Rupees 169 Crores outstanding as on June 30, 2023. Further, it may be noted that The Company has a good track record of timely payment of interest on debt securities on due date, repayment of principal amount of debt securities on redemption date and providing adequate security cover with respect to outstanding secured debt securities.

The Company does not envisage occurrence of any such event of default or circumstances triggering appointment of nominee director by the Debenture Trustees on the Board of Directors of the Company. However, alteration of Articles of Association of the Company, is required to ensure compliance with SEBI Notification.

Further, it may be noted that Sub-section (6) of Section 5 of the Companies Act, 2013, provides that the Articles of Association of a company shall be in respective forms specified in Tables F, G, H, I and J in Schedule I as may be applicable to such Company. Sub-section (9) of section 5 provides that nothing in this section shall apply to the Articles of a Company registered under any previous law unless amended under the Act. Hence, whenever a Company amends its articles, it should ensure that subsequent to the amendment, the AOA is as per the format specified under the Companies Act, 2013. The Articles of the Company, which was originally adopted under Companies Act, 1956, has been accordingly modified to align it with the format of Table F (Articles of Association of a Company Limited by Shares) as prescribed in Companies Act, 2013. Further, the following Clause is suitably added in the new set of Articles of Association of the Company to ensure the compliance with the requirement of the said SEBI Notification:

"70. On receipt of communication from the Debenture Trustee of the proposed nomination of any person as a director, pursuant to clause (e) of sub regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Company shall, at the earliest and not later than one month from the date of receipt of nomination from the Debenture Trustee(s), appoint such a person as nominee director on the Board of Directors of the Company, subject to the applicable law/regulations. Such nominee director shall neither be liable to retire by rotation nor be required to hold any qualification shares.."

The existing Articles of Association along with the Articles of Association incorporating therein the proposed alterations are available for electronic inspection by the Members without any fee from the date of circulation of this Notice up to the date of 29th Annual General Meeting, i.e. Wednesday, September 20, 2023. Members seeking to inspect such documents can send an email to mail@muthootcap.com. Alternatively, the same are available for inspection by the Members of the Company at the Registered of the Company on all working days during business hours up to the date of 29th Annual General Meeting. The Board of Directors recommends the resolution set out at Item No. 4, to the Members of the Company for their consideration and approval, by way of Special Resolution. None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolutions.

Information required to be furnished under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India

Name	**Mr. Thomas John Muthoot**	**Mrs. Divya Abhishek**
DIN	**00011618**	**08709050**
Age & Date of Birth	June 07,1962 (61 years)	March 10, 1992 (31 years)
Nationality	Indian	Indian
Date of appointment on the Board	February 18, 1994	August 08, 2023
Relationship with other Directors	Brother of Mr. Thomas George Muthoot & Mr. Thomas Muthoot	Not related to any Director
Qualification	B. Com, Alumni of the Harvard Business School	Associate Member of the Institute of Cost Accountants of India, Associate Member of the Institute of Company Secretaries of India, Fellow Member of the Institute of Chartered Accountants of India, Diploma in IFRS (ACCA), Advanced Diploma in International Taxation (UK), MBA in Financial Management & LLB
Expertise in specific functional areas	Retail financial services, more particularly in the micro retail lending portfolio.	Excellent exposure to corporate audits, corporate and allied laws, corporate consultancy, corporate advisory services, corporate legal compliances, transfer pricing and international taxation.
Number of shares & % of holding	31,52,964 shares 19.17%	Nil

List of Directorships held in other Public Limited Companies	1. Muthoot Fincorp Limited 2. Muthoot APT Ceramics Limited 3. Muthoot Housing Finance Company Limited 4. Muthoot Pappachan Technologies Limited 5. Muthoot Equities Limited 6. Muthoot Microfin Limited Along with several Private Companies in the Muthoot Pappachan Group		Nil	
Chairmanships/Memberships of Committees in other Public Limited Companies (includes Audit Committee and Stakeholders Relationship Committee) as on 31.03.2023	• Member of Audit Committee of Muthoot Housing Finance Company Limited and Muthoot Microfin Limited • Chairman of Stakeholders Relationship Committee of Muthoot Microfin Limited and Member of Stakeholders Relationship Committee of Muthoot Fincorp Limited.		Nil	
Terms and Conditions of appointment/reappointment	Re-appointment in terms of Section 152(6) of the Companies Act, 2013.		Details of terms and conditions of appointment form part of the Explanatory Statement.	
Remuneration received from the Company in the F.Y. 2022-23	Nil Remuneration received from the Company in the F.Y. 2022-23		N.A.	
Names of listed entities from which Director has resigned in the past three years	Nil		Nil	
Number of Board meetings attended during the FY 2022-2023	Held	8	Held	Not Applicable
	Attended	8	Attended	

Disclosure pursuant to Regulation 36 (3) (f) w.r.t. the skills and capabilities required by an Independent Director

Role	**Capabilities**	**Qualities identified in the candidate proposed to be appointed as Director**
Helps in bringing an independent judgment during Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;	Sound understanding of finance, compliances involved, the nature of the industry and business of the Company, in general.	Mrs. Divya Abhishek is an Associate Member of The Institute of Cost Accountants of India and The Institute of Company Secretaries of India and a Fellow member of The Institute of Chartered Accountants of India with a host of other qualifications. She is a Practising Chartered Accountant. being a Partner at DSNR & Co, Chartered Accountants, Chennai and has exposure to corporate audits, corporate and allied laws, corporate consultancy, corporate advisory services, corporate legal compliances, transfer pricing and international taxation.
Brings an objective view in the evaluation of the performance of board and management;	Ability to offer unbiased perspectives on board decisions and not influenced by any personal or financial interests	The candidate proposed to be appointed as Independent Director has engaged with several organizations which includes the Chambers of Commerce & Industry engaged in critical performance evaluation.
Balances the conflicting interest of the stakeholders;	Ability to function as an effective representative of the Company in communicating with all stakeholders and to assure that the Company maintains positive relationships in the community and cultivates good working relationships with community groups and organizations	The candidate proposed to be appointed as Independent Director has held and continues to hold various positions in organizations of educational and social relevance.
Scrutinizes the performance of management in meeting agreed	To evaluate the strategy adopted by the Company and	The candidate proposed to be appointed as Independent Director

goals and objectives and monitor the reporting of performance;	its outcome and to suggest methods to improve efficiency and to rectify flaws, if any.	possess sound understanding of finance, compliances involved, the nature of the industry and business to effectively scrutinize the performance of the management.
Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible	Required to possess a good understanding of the implications of the Company's financial decisions and to make good judgment in managing the financial affairs, risk management systems and budgets of the organization.	The candidate proposed to be appointed as Independent Director has extensively dealt in cost concepts, cost & management accounting techniques, cost accounting standards, cost audits applicable to various industries, operational costing, process costing, cost measurement and cost efficiency and other allied activities, corporate law, corporate taxation, various schemes of government, finance management, tax planning and other allied activities.
Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest	Should effectively assist the Company in implementing best corporate governance practice and to monitor the same	Considering the exposure of the proposed candidate to different arenas and association with several Organizations, the candidate is expected to have the ability to balance situations involving conflict of interest.
Determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management	Ability to evaluate the experience of the person, background, job-profile and suitability for the post, candidate's past remuneration, the comparative remuneration profile in the industry, size of the Company, responsibilities shouldered etc. to arrive at a decision whether the person is suitable for appointment and to evaluate whether compensation is commensurate with the position handled.	The Skill sets and qualifications possessed by the candidate suggests that the candidate can perform the duties effectively and efficiently.

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PAPPACHAN muthoot CAPITAL

ANNUAL REPORT 2022-23

Regaining Momentum



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PAPPACHAN muthoot CAPITAL

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



Founder

Pappachan Muthoot

(1927 - 2004)

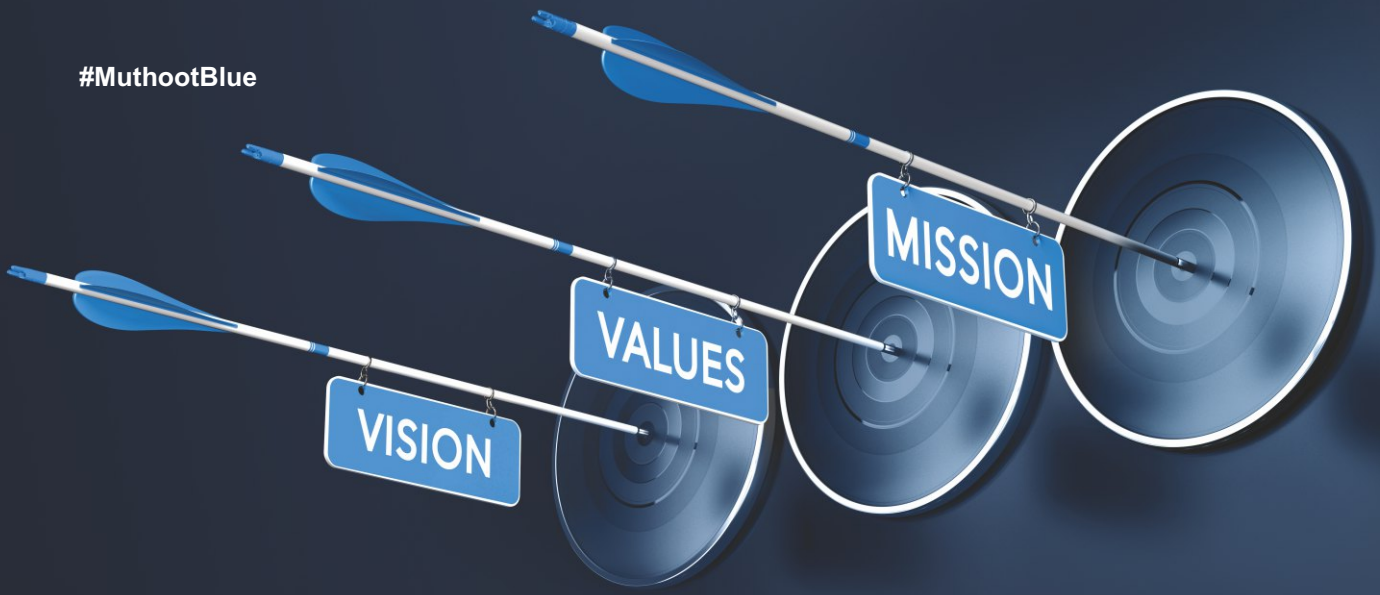
Shri Pappachan Muthoot was a simple and devout man, who espoused a nine point formula that stood by him in realizing his goals. Love. Peace. Happiness. Kindness. Helpfulness. Patience. Pleasantness. Faithfulness and Self-control. At Muthoot Pappachan Group, these values are quintessential to our being and act as a source of constant guidance.

PAPPACHAN muthoot

Blue is Belief

Financial Services | Hospitality | Automotive | Real Estate | IT Services
Precious Metals | Alternate Energy | Sports Academies | Muthoot Pappachan Foundation

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VISION

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

MISSION

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

VALUES

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

#PurposeMuthootBlue | To transform the life of the common man by improving their financial well-being

OUR CORE VALUES

- INTEGRITY
- COLLABORATION
- EXCELLENCE

CULTURE CODES

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

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Regaining Momentum

FY 22 posed a significant challenge to many organisations, including Muthoot Capital, yet FY 23 saw the Company's remarkable ability to bounce back demonstrated in its turnaround figures.

Muthoot Capital has posted a remarkable PAT of ₹ 7,867.95 lakhs this year, way higher than the ₹ -16,194.00 lakhs Profit after Tax it had last year.

This regain in momentum may be attributed to a number of different causes, however the most significant contributor was the dedication and effort exemplified by the Muthoot Capital team. They gave their all and seized every opportunity that presented itself.

As we come out of the storm, we extend our appreciation to all our stakeholders, dealers, and especially our customers who have been by our side through these difficult times.

The future looks promising, and we will collaborate to reach even greater heights.



Regaining Momentum through **improved economy**

The overall markets are improving although the automotive industry is recovering at a comparatively slower pace.

However, the headwinds are dissipating and the sales are picking up which is a good sign for finance providers.

EVs appear to be leading the resurge especially due to the efforts being put in by the Government to bring more and more environment friendly vehicles on road.

The road ahead gives hopes for a smoother and faster ride.




Two wheelers sold in India in FY 22 : 13.57 million
Two wheelers sold in India in FY 23 : 15.86 million

Regaining Momentum through **core strengths** of the Company

Muthoot Finance is an integral part of India's NBFC segment. Over the years it has accumulated strengths that make the Company an admirable and preferred choice of the customer. These include :

- The legacy of Muthoot Pappachan Group
- Deep understanding of the Customers segment
- Customized product offerings
- State of the art technology for Improved Efficiency and Enhanced Experience:
- Wider and Effective reach
- Robust Risk Management framework







Regaining Momentum through **collaboration with dealers**

The automotive dealers are an integral part of the Muthoot Capital business environment. They are a bridge between the Company and the customer.

During FY 23, Muthoot Capital collaborated strongly with such dealers to penetrate deeper into the markets and the efforts did bear fruits.

Disbursement during the year grew higher than the previous year which contributed to the improved revenues for the year.

Disbursement

In FY 22
₹ **1,14,710.16** lakhs

In FY 23
₹ **1,31,827.92** lakhs

Regaining Momentum through **improved recoveries**

One of the major achievement of team Muthoot Capital in FY 23 was the efforts put in to manage the large magnitudes of NPA's overflowing from the previous year .

The team collaborated with the customers on case to case basis to help them repay their dues. This helped in mutually beneficial resolution of delinquencies .

Measures such as digital repayments and higher repo sale proved to be helpful in clearing of dues .

Overall, the improvement in recoveries showcases how team Muthoot Capital and its customers partnered up to ride through the rough roads.

NPAs in FY 22	₹ **43,119.63** lakhs
NPAs in FY 23	₹ **53,137.00** lakhs



About
Muthoot Pappachan Group

The Muthoot Pappachan Group is recognised for its high-quality practices, unwavering commitment to customer satisfaction, and round-the-clock endeavors to achieve business growth. Its success can be attributed to the ethical values of trust, truth, transparency, and tradition that have been instilled in it since its incubation. Being one of the exemplary business houses in India, it not only produces tangible numbers but also applies a morally sound approach while tending to all stakeholders' needs. The primary aim of the organisation is to make practical strides towards improving the local communities and environment. This sustainable outlook has become commonplace for them; they consider it their duty rather than simply 'how we do business'.

Since its inception in 1887, Late Muthoot Ninan Mathai's focused business principles, transparent and fair practices, and customer commitment have sustained the group's steady growth for over 136 years. It all began humbly as a retail and wholesale grain trader at Kozhencherry. Chit Funds were also offered with philanthropic intent, and as the decades went on, the business continued to expand. In the 1950s, Muthoot Ninan Mathai transitioned into the gold loan sector and



soon became the biggest player in both Chit Funds and Gold Loans.

From an early age, the sons of Muthoot Ninan Mathai have been involved in business. Notably, the Late Mathew M. Thomas (Muthoot Pappachan) has greatly contributed to the company's success. Since the time he branched out in 1979, the Muthoot Pappachan Group (MPG) has achieved numerous accomplishments. Presently, his three sons-Thomas John Muthoot (Chairman), Thomas George Muthoot (Managing Director), and Thomas Muthoot (Non-Executive Director)-lead the organisation. The young successors of the visionary share responsibility alongside their three promoters, supported by their guidance.

MPG is a diversified company with operations in several sectors, such as Financial Services, Hospitality, Automotive, Realty, IT Services, Healthcare, Precious Metals, Global Services, and Alternate Energy. It has more than 30,000 employees serving over a million customers through its 4000-plus branches nationwide. Its innovative products and use of the latest technology have earned it the patronage of valued customers while upholding core principles and values.

The Muthoot Pappachan Group strives for complete transparency, integrity, and fair dealings in its ventures. We understand that customer satisfaction is not possible without a motivated and devoted workforce; thus, we are devoted to creating an environment of creativity, cooperation, and commitment that instills job satisfaction and joy in our staff.

The Muthoot Pappachan Group understands that no business can thrive without engaging with its surrounding environment and communities. On a broader scale, they also accept the fact that bigger businesses have a greater responsibility to promote sustainable development, protect the environment, and ensure the well-being of those they serve.

The Muthoot Pappachan Group (MPG) has established the Muthoot Pappachan Foundation (MPF), a public charitable trust and its corporate social responsibility wing, and through its broad range of initiatives, it has positively impacted thousands of lives. MPG's CSR campaigns are centred around the word ‘HEEL’, which stands for Health, Education, Environment and Livelihood. MPG highly values each individual associated with them and draws from their experiences.

About
Muthoot Capital Services Ltd

Established in 1994, Muthoot Capital Services Limited (MCSL) is a distinguished Finance Company in India. Backed by the Muthoot Pappachan Group, it holds Non-Banking Finance Company (NBFC) registration with the Reserve Bank of India. Its equity shares are traded at BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE), and its debt instruments are traded at BSE Limited (BSE).

Our retail, corporate, and institutional customers have access to our wide range of fund-based financial services through the network of Muthoot FinCorp Limited's branches, dealerships, and other sources. Our portfolio of credit offerings includes Two-Wheeler Loans, Used Car Loans, and business loans for corporations, as well as Investment Products like Fixed Deposits and subordinated debts. We are committed to giving timely credit opportunities to millions of people with simple saving options for their hard-earned money.

All of our business activities are conducted with one simple objective: to become the most trusted financial service provider for our customers, by serving them in a responsive and timely manner with easy and simple products at the doorsteps of the customer. We follow the core principles of the Muthoot Pappachan Group that validates the **#PurposeMuthootBlue to transform the life of common man by improving their financial well-being.** For us, the trust of all the stakeholders is supreme and we don't compromise on this core principle ever.



Our **Directors**



Mr. Thomas John Muthoot
Chaiman



Mr. Thomas George Muthoot
Managing Director



Mr. Thomas Muthoot
Director



Mr. A P Kurian
Independent Director



Mrs. Shirley Thomas
Independent Woman Director



Mr. Thomas Mathew
Independent Director

Corporate Information

Registered Office

Muthoot Capital Services Limited,
3rd Floor, Muthoot Towers,
M. G. Road, Kochi - 682 035
Tel : +91 484 6619600
Email : mail@muthootcap.com
Website : www.muthootcap.com

CIN

L67120KL1994PLC007726

ISIN

INE296G01013

BSE Code

511766

NSE Code

MUTHOOTCAP

Chief Operating Officer

Mr. Madhu Alexiouse*

Chief Finance Officer

Mr. Ramandeep Singh (Appointed w.e.f 06.12.2022)

Company Secretary & Compliance Officer

Ms. Deepa Gopalakrishnan (Appointed w.e.f 22.03.2023)

Management Team

Mr. Balakrishnan R	Executive Vice President**
Mr. Arun Singer	General Manager (North & East)
Ms. Umadevi Unnikrishnan	Chief Risk Officer
Mr. Vijayan T	Vice President - IT & Operations
Mr. Sooraj Mohan M	Vice President - Collections (Appointment is effective from January 04, 2023)

Statutory Auditors	**M/s. PKF Sridhar & Santhanam LLP,** Chartered Accountants, 91/92, VII Floor, Dr. Radhakrishnan Road, Mylapore, Chennai - 600 004, Tamil Nadu, India
Secretarial Auditors	**M/s. SEP & Associates,** Company Secretaries, Building No. C.C 56/172, K C Abraham Master Road, Panampilly Nagar, Kochi - 682 036
Internal Auditors	**M/s. BDO India LLP,** Chartered Accountants, XL/215 A, Krishna Kripa Layam Road Ernakulam, Kochi - 682 011
Registrar and Transfer Agents	**Integrated Registry Management Services** Private Ltd. 2nd Floor, "Kences Towers", No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017
Trustees	1) **Mr. A. Gopalakrishnan** **M/s. K. Venkatachalam Aiyer & Co.** Chartered Accountants, Building No. 41/3647 B, Providence Road, North End, Kochi - 682 018 (For unlisted debentures) 2) **IDBI Trusteeship Services Ltd.** Asian Building, Ground Floor, 17, R, Kamani Marg, Ballard Estate, Mumbai - 400 001 (For listed debentures & public deposits) Telephone: (22) 40807062 | E-mail : itsl@idbitrustee.com 3) **Vardhman Trusteeship Private Limited** The Capital, A Wing, 412A,Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Telephone: 9930430993 E-Mail: compliance@vardhmantrustee.com
Our Financiers	• Axis Bank • Bank of Baroda • Canara Bank • Central Bank of India • City Union Bank Ltd • CSB Bank • DCB Bank Ltd • Dhanalaxmi Bank Ltd • Federal Bank Ltd • HDFC Bank Ltd • IDBI Bank Ltd • IDFC Bank Ltd • Indian Bank • Indian Overseas Bank • IndusInd Bank Ltd • Punjab National Bank • State Bank of India • Tamilnadu Mercantile Bank • Union Bank of India

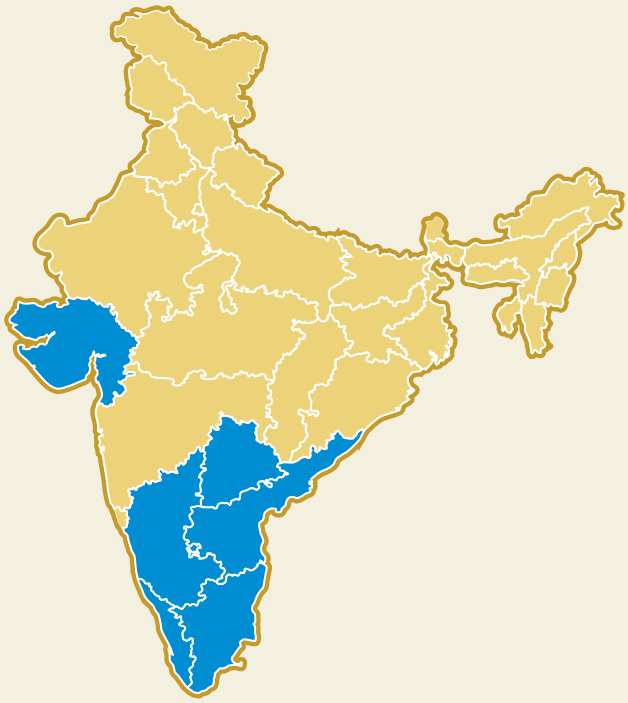
* Resigned w.e.f close of working hours of 18.05.2023

** Retired w.e.f working hours of 30.04.2023

List of Branches

Sr. No.	Location	Address
		KERALA
1	**Adimaly**	2nd Floor, Sivaram Building, NH 49, Adimaly P.O., Adimaly, Idukki (Dist) - 685 561
2	**Alappuzha**	2nd Floor, Niza Center, East of General Hospital Junction, Alappuzha
3	**Calicut**	Door No. 27/383/A-3, 2nd Floor, Soubhagya Shopping Complex, Nr. Aryadathupadam, Mavoor Road, Calicut
4	**Kollam**	1st Floor, S.M. Towers, Madan Nada, Kollam, Kerala - 691 016
5	**Kottayam**	Door No. 480, Vallabhasseri Building, Near Shalom Church, Chingavanam P.O., Kottayam - 686 531
6	**Kalpetta**	2nd Floor, Kainatty Arcade, Kainatty Junction, North Kalpetta Post, Wayanad - 673 121
7	**Palakkad**	RRK Towers, 1st Floor, Shornur Road, Pallipuram Post, Melamuri, Palakkad - 678 006
8	**Thrissur**	1st Floor, PVK Complex, Opp. Amala Hospital, Amala Nagar, Thrissur - 680 555
9	**Tirur**	1st Floor, Mundakkathu Building, Payyanangadi, Tirur
10	**Trivandrum**	2nd Floor, Mansions Chelsma Heights, Chengalloor Junction, Poojappura, Trivandrum - 695 012
11	**Kesavadasapuram**	Shop No. 1, 2 & 3, Kedaram Shopping Complex, Kesavadasapuram, Thiruvananthapuram, Kerala - 695 004
		TAMIL NADU
12	**Chennai**	First Floor, Old Door No 10, New No 27, Choolaimedu High Road, Choolaimedu, Chennai, Tamil Nadu - 600 094
13	**Coimbatore**	Ground Floor, Coimbatore #62, Dr. N.R.N. Layout, Pappanaikenpalayam
14	**Kumbakonam**	No. 41, Ravi's Plaza, Gandhiadigal Salai, Near Raya Mahal, Kumbakonam - 612 001
15	**Salem**	1st Floor, N.V. Arcade, 5/259A, Junction Main Road, Salem - 636 004
16	**Tanjore**	Ground Floor, No 5/163/4, Sorna Complex, Natarajapuram West, M C Road, Tanjore - 613 004
17	**Theni**	Tharun Tower, 2nd Floor, Sriram Theatre Lane, Cumbum Road, Theni - 625 531
18	**Thirunelveli**	No. 42, Vadivagam, TVM High Road, Near Palai Bus Stand, Palayamkottai, Thirunelveli - 627 002
19	**Trichy**	3rd Floor, United Arcade, Above Spencer Super Market, Karur Bye Pass Road, Trichy - 620 001
		PUDUCHERRY
20	**Karaikkal**	1st Floor, Door No. 2, Kannadiar Street, Karaikkal - 609 602

Sr. No.	Location	Address
		KARNATAKA
21	**Bangalore**	No. 29, "Shree Krishna" Opp. Raheja Park Apartment, Magadi Main Road, Vijayanagar, Bangalore - 560 040
22	**Hubli**	1st Floor, Above Vijayalakshmi TVS Show Room, Gokul Road, Hubli - 580 030
23	**Mysore**	1st Floor, No. 170/1, M 52, B N Street, Opp: Mandi Market, Mandi Mohalla, Mysore - 570 021
24	**Shimoga**	No. 44/44/44, Satish Arcade, 2nd Floor, Savalanga Road, Shimoga - 577 201
		TELANGANA
25	**Hyderabad**	Door No. 2-2-1130/24/D/1, 1st Floor, above Indian Bank, Shivam Road, Prasanthnagar, Hyderabad - 500 044
		ANDHRA PRADESH
26	**Guntur**	Door No. # 12-17-14, Somavari Street, Kothapet, Guntur - 522 002
27	**Kadapa**	D. No. 42/332-2, Vandana Complex, Ground Floor (Back Side), Bhagya Nagar Colony, Opp. Shivalayam Temple, Kadapa - 516 001
28	**Thirupathi**	Door No. 19-4-121/13/D1, First Floor, STV Nagar, Thirupathi - 517 501
29	**Vijayawada**	Door No. 31-11-1, Shriyans Plaza Hindu College Road, Maruthinagar, Vijayawada - 520 004
30	**Vizag**	1st Floor, No. 47-15-4/1, Gurbanga Complex, Diamond Park Road, Dwaraka Nagar, Vizag - 530 016
		GUJARAT
31	**Ahmedabad**	402, Ashoka Complex, Near Axis Bank Ltd. Sardar Patel Stadium Road, Navrangpura, Ahmedabad - 380 009



Message from **Managing Director**

> The automotive finance sector holds tremendous potential. Growing demand for cars and advances in mobility solutions position us strategically to take advantage of these trends. Our well-considered lending methods and cutting-edge products help us furnish tailored services that answer the ever-changing desires of our customers while keeping our financial position healthy.

Mr. Thomas George Muthoot
Managing Director



Dear Shareholders,

I hope this note reaches you in a state of excellent health and great morale. As we navigate the ever-changing environment of the financial services sector, I am delighted to provide you with an update on MSCL, your reliable partner in auto finance, and its progress and potential.

After a temporary slowdown in FY2021-22, your Company has regained momentum and posted commendable results. MCSL has proven to be robust and flexible in the face of the unprecedented global circumstances of recent years. Our dedication to prudent financial stewardship and customer-centric strategies has allowed us not only to overcome the challenges but also to attain considerable success.

I am pleased to inform you that our financial performance this quarter has been better than anticipated. Our revenue stands at ₹ 44,461.97 lakhs and our profit margins are ₹ 7,867.95 lakhs. This encouraging result is mainly due to the hard work of our team, the implementation of effective risk management methods, and your confidence in us, as shareholders.

The automotive finance sector holds tremendous potential. Growing demand for cars and advances in mobility solutions position us strategically to take advantage of these trends. Our well-considered lending methods and cutting-edge products help us furnish tailored services that answer the ever-changing desires of our customers while keeping our financial position healthy.

MCSL is dedicated to delivering an outstanding experience. We leverage technology and invest in digital platforms to streamline processes, expand accessibility, and offer tailored services. Our efforts have not only stepped up operational effectiveness but also strengthened our relationships with customers and dealers.

We recognise our responsibility to contribute positively to society and the environment, demonstrating our commitment to sustainability through various initiatives. These range from reducing our environmental footprint, promoting financial literacy, and supporting community development; aligning with our values, and positioning us as a socially responsible financial institution.

As we press ahead, our commitment to the fundamental principles that steer our company remains steadfast. We endeavour to discover new opportunities for expansion, leverage technological developments, and adapt to the evolving environment in order to bring value to all those involved with MCSL.

We extend our sincerest gratitude for your unwavering support and faith. It is your trust that bolsters us and motivates us to continually strive for excellence. You are an essential part of the MCSL narrative, and we look forward with hope as we continue on this venture together.

Thanking you,

Sincerely



Thomas George Muthoot

Managing Director

Message from **Chief Executive Officer**



In FY22-23, Muthoot Capital Services has achieved admirable financial progress in spite of difficult market circumstances. We have seen a steady rise in revenue, broadened our clientele base, and amplified profit. Our achievement in the face of economic fluctuation is proof of the robustness of our business model and the commitment of our employees.

Mr. Mathews Markose
Chief Executive Officer

Dear Shareholders,

I express delight in writing this annual shareholder letter as the Chief Executive Officer of Muthoot Capital Services Ltd.

To begin with, I wish to bring to note, that your company has registered impressive numbers despite the fact that the Automobile Industry, on which our business is dependent, continues to face difficult times. We made important adjustments in our distribution strategy which helped us navigate the challenges.

On behalf of the Board of Directors and all the members of the management team, I am very pleased to present you with an overview of our progress, results, and future potential.

Financial Performance:

In FY22-23, Muthoot Capital Services has achieved admirable financial progress in spite of difficult market circumstances. We have seen a steady rise in revenue, broadened our clientele base, and amplified profit. Our achievement in the face of economic fluctuation is proof of the robustness of our business model and the commitment of our employees.

Business Diversification and Innovation:

To keep up with the ever-changing business climate, we have implemented measures to broaden our selection and meet customers' expectations. Our 5P strategy is designed to bring us to the next stage of expansion - People, Planet, Product, Partnerships and Prosperity are our anchors.

People: We carry on investing in human resources even though processes are becoming digitalised.

Planet: Our dedication to the planet is clear through our e-mobility offerings, which are powered by technology for streamlining activities and increasing efficacy. Additionally, they play an important role in reducing carbon emissions.

Product: We want to improve the customer experience and bolster value for both our customers and shareholders by adding Used cars and Used LCVs to our product range.

Partnerships: We've been expanding our retail presence in emerging markets thanks to our partnerships; they have enabled us to expand rapidly within a safe environment. This will be a major focus for the foreseeable future.

Prosperity: We are constructing models to monitor unit level economics, yielding advantages for Customers, Shareholders, and Employees alike.

Corporate Social Responsibility (CSR):

At Muthoot Capital Services, we recognize the importance of investing in the communities in which we operate. Our corporate social responsibility initiative is unwavering. Over the past year, we have launched numerous initiatives to bolster education, healthcare and environmental conservation. These activities form a vital part of our objective to make an enduring difference to society.

Looking Forward:

As we move forward, Muthoot Capital Services has the capacity to sustain its growth and provide value for its shareholders. We will investigate new business prospects, establish ourselves in fresh markets, and nurture relationships with our stakeholders. Keeping an eye on risk management and maintaining a customer-oriented approach, we aspire to bolster long-term growth for our company.

Conclusions:

As shareholders, your opinions and ideas are of the utmost importance to us. We highly value your perspectives and strive to ensure communication lines are open and clear. To further allow you to engage with management, we will keep organizing regular shareholder meetings where you can get a better idea of our strategic initiatives.

To sum up, I'm thankful for your trust in Muthoot Capital Services, and we have achieved significant success together. Your ongoing backing has us well-prepared to take on upcoming opportunities and issues.

Let us march towards a bright future.

Thank you,

Sincerely

Mathews Markose

Chief Executive Officer

Corporate Social **Responsibility**

At Muthoot Capital Services Limited, we believe that we have a purpose to pursue, a mission to accomplish beyond work, through every little thing that we do every day. Being an agent of transformation, we nurture a culture of empathy towards the common man rooted in our value system that has evolved over a period of time.

In our effort to integrate humanity with business, we have evolved a four - dimensional mission through **"HEEL"**, which expands to **H**ealth, **E**ducation, **E**nvironment, and **L**ivelihood. A glimpse of our activities during the FY 22 - 23 are illustrated in next few pages.

We shall continue with our efforts to touch more lives in future through Health, Education, Environment, and opportunities for a better Livelihood...

HOUSING FOR EVERYONE, RECONSTRUCTING HOPES













TAKING CARE OF SPEECHLESS, COMPASSION FOR STREET DOGS



PROTECTING ENVIRONMENT THROUGH INNOVATION



Report of the
Board of Directors

Dear Members,

Your Directors have pleasure in presenting the **29th Annual Report** on your Company's business and operations together with audited financial statements of the Company for the financial year ended March 31, 2023.

1. PERFORMANCE HIGHLIGHTS

A snapshot on key performance highlights of your Company showcasing the rebound in terms of all parameters, whether Business, Operational or Financial front establishing the fact that the Company is on its road to recovery is given below.

a) Financial Results

The summarized financial results of your Company for the FY 2022-2023 are given below:

(₹ in lakhs, except earnings per share)

Particulars	2022-2023	2021-2022
Total Income	44,461.96	41,131.00
Total Expenses	33,582.01	62,701.00
Profit Before Tax (PBT)1	10,879.15	-21,570.00
Tax Expense	3,011.84	-5,376.39
Profit After Tax (PAT)(Including OCI)	7,792.41	-16,183.00
Basic Earnings Per Share (EPS)	47.84	-98.47

b) Business Growth

The Company was able to conclude the year ended March 31,2023 by re-visiting all the business parameters which helped the company in creating an additional disbursement of ₹ 1,318 crores during the year with robust asset quality.

Though the growth can be seen as neutral the additional business during the year has redefined the policy, SOPs and the way forward. The business growth for the reporting year was 15%.

c) Profitability

The total income of the Company increased to ₹ 44,462 lakhs during the Financial Year 2022-2023 as against ₹ 41,131 lakhs during the Financial Year 2021-2022. The total expenditure for the Financial Year 2022-2023 was at ₹ 335,82 lakhs. The Company ended up with a profit of ₹ 77,92 lakhs during the Financial Year 2022-2023 while the net loss after tax for the Financial Year 2021-2022 was ₹ 16,183 lakhs. The Net Interest Margin (NIM) is reported at 66.7% for the current financial year as against 63.6% in Financial Year 2021 - 2022.

d) Asset Quality

As on March 31, 2023, the gross NPA and net NPA in the books of your Company stood at ₹ 431,20 lakhs and ₹ 44,08 lakhs respectively. The Provision Coverage on the entire on-book loan stood at 19.5% against 22.6% as on March 31, 2022. The Asset quality was the parameter which was given the top-most significance throughout the last Financial Year. A considerable reduction can be seen in the year on year numbers. The Company's Non performing asset as of March 31st 2023 stood at ₹ 431,20 lakhs while the same were ₹ 531,37 lakhs as of March 31st 2022. The Overall collection efficiencies have significantly improved in all the buckets. In spite of overall improvement, the Company is carrying management overlay of ₹ 210,83 lakhs where in NNPA is 2.58%.

e) Net worth & Capital Adequacy Ratio

The net worth of your Company stood at ₹ 489,25 lakhs as against ₹ 411,33 lakhs in the previous year. It increased on account of profit earned during the year amounting to ₹ 77,93 lakhs (including ₹ 77 lakhs has been added on account of change in accounting policy with respect to 'Accounting of Interest income on credit impaired assets' for the better presentation and to ensure compliance with IND AS). The reserves and surplus of previous year is restated because of change in accounting policy amounting to ₹ 23,59 lakhs. As a result the reserves increased from ₹ 387,74 lakhs to ₹ 411,33 lakhs.The Company's total Capital Adequacy Ratio (CRAR) as on March 31, 2023 stood at 27.92% of the aggregate risk weighted assets on the Balance Sheet and risk adjusted value of the - Balance Sheet items, which is significantly above the statutory minimum of 15%. Out of the above, Tier I CRAR stood at 27.92% and Tier II CRAR stood at 0%. The CRAR as on March 31, 2022 was at 19.73%.

f) Earnings Per Share

Earnings Per Share of your Company during the year under review is reported at ₹ 47.84 against a negative earning of ₹ 98.47 as on March 31, 2022. Return on Equity was at 17.3% for the current financial year.

2. DIVIDEND

To ensure availability of capital for the future growth of the Company, your Board of Directors, are of the view that ploughing back of profit after tax into the business is a necessity of time. Hence the Board does not recommend any dividend for the Financial Year 2022-2023.

3. RESERVES

The Company has transferred an amount of ₹ 15,60.00 lakhs to the Statutory Reserve maintained under Section 45-IC of the Reserve Bank of India Act, 1934. The Company has not transferred any amount to the General Reserve for the financial year ended March 31, 2023. Post transfer of profits to reserves, your Board has decided to retain ₹ 62,71.36 Lakhs as surplus in the profit & loss account.

4. RESOURCE MOBILISATION

a) Share Capital

The authorized share capital of the Company is ₹ 25,00 lakhs, and the paid-up share capital of the Company is ₹ 16,45 lakhs. The Company had not issued any equity shares either with or without differential rights during the Financial Year 2022- 2023 and hence, the disclosure requirements under Section 43 and Rule 4 (4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable.

b) Debentures

During the year under review, your Company issued ₹ 175,00 lakhs Senior listed redeemable taxable principal protected market linked nonconvertible debentures and ₹ 35,00 lakhs listed senior secured redeemable nonconvertible debentures. Your Company has redeemed Secured Redeemable Non-Convertible Debentures aggregating to an amount of ₹ 100,00 lakhs. The MLDs and NCDs are listed on the debt market segment of the BSE Limited. As specified in the respective offer documents, the funds raised from MLDs and NCDs are being utilized for various financing activities, onward lending, to repay existing indebtedness, working capital and general corporate purposes of the Company. Details of the end-use of funds were furnished to the Audit Committee on a quarterly basis. The Company is in compliance with the applicable guidelines issued by the Reserve Bank of India, as amended from time to time. The Company has been regular in making payments of interest on all the MLDs and NCDs issued by the Company on a private placement basis as and when due.

As on March 31, 2023, the residual portion of Secured Redeemable non-convertible principal protected market linked and Non-Convertible Debentures under private placement including those issued during earlier years along with interest accrued is ₹ 260,64 lakhs. The debentures issued are secured by way of paripassu and exclusive charge on the current assets of the Company. The non-convertible debentures of your Company are rated as "A +/ Stable" by CRISIL.

Trustees for Debenture Holders: Mr. A Gopalakrishnan, Chartered Accountant, M/s. K. Venkatachalam Aiyer & Co., Chartered Accountants, Building No. 41/3647 B, First Floor, Blue Bird Towers, Providence Road, Kochi - 682 018,IDBI Trusteeship Services Limited, Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001 and Vardhman Trusteeship Private Limited ,The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 are the Debenture Trustee for ensuring and protecting the interests of debenture holders.

c) Fixed Deposits

Your Company is a Non - Banking Financial Company (NBFC), registered with Reserve Bank of India (RBI) having a Deposit Taking License. The Company started accepting fixed deposits during FY 2013 - 2014. The fixed deposits of the Company are rated as "A+/Stable" by CRISIL.

The outstanding amount of fixed deposits as on March 31, 2023, received by the Company including interest accrued at that date is ₹ 39,22 lakhs.

As on March 31, 2023, there are 61 accounts of fixed deposits amounting to ₹ 114 lakhs which have become due for payment but have not been claimed by the depositors.

Being an NBFC registered with RBI, the provisions of Chapter V of the Companies Act, 2013, relating to acceptance of deposits by Companies, is not applicable to the Company.

Communication to Deposit Holders: The Company has the practice of sending communication by registered post to the deposit holders whose accounts are about to mature, two months prior to the date of maturity. If the deposit holders do not respond to the communication, the Company contacts the depositors in person, instructing them to surrender the fixed deposit certificate and claim the amount. In case, the depositors are not traceable due to change in address/phone numbers, another regular communication is sent to the deposit holder and other modes to contact the deposit holders are also initiated till the deposits are repaid.

Trustees for Deposit Holders: Based on the RBI Guidelines for trustees of deposit holders of the NBFC, your Company has appointed IDBI Trusteeship Services Limited, as trustees for protecting the interests of deposit holders.

In compliance with the Master Circular - Miscellaneous Instruction to all NBFCs dated July 01, 2014, your Company has created a floating charge on the Statutory Liquid Assets in favour of IDBI Trusteeship Services Limited, as trustee on behalf of the depositors as required under the extant provisions.

d) Subordinated Debts

The Company had, in the current year, raised money through issue of subordinated debts. As of March 31, 2023, the total amount of outstanding subordinated debts, including accrued interest was ₹ 13,54 lakhs as against ₹ 34,65 lakhs in the previous year.

The subordinated debts and public deposits contribute to 2.8% of our total funding.

e) Bank Finance

The Company raises funds for its working capital requirements mainly from banks. As on March 31, 2023 the total outstanding amount of credit facilities from Banks were ₹ 1054,87 lakhs as against ₹ 1105,76 lakhs as on March 31, 2022 excluding accrued interest.

Apart from the above, the Company has been sourcing funds through Securitization. During the year under review, the Company has sourced ₹ 626,59 lakhs (net of MRR) (previous year ₹ 315,15 lakhs). The same has been invested into by various kinds of entities and the value remaining outstanding as on March 31, 2023, was ₹ 480,36 lakhs (previous year ₹ 265,56 lakhs).

5. DIRECTORS

As on March 31, 2023, the Board of your Company consisted of the following six Directors:

Category	Name of Directors
Executive Director	Mr. Thomas George Muthoot, Managing Director
Non - Executive - Non - Independent Directors	Mr. Thomas John Muthoot, Chairman Mr. Thomas Muthoot, Director
Non - Executive Independent Directors	Mr. A. P. Kurian Mrs. Shirley Thomas Mr. Thomas Mathew

The composition of the Board is in line with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015. All the Directors have vast knowledge and experience in their relevant fields and the Company has benefited immensely by their presence on the Board. The key Board qualifications, expertise, attributes are given in detail in the Report on Corporate Governance which forms part of this Report.

Mr. Thomas John Muthoot, Director (DIN: 00011618) retires at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment. The Board of Directors recommends the re-appointment of Mr. Thomas John Muthoot as Director of the Company. The detailed profile of Mr. Thomas John Muthoot, recommended for re-appointment, is enclosed with the Notice for the 29th AGM of the Company.

a) Changes in Directors and Key Managerial Personnel (KMP) during the Financial Year 2022-2023

During the year under review, Mr. Abhijith Jayan, Company Secretary & Compliance Officer resigned with effect from closing hours of September 28,2022. Mr. Vinodkumar M. Panicker, Chief Finance Officer, resigned with effect from closing hours of December 5,2022.

Mr. Ramandeep Singh was appointed as Chief Finance Officer with effect from December 6,2022 and Ms.Deepa G was appointed as Company Secretary & Compliance Officer with effect from March 22,2023.

Mr. Thomas George Muthoot, Managing Director, Mr. Ramandeep Singh, Chief Finance Officer and Ms.Deepa G, Company Secretary & Compliance Officer, are the KMPs of the Company, as recorded by the Board as on March 31, 2023.

There were no Independent Director appointed during the Financial year 2022-23.

b) Declaration by Independent Directors

Pursuant to the provisions of Section 149 of the Act the independent directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

A declaration by Managing Director confirming the receipt of this declaration from Independent Directors is enclosed to this report as ***Annexure 1***.

c) Policy on Board Diversity

The Policy on Board Diversity approved and adopted by the Company contains the followings:

i. Diversity is ensured through consideration of a number of factors, including but not limited to skills, regional and industry experience, background and other qualities.

ii. The Company shall also take into account factors based on its own business model and specific needs from time to time.

iii. The Nomination & Remuneration Committee shall lead the process of identifying and nominating candidates for appointment as Directors in the Board.

iv. The benefits of diversity continue to influence succession planning and continue to be the key criteria for the search and nomination of Directors to the Board.

v. Board appointments are based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender.

d) Policy on Nomination & Remuneration

The management of the Company has immensely benefitted from the guidance, support and mature advice from members of the Board of Directors who are also members of various committees. The Board consists of directors possessing diverse skill, rich experience to enhance quality of its performance. The Company has adopted a Policy on Board Diversity formulated by the Nomination and Remuneration Committee. The Policy on Nomination and Remuneration is framed in terms of section 178(3) of the Companies Act,2013 which contains the criteria for determining qualifications, positive attributes, independence of a director and other related matters. It also includes the details relating to the remuneration of Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel in line with the requirement of the Section 178 of the Act, Regulation 19 read with Part D of Schedule II of the Listing Regulations and directions issued by the Reserve Bank of India ("RBI") and as per the Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs issued by RBI. This Policy is available on the Company's website at the weblink: https://www.muthootcap.com/wp-content/uploads/2023/05/Policy-on-Nomination-and-Remuneration.pdf. The Company has formulated policy on Succession Planning for Directors and Key Managerial Personnel for continuity and smooth functioning of the Company.

e) Formal Annual Evaluation of Board and its Committees

Based on the Policy on Nomination and Remuneration, the Board has carried out an annual evaluation of its own performance, its Committees and Independent Directors, excluding the Director being evaluated.

The detailed note on the annual board evaluation process undertaken in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 is given in the Report on Corporate Governance, which forms part of this Report.

f) Meetings of the Board

During the Financial Year 2022-2023, your Board of Directors met eight times. Further details about the meetings of the Board are given in the Report on Corporate Governance, which forms a part of this Report.

g) Committees of the Board

The details of the Committees of the Board, their composition, terms of reference and the activities during the year are elaborated in the Report on Corporate Governance forming part of this Report.

6. SUBSIDIARIES/JOINT VENTURE/ASSOCIATE COMPANY

The Company has no subsidiary/joint venture/associate company. Hence consolidation and the provisions relating to the same under the Companies Act, 2013 and Rules made thereunder are not applicable to the Company.

7. CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there is no change in business of the Company. The Company is mainly into the business of providing vehicle loans (two-wheeler and used cars), for which, during the year under review the Company has disbursed loans to the extent of ₹ 1152,73 lakhs and as on March 31, 2023, the total outstanding amount was ₹ 1936,67 lakhs. The Company had disbursed business / corporate loans to the extent of ₹ 165,54 lakhs and as on March 31, 2023, the outstanding amount is ₹ 165,69 lakhs.

In addition, the Company has entered into Co-lending partnership with two NBFCs, WheelsEMI Private Limited and Up Money Limited wherein the company has become a principal partner by providing 80% and 20% remains in the Originator books. Agreement entered has been backed by the FLDG of 5% as per the guideline stipulated by RBI. The total disbursement done with these partners stands at ₹ 241,36 lakhs with WheelsEMI and ₹ 23,39 lakhs with Up Money.

The sourcing of two-wheeler and used car business of the Company takes place mainly at the dealer points for two wheelers where Company representatives are present and through branches of its group company, Muthoot FinCorp Limited. The Company is sources its customers through its mobile app.

8. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There were no material changes and commitments affecting the financial position of the Company between the end of financial year and the date of this Report.

9. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS, COURTS AND TRIBUNALS

Your Directors confirm that there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

10. RISK MANAGEMENT

The Board oversees the risk management functions of the Company and a separate Risk Management Committee of the Board supervises the risk management functions. Apart from this, the Company has a separate Risk Management Department that co-ordinates and administers the risk management functions thereby setting up a top to down focus on the risk management. The Company has appointed Mrs. Umadevi Pazhoor unnikrishnan as the Chief Risk Officer w.e.f. March 22, 2023. The Board has decided to appoint CRO for the purpose of augmenting risk management practices of the Company.

The Company believes that risk resilience is key to achieving higher growth. To this effect, the Company has a well-defined Risk Management Policy in place to create and protect shareholder value by minimizing threats or losses and identifying and maximizing opportunities and thereby to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. The policy lays down broad guidelines for timely identification, assessment and prioritization of risks affecting the Company in the short and foreseeable future. The Policy suggests framing an appropriate response action for the key risks identified, so as to make sure that risks are adequately addressed or mitigated. The said policy is approved by the Board and reviewed from time to time.

The risk management framework in the Company is periodically reviewed by the Risk Management Committee of the Board. The Internal Auditors are also having a complete review of risk assessments and associated management action plans. All material risks of the Company emerging in the course of its business are identified, assessed and monitored and necessary action are taken on a regular basis.

MCSL conducts Internal Capital Adequacy Assessment Process (ICAAP) on annual basis to assess the sufficiency of its capital funds to cover the risks specified under Pillar II of Basel guidelines. The adequacy of MCSL's capital funds to meet the future business growth is also assessed in the ICAAP Document. Capital requirement for current business levels and framework for assessing capital requirement for future business levels has been made. Capital requirement and Capital optimisation are monitored periodically by the Committee of Senior Management (ALCO). The Senior Management deliberates on various options available for capital augmentation in tune with business growth. Based on these reports submitted by Senior Management, the Board of Directors evaluates the available capital sources, forecasts the capital requirements and capital adequacy of MCSL and ensures that the capital available for MCSL at all times is in line with the Risk Appetite of the company.

11. ADEQUACY OF INTERNAL AUDIT AND FINANCIAL CONTROLS

The Company has in place a stabilized and effective Internal Audit and Financial Controls system calibrated to the risk appetite of the Company and aligned to the size, scale and complexity of the business operations of the Company. The said financial controls of the Company are evaluated by the Audit Committee as per Part C of Schedule II of the SEBI (LODR) Regulations, 2015.

Apart from Statutory Audit and Concurrent Audit, your Company, in compliance with Section 138 of the Companies Act, 2013, had appointed M/s. BDO India LLP, Chartered Accountants as the Internal Auditors of the Company for the period under review . The scope and authority of the Internal Audit function is defined in the Audit Policy of the Company, duly approved and recommended by the Audit Committee of the Board and approved and adopted by the Board of Directors. The Internal Audit function essentially validates and ensures that the Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. The Internal Audit function provides independent assurance to the Board of Directors and Senior Management on the quality and effectiveness of the Company's internal control, risk management and governance systems and processes, thereby helping the Board and Senior Management protect the Company and its reputation.

The Audit Committee oversees and reviews the functioning of the entire audit team and the effectiveness of internal control system at all levels and monitors the implementation of audit recommendations. During the year, such control systems were assessed and no reportable material weaknesses in the design or operation were observed. Improvements suggested are tracked with identified timelines for its completion. Accordingly, your Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial Year 2022-2023.

12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility activities at Muthoot Capital Services Limited encompasses much more than social outreach programmes. The Company believes that CSR is a way of creating shared value and contributing to social and environmental good. With this philosophy, the CSR activities of the Company is centered around a theme called **HEEL** i.e., **H**ealth, **E**ducation, **E**nvironment and **L**ivelihood. Aligning with its vision, your Company has been continuing to increase value in the community in which it operates, through its services and CSR initiatives, so as to stimulate well-being for the community, in fulfillment of its role as a responsible corporate citizen. The Board has constituted a Corporate Social Responsibility Committee (CSR Committee) to oversee and monitor the CSR activities of the Company. The CSR Committee of the Company has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The Company's CSR Policy is committed towards CSR activities as envisaged in Schedule VII of the Companies Act, 2013. The CSR Policy is available on the website of the Company at *https://www.muthootcap.com/wp-content/uploads/2023/05/CSR-Policy.pdf.*

During the year, the Company spent an amount of ₹ 125.37 lakhs identified as CSR activities including for ongoing projects from financial year 2022-23. The details of the CSR Policy and CSR Committee of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in ***Annexure 2*** to this Report in the format prescribed as per the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The composition and other details of the CSR Committee and its meetings are detailed in the Report on Corporate Governance, forming part of this Report.

13. AUDIT & AUDITORS

a) Statutory Auditors

The Company has re-appointed M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants, 91/92, VII

Floor, Dr. Radhakrishnan Road, Mylapore, Chennai - 600 004, Tamil Nadu, India as the Statutory Auditors of the Company at the 28th Annual General Meeting held on 27th September 2022 to hold office from conclusion of the 28th Annual General Meeting till conclusion of the 30th Annual General Meeting of the Company to conduct audit of accounts of the Company. M/s PKF Sridhar & Santhanam LLP is a registered Limited Liability Partnership with LLPIN AAB-6552 (Registration No. with ICAI is 003990S/S200018). The Statutory Auditor holds a valid peer review certificate as prescribed under the Listing Regulations. The same is in compliance with the RBI Guidelines on appointment of statutory auditor(s) by Non-Banking Financial Company ("NBFC") vide Circular RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ("RBI Guidelines")

The Board has duly examined the Statutory Auditors' Report to the accounts, which is self-explanatory. Clarifications, wherever necessary, have been included in the Notes to the Accounts section of the Annual Report. Further, your Directors confirm that there are no qualification, reservation or adverse remark or disclaimer in the Independent Auditor's Report provided by Statutory Auditors for the Financial Year 2022-2023.

The Auditors had also prepared a separate report, pursuant to Non - Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 in addition to the report made under Section 143 of the Companies Act, 2013 which was duly examined by the Board and submitted to Reserve Bank of India.

b) Secretarial Auditors

The Board, at its meeting held on February 9th, 2023, re-appointed M/s. SEP & Associates, Company Secretaries, Building No. CC 56/172, K C Abraham Master Road, Panampilly Nagar, Kochi - 682036 to conduct the Secretarial Audit for the year ended March 31, 2023 in compliance with the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report in form MR-3, submitted by the Secretarial Auditors for the FY 2022- 2023 is enclosed to this report as ***Annexure 3***. The Directors of your Company confirms that there is no qualification, reservation or adverse remark or disclaimer in Secretarial Audit Report for the period under review.

14. COMPLIANCE WITH THE SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

15. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Considering the nature of activities, the provisions of Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption and foreign exchange earnings & out go does not apply to the Company. The Company is, however, constantly pursuing its goal of technological upgradation in a cost-effective manner for delivering quality customer service.

16. WHISTLE BLOWER POLICY OR VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company has in place, a comprehensive Whistle Blower Policy in compliance with Section 177 (9) & 177 (10) of the Companies Act, 2013 and as per Regulation 4 (2) (d) (iv) & 34 (3) read with Para 10 of Part C of Schedule V of the SEBI (LODR) Regulations, 2015.

A brief note on the highlights of the Whistle Blower Policy and compliance with the same is also provided in the Report on Corporate Governance, which forms part of this Report.

17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

The details of the investments of the Company are given in the notes to the financial statements.

18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your Directors confirm that all contracts/arrangements/transactions entered into by the Company during the Financial Year 2022-2023 with related parties were in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Company had obtained prior approval of the Audit Committee for all the related party transactions during the Financial Year 2022-2023 as envisaged in Regulation 23 (2) of the SEBI (LODR) Regulations, 2015. Further, the Audit Committee had given prior omnibus approval under Regulation 23 (3) of the SEBI (LODR) Regulations, 2015 for related party transactions that are foreseen and of repetitive in nature during the period under review and the required disclosures are made to the Committee on quarterly basis against the approval of the Committee.

In addition to the above, the Company had obtained the approval of the shareholders for related party transactions with Muthoot Microfin Limited, Muthoot Bankers and Muthoot Fincorp Limited at the AGMs held on June 06, 2017, June 14, 2018 and September 28, 2020 respectively for a period of five years even though the said transactions were not material in nature.

All related party transactions that were entered into during the financial year ended March 31, 2023 were on an arm's length basis and were in the ordinary course of business except the transaction Muthoot Bankers on windmill business, for which the Company had obtained the approval of shareholders. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted for the transactions. Thus, disclosures as per Form AOC-2 under Section 134 (3) (h) of the Companies Act, 2013, read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 is not required. The disclosure of transactions with related party for the year, as per IND-AS 24 Related Party Disclosures is given in Notes to the Accounts section of the Annual Report. Also, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors or other designated persons which may have a potential conflict with the interest of the Company at large.

As required under the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the policy on dealing with related party transactions as approved by the Board is uploaded on the Company's website at the web link: *https://www.muthootcap.com/wp-content/uploads/2022/06/Related-party-transaction-policy.pdf*

19. PARTICULARS OF EMPLOYEES

Disclosures required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing, inter-alia, the ratio of remuneration of Managing Director to median remuneration of employees, percentage increase in the median remuneration etc., are annexed to this Report as ***Annexure 4***.

Statement containing the particulars of top ten employees and the details as prescribed under Section 197(12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed to this Report as ***Annexure 5***.

As the Company does not have any Holding Company or Subsidiary Company no disclosure as required under Section 197(14) of the Act has been made.

20. LISTING

Equity shares of your Company was listed on BSE Limited since April 24, 1995 and on National Stock Exchange of India Limited since August 24, 2015 and debt instruments are also listed on the BSE Limited. Your Company has paid the required listing fees to both the Stock Exchanges for the Financial Year 2022 - 2023.

21. BUSINESS RESPONSIBILITY REPORT

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires the top one thousand listed entities based on market capitalization as on 31st March of every financial year, to have, a "Business Responsibility and Sustainability Report" as part of their Annual Report, containing the environmental, social and governance disclosures, in the format as may be specified by the Board from time to time. Although Muthoot Capital Services Limited is not one amongst the top one thousand listed companies based on the market capitalisation as on 31st March 2023, this Report has been prepared as a part of good corporate governance practices and same forms a part of this Annual Report.

22. CORPORATE GOVERNANCE REPORT

Your Company has taken adequate steps to adhere to all the stipulations laid down in Regulation 27 read with Part E of Schedule II and Schedule V of the SEBI (LODR) Regulations, 2015 on Corporate Governance. The detailed Report on Corporate Governance along with certificate on Corporate Governance from the Statutory Auditors forms part of this Report.

23. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review is included as a separate section of this Report. The same covers the state of the Company's affairs and provides insightful information on the performance of the Organization in view of the various macro-economic barriers under which operates.

24. FAIR PRACTICE CODE (FPC)

The Company has in place, a Fair Practice Code approved by the Board on April 02, 2012, in compliance with the guidelines issued by the RBI, to ensure better service and provide necessary information to customers to take informed decisions. The FPC is available on the website of the Company at: *https://www.muthootcap.com/wp-content/uploads/2023/05/Fair-Practice-Code-.pdf.* The FPC is also reviewed by the Board at frequent intervals to ensure its level of adequacy and appropriateness.

25. CUSTOMER GRIEVANCE

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

26. ANNUAL RETURN

In accordance with the provisions of Section 92(3) of the Act, Annual Return in Form No. MGT-7 of the Company is hostedon website of the Company at *https://www.muthootcap.com/investors/#tab4*

27. DIVIDEND DISTRIBUTION POLICY

As stipulated in Regulation 43 A of SEBI (LODR) Regulations, 2015, the Dividend distribution policy forms a part of the Corporate Governance report.

The Dividend Distribution Policy approved by the Board of Directors of the Company is available on the website and can be accessed at *https://www.muthootcap.com/wp-content/uploads/2021/12/Policy-on-Distribution-of-Dividends.pdf.*

28. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, your Directors state that:

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

b) We had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) We had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) We had prepared the annual accounts on a going concern basis;

e) We had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

29. CREDIT RATING

The Credit Rating enjoyed by the Company as on March 31, 2023, is as given below:

Credit Rating Agency	Instrument	Rating as on March 31, 2023	Date on which the credit rating was obtained	Migration during the FY 2022-23
CRISIL	₹ 2500 crore Bank loan facilities	CRISIL A+ / Stable	March 02, 2023	Upgraded from CRISIL A / Stable
CRISIL	Fixed deposits	CRISIL A+ / Stable	March 02, 2023	Upgraded from CRISIL A / Stable
CRISIL	₹. 200 crore non-convertible debentures	CRISIL A+/Stable	March 01, 2023	Assigned
CRISIL	₹ 150 crore non-convertible debentures	CRISIL A+/Stable	March 02, 2023	Upgraded from CRISIL A / Stable
CRISIL	₹ 100 crore Long Term Principal Market Linked Debentures	CRISIL PPMLD A+/Stable	March 02, 2023	Upgraded from CRISIL PPMLD A r /Stable
CRISIL	₹ 100 crore Long Term Principal Market Linked Debentures	CRISIL PPMLD A+/Stable	March 02, 2023	Upgraded from CRISIL PPMLD A r /Stable
CRISIL	₹ 250 Crore Commercial Paper	CRISIL A1+	March 02, 2023	Upgraded from CRISIL A1

30. OTHER DISCLOSURES

- The Company, in the capacity of Financial Creditor, has not filed any applications with National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 during the Financial Year 2022-23 for recovery of outstanding loans against any customer.
- The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof - Not Applicable.
- The provision of Section 148 of the Act relating to maintenance of cost records and cost audit are not applicable to the Company.
- The Company has not defaulted in repayment of loans from banks and financial institutions. There were no delays or defaults in payment of interest/principal of any of its debt securities and deposits accepted.

- The equity shares of the Company were not suspended from trading during the year.
- Disclosures pursuant to RBI Master Directions, unless provided in the Directors' Report and Corporate Governance Report, form part of the notes to the standalone financial statements.
- Disclosure regarding details relating to deposits covered under Chapter V of the Act is not applicable since our Company is a Non-Banking Financial Company regulated by RBI. The Company accepts deposits as per the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.
- The Company has a policy for prevention of Sexual Harassment of Women at Workplace. An Internal Complaints Committee has been constituted in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH'). During the year under review, there were no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- The Company continues to comply with the Master Direction for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and all the applicable laws, regulations, guidelines, etc. prescribed by RBI from time to time. The Board of Directors have framed various policies as applicable to the Company and periodically reviews the policies and approves amendments as and when necessary.
- There are no companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year.
- During the financial year 2022-23, the Company has transferred an amount of ₹ 6,65,155/- to Investor Education and Protection Fund (IEPF) Authority, being unclaimed and unpaid dividend for the financial year 2014-15. Since the amount has been transferred to IEPF Authority, no claim for unclaimed and unpaid dividends for the financial year 2014-15 shall lie against the Company. Further, in compliance with the provisions of Companies Act, 2013 and Rules made thereunder, the Company had transferred the shares pertaining to the shareholders whose dividend were remaining unclaimed and overdue for a period of seven consecutive years to the IEPF Authority. As per the provisions of IEPF Authority (Accounting, inspection, Transfer and Refund) Rules, 2016 (as amended), the shareholder may lodge the claim to the IEPF Authority for such dividends and shares by submitting an online application in Form IEPF- 5 available on the website www.iepf.gov.in.
- The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Act (including any statutory modification(s) or re-enactment(s) for the time being in force).

31. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation and sincerely acknowledge the contribution and support from shareholders, customers, depositors, debenture holders, Central and State Governments, Bankers, Reserve Bank of India, Registrar of Companies, Kerala and Lakshadweep, Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Registrar & Share Transfer Agents, Credit Rating Agencies and other Statutory and Regulatory Authorities for the kind co- operation and assistance provided to the Company.

Your Directors also extend their special appreciation to each Muthootians for their continuing support and unstinting efforts in ensuring an excellent all-round operational performance along with every well-wisher for their continued commitment, dedication and co-operation.

For and on behalf of the Board of Directors

Sd/-
Thomas John Muthoot
Chairman
DIN: 00011618

Kochi
August 08, 2023

ANNEXURE 1

DECLARATION REGARDING RECEIPT OF CERTIFICATE OF INDEPENDENCE FROM ALL INDEPENDENT DIRECTORS

I hereby confirm that the Company has received from all the Independent Directors, namely Mr. A.P Kurian, Mr. Thomas Mathew, and Mrs. Shirley Thomas a certificate stating their Independence as required under Section 149 (6) of the Companies Act, 2013.

Sd/-
Thomas George Muthoot
Managing Director
DIN : 00011552

Kochi
August 08, 2023

ANNEXURE 2

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief Outline of the Company's CSR Policy

The CSR Policy of the Company reflects the Company's philosophy on its social commitment and mission which is designed to portray its obligation to be a responsible corporate citizen and presents the strategies and methods for undertaking social programs for well-being and sustainable development of the local community in which it operates. The Policy applies to all CSR initiatives and activities taken up at the various work centers and locations of the Company, for the benefit of various segments of the society, with the emphasis on the under privileged.

Each CSR activity / project of the Company are undertaken/executed either directly by the Company or channelized through implementing agencies. During the FY 2022 - 2023, the emphasis of CSR activities of the Company was mainly on providing housing support to the financially backward community. The Company continued with their medical support to the needy patients in various ways along with support for chemotherapy to the patients undergoing different kinds of cancer treatments under the guidance of the General Hospital in the district, provided education support to the needy students. The new initiatives has been taken like soilless medians for the protection of the environment, also the support has been extended to animal care center.

The CSR efforts of the Company is also facilitated through Muthoot Pappachan Foundation which are bound by the theme - **"HEEL: Health; Education; Environment and Livelihood"**.

2. The Composition of the CSR Committee

Name of the Member	Position	Number of Meetings attended/held during the tenure
Mr. Thomas Muthoot	Chairman	4/4
Mr. Thomas Mathew	Member	4/4
Mrs. Shirley Thomas	Member	4/4

3. **Web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company**

a) CSR Committee	:	https://www.muthootcap.com/wpcontent/uploads/2022/12/Composition-of-committees-of-Board-of-Members-1.pdf
b) CSR Policy	:	https://www.muthootcap.com/wp-content/uploads/2021/10/CSR_Policy-MCSL.pdf (will be subsequently updated on approval of revision proposed to CSR Policy)
c) CSR Projects	:	https://www.muthootcap.com/wp-content/uploads/2021/08/CSR-Projects-of-MCSL.pdf (will be subsequently updated on noting of status of CSR spending for quarter and year ended 31.03.2023)

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable:**

Not applicable to the Company for the time being.

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

(₹ in lakhs)

Financial year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
Nil	Nil	Nil

(₹ in lakhs)

6. Average net profit/loss of the Company for the last three financial years	(6609.36)
7. (a) Two percent of average net profit of the Company as per section 135(5)	-
(b) Surplus arising out of the CSR projects or programmes of the previous financial year	-
(C) Amount required to be set off for the financial year, if any	-
(d) Total CSR obligation for the financial year (7d=7a+7b-7c)	-
Add: Round up	-
Total amount available for the CSR activities for the FY 2022- 2023	100.00
8. (a) CSR amount spent or unspent for the financial year	110.77

(Though no amount was required to be spent by the Company towards CSR for the FY 2022-2023, it was decided to allocate a budget of ₹ 100 Lakhs for undertaking the CSR activities)

Total amount spent for the financial year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
110.77	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(₹ in lakhs)

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implement ation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Reg No.
1	Chellanam Housing Project	Support for socially and economic-ally backward groups			Ernakulam	5 months	12.06	11.91	0.15		Muthoot Pappachan Foundation	CSR00003932
2	Muthoot Pappachan Football Academy	Promotion of Sports			Malappuram	36 months	37.84	2.69	35.15		Muthoot Pappachan Foundation	CSR00003932
	Total						**49.90**	**14.60**	**35.30**			

(c) Details of CSR amount spent against other than ongoing projects for the financial year

(₹ in lakhs)

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent in the current financial Year	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Reg No.
1	Expenses for Rehab Centre (Aashiana)	Promoting health care including preventive health care	Yes	Kerala	Ernakulam	24.13	No	Muthoot Pappachan Foundation	CSR00003932
2	Chemo treatment with General Hospital		Yes	Kerala	Ernakulam	30.01	No	Muthoot Pappachan Foundation	CSR00003932
3	Medical Support		Yes	Kerala & Tamil Nadu	Various Districts	9.88	No	Muthoot Pappachan Foundation	CSR00003932
4	Educational Support	Promotion of Education	Yes	Kerala, Karnataka, and Telangana	Various Districts	8.89	No	Muthoot Pappachan Foundation	CSR00003932
5	Other Projects [1]	Various Heads	Yes	Various States	Various Districts	37.86	No	Muthoot Pappachan Foundation	CSR00003932
	Total					**110.77**			

Other Projects include budget towards sports academy, admin expenses subject to CSR regulations and any other project with the approval of CSR committee.

(d) Amount spent in Administrative Overhead **4.65**

(e) Amount spent on Impact Assessment, if applicable **0**

(f) Total Amount Spent for the FY (8b+8c+8d+8e) **125.37**

(g) Excess amount for set off, if any **0**

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

(₹ in lakhs)

Financial Year	Amount transferred to unspent CSR Fund
2020-21	44.84
2021-22	5.06
Total	**49.90**

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

(₹ in lakhs)

Projects	Unspent amount from Previous years	Amount Spent in current financial year	Balance unspent amount as on 31.03.2023
Chellanam housing	12.06	11.91	0.15
Sports academy	37.84	2.69	35.15
Total	**49.90**	**14.60**	**35.30**

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

(a) Date of creation or acquisition of the capital asset(s): NA

(b) Amount of CSR spent for creation or acquisition of capital asset: NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NA

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):

The Company has spent more than the amount prescribed under the CSR Budget originally approved by the Board.

Declaration

The implementation and monitoring of CSR policy is in compliance with CSR Objectives and Policy of the Company.

Sd/-
Thomas George Muthoot
Managing Director
DIN: 00011552

Sd/-
Thomas Muthoot
Chairman of CSR Committee
DIN: 00082099

ANNEXURE 3

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Muthoot Capital Services Limited
3rd Floor, Muthoot Towers,
M.G. Road Kochi - 682 035

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Muthoot Capital Services Limited (CIN: L67120KL1994PLC007726)** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable during the audit period)

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

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

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

   c. The Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018

   d. Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009

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

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

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

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

i. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

j. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable during the audit period)

k. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable during the audit period)

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

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

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

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

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

e) Reserve Bank Commercial Paper Directions

f) Master Direction – Information Technology Framework for the NBFC sector

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

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

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

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

(ix) Employees' State Insurance Act, 1948

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

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

(ii) The Listing Agreements entered by the Company with BSE Limited and National Stock Exchange of India Limited.

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

- The Company failed to submit certain intimations on time, to BSE Limited and had to pay fine as given below for the non-compliance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).

Sr. No.	Particulars	Penalty Amount
1	Failure in disclosing the extent and nature of security created and maintained with respect to its secured listed non-convertible debt securities in accordance with Regulation 54(2) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015	
	• Financial Statements for the quarter ended 31.12.2021	2,67,860/-
	• Financial Statements for the quarter ended 31.03.2022	1,43,960/-

Sr. No.	Particulars	Penalty Amount
2	Delay/failure in intimating the Stock Exchange within five working days prior to the beginning of the quarter details for all the non-convertible securities for which interest/principal obligations shall be payable during the first quarter of FY 2022-23 in accordance with Regulation 57(4) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015	2,360/-
3	Delay/failure in intimating the Stock Exchange within 7 working days from the end of the quarter ended 31st March 2022 confirming the payment of interest/dividend/principal obligations for non-convertible securities which were due in that quarter and the details of all unpaid interest / dividend / principal obligations in relation to non-convertible securities at the end of the quarter in accordance with Regulation 57(5) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015	1,180/-
4	Delay/failure in giving notice in advance of the Record date in accordance with Regulation 60(2) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015	
	• Record date August 16, 2021	11,800/-
	• Record date September 6, 2021	11,800/-
	• Record date November 2, 2021	11,800/-
	• Record date February 01, 2022	23,600/-
	• Record date May 03, 2022	23,600/-
	• Record date July 05, 2022	11,800/-

We have noticed that such delays have been sufficiently addressed by the Board by taking note of the same in the Board Meetings.

- An instance of delay other than those mentioned above has been noticed in the filings made to BSE Limited during the period under review for which BSE Limited has not imposed any penalty till date.

We further report that:

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review and the present composition of the Board of Directors is in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings in compliance with the provisions of Section 173(3) of the Companies Act, 2013, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting0020except in the case of Shorter Notice.

Decisions at the meetings of the Board of Directors of the Company were carried out on the basis of majority and the same was captured and recorded as part of the minutes. There were no dissenting views by any member of the Board of Directors during the period under review.

We further report that there are adequate systems and processes in the Company commensurate with its size and the operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

Sr. No.	Method of Issue	Date of Allotment	Particulars
1.	Private Placement	06/10/2022	1,000 Fully paid, Senior, Rated, listed, Secured, Redeemable, Taxable, Principal Protected, Market Linked Non-Convertible Debentures of ₹ 10,00,000/- (Rupees ten lakh) each amounting to ₹ 1,00,00,00,000 (Rupees hundred crores only)
2.	Private Placement	07/01/2023	7,500 Senior, Secured, Rated, listed, Taxable, Redeemable, Principal Protected, Market Linked Debentures of ₹ 1,00,000/- (Rupees one lakh) each amounting to ₹ 75,00,00,000 (Rupees seventy-five crores only)
3.	Private Placement	08/03/2023	3,500 Fully paid, Senior, Rated, listed, Secured, Redeemable, Taxable Non-Convertible Debentures of ₹ 1,00,000/- (Rupees one lakh) each amounting to ₹ 35,00,00,000 (Rupees thirty-five crores only)

We further report that the Company has redeemed 1,000 Non- Convertible Debentures allotted on 19.10.2020 with a face value of ₹ 10,00,000 each aggregating to a total of ₹ 1,00,00,00,000 (Rupees One Hundred Crores only) on 09.06.2022.

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

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

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

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

(iv) Buy-back of securities

(v) Merger/amalgamation/ reconstruction;

(vi) Foreign technical collaborations.

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

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

UDIN: F006086E000707041

Sd/-
C S Syam Kumar R
Senior Partner
FCS: F6086 COP No.: 25735

Place: Kochi
Date: 31.07.2023

ANNEXURE A TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

To
The Members
Muthoot Capital Services Limited
3rd Floor, Muthoot Towers,
M. G. Road Kochi - 682 035

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

1. The compliance of the provisions of all laws, rules, regulations, and standards applicable to **Muthoot Capital Services Limited** (hereinafter called the "Company") is the responsibility of management of the Company. Our examination was limited to the verification of the records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

2. Maintenance of the Secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to issue a Secretarial Audit Report, based on the audit of the relevant record maintained and furnished to us by the Company, along with explanations where so required.

3. During the Audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial and other records, legal compliance mechanism and corporate conduct. We believe that the process and practices we followed provide a reasonable basis for our Secretarial Audit Report.

4. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.

5. We have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc., wherever required. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2023 but before issue of the Report.

7. We have considered actions carried out by the Company based on independent legal/professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

For SEP & Associates
Company Secretaries
(The Peer Review Certificate no. 2763/2022)

UDIN: F006086E000707041

Sd/-
CS Syam Kumar R
Senior Partner
M. No.: 6086
COP No.: 25735

Date: August 08, 2023
Place: Kochi

ANNEXURE 4

Statement of Disclosure of Remuneration under Section 197 (12) of Companies Act, 2013 read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The ratio of remuneration of Managing Director to the median remuneration of the employees of the Company for the FY 2021 - 2022: 195:1

(ii) The percentage of increase in remuneration of Managing Director, Chief Executive Officer, Chief Finance Officer and Company Secretary during the FY 2022 - 2023:

(₹ in lakhs)

Name of the Director/KMP	Designation	Remuneration during the FY 2021-22	% Increase
Mr. Thomas George Muthoot	Managing Director	3 37.57	-9%
Mr.Vinodkumar M.Panocker*	Chief Finance Officer	81.27	-1%
Mr. Abhijith Jayan*	Company Secretary & Compliance Officer	3.63	-50%
Mr. Ramandeep Singh*	Chief Finance Officer	29.98	-
Ms. Deepa G*	Company Secretary & Compliance Officer	.22	-

*1. Upto Dec 5,2022

*2. Upto Sept 28,2022

*3. From Dec 06,2022

*4. From March 22,2023

(iii) The percentage increase in the median remuneration of the employees in the Financial Year 2022 - 2023: There has been an increase of 3.89 % in the median remuneration of the employees of the Company in Financial Year 2022 - 2023 as compared to Financial Year 2021 - 2022.

(iv) The number of permanent employees on the rolls of the Company as on March 31, 2023: There were 1694 permanent employees on the rolls of the Company as on March 31, 2023.

(v) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in the remuneration of employees other than KMPs during FY 2021 - 2022 was 1.28 % and the average remuneration of KMPs has reported as increase of about 0.11%.

Justification for Increase: The increase in the remuneration is line with the industrial standard and practices.

(vi) Affirmation: It is hereby affirmed that the remuneration paid to KMPs and other employees are as per the Policy on Nomination and Remuneration of the Company.

Note: The salary considered for the above calculations are the gross salary excluding the performance-based incentives.

For and on behalf of the Board of Directors

Sd/-
Thomas John Muthoot
Chairman
DIN: 00011618

Kochi
May 19, 2023

ANNEXURE 5

Statement of particulars under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2022

Name of Employee	*Mr. Thomas George Muthoot	Mr. Vinodkumar M. Panicker	Mr. R. Balakrishnan	Mr. Madhu Alexiouse	Mr. Ramandeep Singh
Designation	Managing Director	Chief Finance Officer	Executive Vice President	Chief Operating Officer	Chief Finance Officer
Nature of employment	On rolls	On rolls	On rolls	On rolls	On rolls
Age (in years)	61	57	58	52	33
Qualification	B. Com	B. Com, ACA	MSc. Maths, PGDM	MBA	B. Com, ACA
Experience (in years)	39	34	34	27	11
Date of commencement of employment	18.02.1994	16.12.2013	01.08.2008	01.02.2017	06.12.2022
Gross Remuneration (in lakhs)	348.00	48.93	67.73	64.80	25.56
% of Shareholding in the Company	19.05%	0.0124%	--	--	--
Last employment	--	Outlook Publishing (I) Pvt. Ltd.	TVS Finance and Services Ltd.	IIFL	Aviom India Housing Finance Private Limited
Relationship with any Director	Brother of Mr. Thomas John Muthoot and Mr. Thomas Muthoot	Not related to any Directors	Not related to any Directors	Not related to any Directors	Not related to any Directors

Name of Employee	Mr. Arun Singer	Mr. Arin Ghosh	Mr.Sooraj Mohan	Mr. Vijayan T	Mr. Ullas K B
Designation	GM - North	Deputy Vice President - Collections	VP - Collection	VP - IT & Operations	Senior Associate Vice President
Nature of Employment	On rolls	On rolls	On rolls	On rolls	On rolls
Age (in years)	48	51	38	49	41
Qualification	MBA	BA (History), Diploma in Systems Management	B. A., MBA	B. Com, DCA	B. Com
Experience (in years)	25	22	18	23	16
Date of commencement of employment	09.11.2021	09.07.2021	04.01.2023	01.09.2008	10.01.2015
Gross Remuneration (in lakhs)	46.53	31.84	6.81	25.91	24.90
% of Shareholding in the Company	--	--	--	0.000061%	--
Last employment	Wheels Emi Private Limited	Srei Equipment Finance Limited	Catholic Syrian Bank Limited	TVS Finance and Services Ltd	Bajaj Auto Finance Ltd
Relationship with any Director	Not related to any Directors	Not related to any Directors	Not related to any Directors	Not related to any Directors	Not related to any Directors

Note: None of the employees of the Company are covered under Rule 5 (2) (i) and 5 (2) (ii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

***As per Ordinary Resolution passed through Postal Ballot dated Jan 27th 2023**

Business Responsibility Report
for the Financial Year 2022-23

About this Report

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires the top one thousand listed entities based on market capitalization as on 31st March of every financial year, to have, a "Business Responsibility and Sustainability Report" as part of their Annual Report, containing the environmental, social and governance disclosures, in the format as may be specified by the Board from time to time. Although Muthoot Capital Services Limited is not one amongst the top one thousand listed companies based on the market capitalisation as on 31st March 2023, this Report has been prepared as a part of good corporate governance practices.

About Muthoot Capital Services Limited

Established in 1994, Muthoot Capital Services Limited (MCSL) is one of India's Most Progressive Automobile Finance Companies. With an aspiration to empower Indians and human ambition, MCSL offers fund based financial services to retail, corporate and institutional customers through its representatives sitting at the various Dealer points, wide network of branches of its Group's Flagship Company "Muthoot FinCorp Limited" and from our head office so that you can give wheels to your dreams. In addition, the company has entered into Co-lending partnership with two NBFCs, WheelsEMI Private Limited and Up Money Limited wherein the company has become a principal partner by providing 80% and 20% remains in the Originator books.

MCSL promoted by the Muthoot Pappachan Group (MPG), is a Deposit Taking Non-Banking Finance Company (NBFC) registered with the Reserve Bank of India and its equity shares are listed on BSE Limited and National Stock Exchange of India Limited (NSE) and its debt instruments listed on the BSE Limited. Our product portfolio includes retail finance products such as Two-Wheeler Loans, Used Car Loans, Corporate Loans and investment product in the form of Fixed Deposits.

Section A: General information about the company

Sr. No.	Particulars	Company Information
1	Corporate Identity Number (CIN)	L67120KL1994PLC007726
2	Name of the Company	Muthoot Capital Services Limited
3	Registered address	3rd Floor, Muthoot Towers, M. G. Road, Kochi-682 035
4	Website	www.muthootcap.com
5	E-mail id	mail@muthootcap.com
6	Financial Year reported	April 1, 2022 - March 31, 2023
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code: 65923
8	List three key products/services that the Company/manufactures/provides	Financing for two-wheelers Used Car Loans Corporate Loans
9	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	The Company carries out its business activities in twenty states in India. The Company carries out business activities within India only. The Company has 31 branches across the country with pan-India presence.
10	Markets served by the Company – Local/State/National/ International	National

Section B: Financial details of the company (As on March 31, 2023)

Sr. No.	Particulars	Company Information
1	Paid up capital	₹ 16.45 crores
2	Total Turnover	₹ 444.62 crores
3	Total profit after taxes (INR) (Including OCI)	₹ 78.68 crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Refer Annual Report on CSR Activities enclosed to the Board's Report as Annexure 2
5	List of activities in which expenditure in 4 above has been incurred:	Refer Annual Report on CSR Activities enclosed to the Board's Report as ***Annexure 2***

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?
   As on March 31, 2023, the Company had no subsidiaries.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).
   Not Applicable

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%].
   No.

Section D: BR Information

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

Sr. No.	Particulars	Details
1	DIN	00011552
2	Name	Mr. Thomas George Muthoot
3	Designation	Managing Director

(b) Details of the BR head

Sr. No.	Particulars	Details
1	DIN	00011552
2	Name	Mr. Thomas George Muthoot
3	Designation	Managing Director
4	Telephone Number	0484-2351481
5	E-mail Id	georgie@muthoot.com

2. Principle-wise (as per NVGs) BR policy/policies

(a) Details of Compliance (Reply in Y/N)

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for.....	Y	Y	Y	Y	Y	N	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	-	Y	Y	Y
3	*Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies of the company are drafted with the essence of National Voluntary Guidelines on Social, Environmental & Economic Responsibilities but are not in conformity with any national / international standards								
4	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	-	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	-	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	**Following policies are displayed on the Company's website:** 1. Fair Practice Code https://www.muthootcap.com/wp-content/uploads/2023/05/Fair-Practice-Code-.pdf 2. Corporate Social Responsibility Policy https://www.muthootcap.com/wp-content/uploads/2023/05/CSR-Policy.pdf 3. Code of Conduct to Regulate, Monitor and Report Trading By Designated Persons https://www.muthootcap.com/wp-content/uploads/2020/07/Code_of_Conduct_to_Regulate_Monitor_and_Report_Trading_by_Designated_Persons.pdf Other policies of the Company are approved by the Board but as it is not mandated to be put in the public domain, The same is not uploaded in the Company's website.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to all relevant internal and external stakeholders, to the extent relevant to them.								
8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	-	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	-	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	-	N	N	N

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	N.A.	N.A.	N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A.
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	N.A. .	N.A.	N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A
3	The company does not have financial or manpower resources available for the task	N.A.	N.A.	N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A.
4	It is planned to be done within next 6 months -	N.A.	N.A.	N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A.
5	It is planned to be done within next 1 year	N.A.	N.A.	N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A.
6	Any other reason (please specify)	N.A.	N.A.	N.A.	N.A.	N.A.	**	N.A.	N.A.	N.A.

** Considering the nature of company's business, the Principles on "restoring the environment" has limited applicability. The Company complies with Regulations governing its operations and has taken initiatives to promote inclusive growth and environmental sustainability.

3. Governance related to BR

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year

Annually

b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the Company publishes its Business Responsibility Report on an annual basis. The Business Responsibility reports are available on the website of the Company viz., https://www.muthootcap.com/investors/#tab1

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs /Others?

Yes. The policy covers only the Company. It does not extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Nil

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   (a) **Vehicle Loan:** The major product of the Company i.e., providing timely small credit to the common man who needs a two-wheeler / used car and thereby supports social wellbeing as well as business activities.

   (b) **MPower Muthoot App:** The Company had designed a mobile application for the customers which allows the customer to transact through their smartphones. This initiative supports paperless transaction and thereby a balanced ecosystem. This App is available on Google Play. Some more initiatives which supports digitalization are being considered and planned accordingly.

   (c) **WhatsApp Services:** The Company had initiated providing loan related information to the customers through WhatsApp wherein the customers can access the same through WhatsApp messages. This reduces the paperwork and helps the Company to promote environment protection and to address environmental concerns.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

   i) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

   Not Applicable

   ii) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   Not Applicable

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

   (a) **if yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

   Not Applicable

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

   If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   Not Applicable

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so,**

   Not Applicable

Principle 3: Businesses should promote the wellbeing of all employees.

1. **Please indicate the Total number of employees.**

   Total number of employees as on 31.03.2023 is **1694.**

2. **Please indicate the Total number of employees hired on temporary / contractual / casual basis.**

   Total number of employees hired on temporary/contractual/casual basis is **687.**

3. **Please indicate the Number of permanent women employees.**

   Number of permanent women employees as on 31.03.2023 is 282.

4. **Please indicate the Number of permanent employees with disabilities.**

   The Company does not have any permanent employees with disabilities. Further, the Company does not make any discrimination on the basis of disability.

5. Do you have an employee association that is recognized by management?

No.

6. What percentage of your permanent employees is members of this recognized employee association?

Not Applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Sr. No.	Category of Employees	Safety Drill	Skill Upgradation
1	Permanent Employees	Nil	1339
2	Permanent Women Employees	Nil	272
3	Casual/Temporary/Contractual Employees	Nil	Nil
4	Employees with Disabilities	Nil	Nil

9. Other training programs conducted for employees, if any.

Not Applicable

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Customers are one of the major stakeholders for the Company. The products are designed in such a way that it is accessible to the common man through limited documentation and through a large number of branches of our Group's flagship Company i.e., Muthoot Fincorp Limited and also through dealer points which are spread across the country.

The Company also has a product for investment in the Form of Fixed Deposit, where investments can start from ₹ 1,000, which offers an avenue for the disadvantaged and marginalized sector to invest their hard-earned money and earn income.

Apart from the products, the Company has undertaken CSR activities to address the concerns in relation to health, education, environment and livelihood. This has been detailed in the section relating to CSR Activities in the Annual Report.

Principle 5: Businesses should respect and promote human rights.

1. **Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

   The policy covers only the Company.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   The Company has not received any stakeholder complaints in past financial year.

Principle 6: Business should respect, protect, and make efforts to restore the environment.

1. **Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.**

   The policy covers only the Company.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.**

   No

3. **Does the company identify and assess potential environmental risks?**

   No

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   No

5. **Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc? If yes, please give hyperlink for web page etc.**

   We have three windmills installed in Tamil Nadu.

6. **Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

   Not Applicable

7. **Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   (a) Finance Industry Development Council - (Fidc)

   (b) Finance Companies' Association (India) - (Fca)

   (c) Kerala Non-Banking Finance Companies Welfare Association - (Knbfc)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   No

Principle 8: Businesses should support inclusive growth and equitable development.

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   The flagship products of the Company i.e, two-wheeler financing & loan for used car are accessible within a reasonable time with minimal documentation and helps in fulfilling the dream of a common man to own personal transport who otherwise do not have access to credit within a reasonable time. This in a way meets the basic need of human beings in relation to their movement from one place to another and many a times pave way for his economic progress as sometimes these vehicles become an asset in their small-scale businesses too. Hence, we believe that this supports inclusive growth and equitable development in the society. Further we have taken special initiatives to address the needs of the marginalized stakeholders through our CSR activities, details of which are available on CSR activities in the Annual Report.

2. **Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?**

   The programmes / projects are undertaken either directly or through the Muthoot Pappachan Foundation, the MPG Group's arm for handling CSR activities. Please refer to Annual Report on CSR Activities attached in this Annual Report.

3. **Have you done any impact assessment of your initiative?**

   Programmes are reviewed periodically to ensure its effectiveness. The CSR Committee also reviews the same on a quarterly basis before it is recommended to the Board, for budget approval etc.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

   Amount Spent on CSR activities during the FY 2022-2023 (including for ongoing projects) is ₹ 125.37 lakhs.

   Please refer to Annual Report on CSR Activities attached in this Annual Report

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   CSR activities are constantly reviewed prior to implementation and fresh support is given only where adoptions are at a better level. Please refer to Annual Report on CSR Activities attached in this Annual Report.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. **What percentage of customer complaints/consumer cases are pending as at the end of financial year.**

   Nil

2. **Does the company display product information on the product label, over and above what is mandated as per local laws?**

   Yes

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

   No

4. **Did your company carry out any consumer survey / consumer satisfaction trends?**

   Yes. Done periodically at select geographies

Management Discussion and Analysis
Report

OVERVIEW

The Management of Muthoot Capital Services Limited is pleased to present this year's Management Discussion and Analysis Report, which elucidates the actions taken by the Company to move closer to its vision. It illustrates the strategic objectives and efforts invested in a bid to achieve long-term objectives. The management commits itself, to creating value and this section analyzes the processes and procedures implemented to get optimum results.

The MD&A Report provides a comprehensive look into the organization's performance in light of the macroeconomic landscape. Through interpreted financial ratios and economic indicators, investors would gain insight into the views of management. These may be associated with some risks and uncertainties such as those involved in the Company's development, alterations in regulatory law, economic climate and other incidental business elements.

This section also outlines future goals and the strategies for upcoming projects.

GLOBAL ECONOMY : FACING ROUGH ROADS

As indicated in the 'World-Economic-Outlook-April-2023' by International Monetary Fund, the Global Economy is headed towards a 'Rocky Recovery'. It suggests that growth shall fall from 3.4 percent in 2022 to 2.8 percent in 2023, before settling at 3.0 percent in 2024.

Advanced economies are anticipated to witness a particularly sharp deceleration, going from 2.7 percent growth in 2022 to 1.3 percent in 2023. In view of financial market uncertainty, global output will probably slide to about 2.5 percent in 2023 and advanced economies could experience less than 1 percent growth rate. On price level, while the baseline outlook implies that general inflation should fade from 8.7 percent this year to 7.0 percent by 2023 due to lower commodity prices, underlying inflation is estimated to go down at a milder pace. We should anticipate that most countries would not reach their targeted inflation rates earlier than 2025.

The World Bank's Global Outlook report highlights that, even though there was a revision of estimates for many countries due to better-than-expected results at the start of 2023, overall growth in emerging market and developing economies is likely to be constrained by tightening financial conditions and subdued external demand. While inflation has been prevalent as of late, it is set to decline as demand lessens and commodity prices moderate, provided that long-term price expectations remain steady.

Globally, growth could be weaker than expected if banking sector stress becomes more ubiquitous or if inflation pressures cause more stringent monetary policy. In the long run, the potential growth slowdown has been made worse by the pandemic and the Russian invasion of Ukraine as well as a major tightening of global financial markets. All of this can worsen prospects and heighten risks in the near term.

The current predicament has presented a variety of policy issues that need to be addressed. A reexamination of international financial regulation is essential in the wake of recent banking crises. Moreover, international collaboration is necessary in order to hasten the shift to clean energy, reduce climate change, and provide assistance to those nations which are in debt difficulty.

KPMG's Global Economic Outlook for the first half of 2023 states that macroeconomic conditions are "treading cautiously amidst risks". The report outlines that sharp falls in inflation will likely leave behind some of the recent challenges for the global economy. Central banks are approaching the end of the tightening cycle partly as a response to rising tensions in financial markets. Easing supply chain pressures and resilient labor markets will support recovery but uncertainty about the outlook is on the rise.

Concerning banking, the report highlights that many central banks remained vigilant early this year. Fueled by inflation created from the re-opening of economies after Covid-19 restraints and Ukraine's commodity shock, fears abounded that, such price rises could be entrenched in inflation expectations, subsequently

affecting firms' pricing tactics and employees' wage aspirations. To add to the unease, tight economic situations in some countries pushed core inflation (not including food and energy) to remain obstinate while price rises became commonplace across economies.

The report offers some optimism in terms of potential growth this year, mostly due to the successful relaxation of regulations in China from December last year. Furthermore, shipping costs are decreasing and the pressure on the global supply chain has been alleviated, which could help reduce inflationary pressures and allow more supplies to reach us. Although overall global trade is still struggling, we can anticipate it to gain some strength as the world opens back up again and economic activity starts to recover; however long-term geopolitical troubles might throw a spanner in the works.

Consumer confidence in China and Europe has seen some increase recently, although it is still low overall. This could result in potential deployment of products and services once a greater amount of trust is restored.

INDIAN ECONOMY: SHOWING RESILIENCE

The April 2023 India economic outlook from Deloitte Insights envisions a strong investment recovery in the nation, and though global contingencies may lower growth this year, 6.5% expansion is anticipated over the medium term.

The World Bank has expressed concerns that the current global economic decline may lead to a period of stagnation. Nonetheless, several market analysts are convinced that this decade could be India's to seize. To support their view, new data from India indicates that, in spite of worldwide uncertainties, the country is performing better than expected. Estimates from the International Monetary Fund further affirm this theory, with projected growth at 5.9% by 2023–24 and an average of 6.1% over the next five years.

The report predicts a bright future for the Indian economy due to an anticipated increase in investment which will spur long-term development. Growth is likely to pick up in the coming year as investments lead to higher job opportunities, incomes, productivity, demand and exports, with favorable demographic factors helping to sustain this momentum over the medium term.

It appears that the world has emerged from the shadow of the pandemic, having managed to adapt to it. Nevertheless, geopolitical tensions, supply chain restructuring, inflation around the globe, and tough monetary policy stances will put a damper on expectations.

India recently launched GDP figures for Q3 of FY2022–23, along with updates to the past three years' numerals. Data reveals India fared better than initially anticipated as growth stoked up tensions from FY 2022–23 (figure 1). Revisions to GDP for FY 2020–21 climbed by 0.77 percentage points, suggesting the recession was not as severe as previously thought. In addition, growth in FY 2021–22 was increased from 8.7% to 9.1%, a sign of vigorous jump-back. This uptick was mainly a result of greater-than-forecasted improvement in manufacturing and construction sectors.

RESERVE BANK OF INDIA: INDICATING POSITIVITY AHEAD

The Reserve Bank of India has indicated in its annual report for 2022-23 that India’s growth trajectory is expected to remain strong during FY2024, coupled with easing inflationary pressure. Monetary policy actions are centered around withdrawing stimulus measures so that inflation maintains the targeted rate while providing support for economic expansion.

It can be inferred from the report that soft global commodity and food prices, a healthy rabi crop outlook, sustained vigour in contact-intensive services, and the government's investment in capacity building alongside double-digit credit growth will facilitate an estimated GDP growth of 6.5 per cent for FY2024. This is due to decreased pressure on consumer spending caused by high inflation and improved optimism among businesses and customers.

Nevertheless, slower global expansion, ongoing geopolitical disputes and potential spikes of market turmoil if new stressors arise in the international financial system could bring growth to a halt.

The risk to inflation has lessened as global commodity and food costs have dropped, and the impact of high input costs from last year has declined.

Consumer price-based inflation decreased to 4.7 per cent in April 2023, which is the lowest it has been in 18 months. The numbers are also within the RBI's target range of 2-6 per cent, making it two months in a row that this has been the case.

The report stated that the cumulative rise in the policy repo rate of 250 bps last year will guide the downward pressure on prices, alongside measures to address short-term demand-supply gap caused by food and energy shocks.

The exchange rate is steady and the rainfall forecast for this year appears normal, which suggests that inflation rates should decline over 2023-24. It is anticipated that headline inflation will reach an average of 5.2 per cent, lower than last year's 6.7 average.

Monetary policy shall remain focused on the withdrawal of accommodation to ensure that inflation progressively aligns with the target while supporting growth.

Indian banks and non-banking financial intermediaries must retain their soundness and resilience while stress testing for new potential shocks. It is vital that capital buffers and liquidity positions are regularly assessed and built up.

The RBI has indicated that it is looking to extend the current pilots of CBDC-Retail and CBDC-Wholesale throughout this financial year, by including distinctive use cases and features. Additionally, it intends to widen the pilot in CBDC-Retail across numerous locations with an additional set of participating banks.

NON-BANKING FINANCE COMPANIES (NBFC) SECTOR: CONTRIBUTING TO A REBOUND

NBFCs have a distinct advantage in their enhanced knowledge of regional dynamics, efficient collection systems, and bespoke services while pushing for further financial inclusion in India. Their lower transaction costs, rapid decision-making, focus on customer service, and immediate access to services are the distinguishing features of NBFCs compared to banks. The wide reach and local presence of this sector has provided them with the capability to be flexible, creative, and a step ahead in offering formal monetary services to those who are under-banked or those not serviced elsewhere.

According to ICRA, a 12-14% growth in NBFC Retail AUM is expected for FY24. This increase is mainly attributed to the unsecured segments of personal credit and microfinance. In comparison to the estimated growth earlier, this marks a resounding rebound from FY2023. ICRA has emphasised that "The intensified competition from banks in traditional asset segments has prompted entities to increasingly target these unsecured segments." Vehicle finance segment, accounting for about 40% of the NBFC retail book, will probably grow at a comparatively slower rate. In FY2023, LAP and SME loans witnessed significant growth whereas the gold loan segment encountered difficulties due to amplified competition from banks.

Although asset quality appears set to remain better, thereby causing provisions to be unwound and credit costs down, it is likely that margins face pressure during FY24 resulting in net profit moderately descending from 2.5-2.7% estimated in FY2023 to 2.4-2.6%. The sector's adequate capitalisation and its internal profit generation should sufficiently back near-medium term expansion which has been additionally bolstered by the switch towards long-term sources such as term loans and debentures along with considerable securitization volumes

AUTO INDUSTRY OVERVIEW : BRAVING THE ODDS

The car industry is expected to grow worldwide during the next few years, in spite of the economic instability. This is mainly due to an increased penetration in emerging markets, rising preference for electric cars and China's easing of limitations set due to Covid-19. Furthermore, constant production levels and a demand backlog can reduce some of the effects caused by the cost-of-living crisis and supply chain issues, which have been impacting sales and production.

Business reports have revealed that Indian auto industry experienced several difficulties in the past few years, particularly when Covid-19 emerged. During FY2023, which was the first year of recovery since then, headwinds kept appearing such as the Russia-Ukraine conflict, a substantial rise in crude oil prices and long-term global semiconductor shortages. Nonetheless, there have been signs of progress and recovery despite these hurdles.

Passenger vehicles

Retail sales in the passenger vehicle segment witnessed a 23 percent surge to approximately 36 lakh units in FY2022, led by the SUV segment. This could be ascribed to healthy replacement demand, relatively stable semiconductor supplies, and pre-buying ahead of the second phase of BS-VI emission norms implementation on April 1, 2023.

In the upcoming financial year, owing to robust demand and diminished chip shortages, growth in this segment will mostly be powered by SUVs. Additionally, a few budgetary announcements are expected to lend further impetus to the sector's development.

The Indian Semiconductor Mission that has been allocated ₹ 3,000 crore will also help bring down its reliance on imports. Moreover, with tech-enabled features gaining currency in passenger vehicles, it is likely to benefit from such missions the most. Besides this, upward revision of the income tax slabs might increase disposable income among middle class families, thus driving demand for entry-level cars and two-wheelers.

Electric vehicles

The Indian government is actively pushing for greater electric mobility and has implemented stricter emission norms. This means we can anticipate more EVs on our roads by 2023. Budget 2023 also provided an extension of customs duty exemptions to capital goods and machinery imports for manufacturing lithium-ion batteries, which are essential components used in EVs. The global impetus on supply chain diversification, enhancement of Tier 2 and 3 domestic supplier base, as well as 'Make in India' schemes such as the Production Linked Incentive (PLI) and Faster Adoption and Manufacturing of Hybrid and Electric vehicles (FAME), further contribute towards the EV momentum.

Two-wheelers

According to a report, the domestic two wheelers enjoyed a 17% growth- although remaining at 9-year low of 15.86 million units for FY 23. Pre-Covid sales in 2018-19 were 21.18 million units, indicating that there is still much ground to make up for.

Comparatively, the domestic two-wheeler sector has had lesser success than passenger cars when it comes to output. The entry-level commuter segment saw a decrease in demand due to increases in on-road prices for its models, which have risen noticeably over the years. It has experienced a negative CAGR of 6.97%. Retail continues to remain weak since the demand for cheaper CC models has yet to pick up. A 50% price increase for the entry-level segment over the past three years has also had an impact on industry sentiment. Looking ahead, experts suggest that the market will experience recovery in FY24 with the hope that next 2-3 years will feature positive per capita income growth along with moderate inflation.

Three-wheelers

In FY 23, the sale of three-wheelers surged by 84%, with electric rickshaws seeing a 119% increase. FADA believes that the growth of this segment is partly attributed to consumer financing, alternative fuel availability and governmental subsidies.

COMPANY PERFORMANCE: REGAINING MOMENTUM

The previous year i.e FY 22 was a challenging year for the Company due to several factors. The automotive industry suffered and global geopolitical tensions only exacerbated the situation. NPAs climbed to unprecedented heights, impacting the Company's annual results.

In light of above, the Company in FY 23 seized the opportunity provided by recovering markets at home and abroad and achieved a remarkable turnaround. This is evidenced by the commendable profit of Rs. 7793 lakhs. This is a reflection of the fact that the Company has is regaining momentum.

Focused approach

One of the key strengths of the Company is its focus on core business. The Company anticipates success by deploying effective growth strategies to promote its current and future product offerings. Consumer durables, 2-wheeler financing, top up loans and corporate loans have been specified for this purpose.

The policies of the Company are adjusted to reach the desired goals in view of any probable eventualities. To achieve the desired objectives, the team will strive hard to identify where demand exists and compensate for any deficient supply.

This strategy has allowed the company to raise disbursement numbers within Two-Wheeler Loan segment despite subdued two-wheeler sales by concentrating on expanding penetration among sub-dealers and multi-brand outlets. Geographically too, the portfolio is well spread out over 20 states. Moving ahead, the Company will strive for a well-diversified mix of retail, consumer, and commercial business while also focusing on long term profitability through a combination of cross selling products to existing customers and building a sustainable commercial vertical. Finally its key target population remains mid income self-employed people from semi-urban and rural regions.

Strengthened technology

The Company has scaled up its digital initiatives across the value chain and leveraging its existing physical presence to reduce overall costs and improve profitability.

The use of digital technology has revolutionized the way customers find, navigate, purchase and interact with products and brands. Because of this, most operations are completed using apps or NACH. This transformation has led to a marked increase in our digital sources and collections, which has been a major benefit for us as well as our customers. Our mobile-based loan approval process also offers a swift response time, meaning information is more readily available from any location at any time. Not only does this improve the customer experience but it also aids in improving the Company's reputation by enabling efficient operations in remote areas. To ensure regulatory compliance across all channels, we apply risk and compliance procedures. Last but not least, analytics are integral to optimizing the user experience and further boosting our brand image.

The Company has also utilized technology to boost engagement with channel partners and customers alike. AI, machine learning, and analytics are being applied to various products in order to boost customer lifetime value on the underwriting and collections end.

Improved Collections

The Company introduced pioneering solutions with the help of technology and analytics to enhance the effectiveness and efficiency of debt collection. Strategies-based methods were employed, while data-driven actions were implemented to control the number of overdue accounts. Artificial intelligence was also utilized for reducing credit losses. Additionally, customers and debt collectors were divided into segments in accordance with local areas, in order to optimize the distribution of debt collection services.

The collection teams have been investing significantly in urging customers to make electronic payments via payment gateways, which has also contributed to improvement in recoveries.

Steadfast Financial Discipline

The Company has kept strong ties with its financial partners in order to guarantee availability of adequate credit for company functions. Investors/lenders have been receptive even during difficult times, displaying their trust in us. Furthermore, efforts are being made to reduce operational costs and properly monitor credit transactions to minimize chances of fraud/default and related losses.

Quality based credit underwriting

The Company has been diligent in maintaining the quality of its portfolio through expanded prudent choice of customers. This prevents delinquencies which is evident in our reduced NPAs during FY 23.

Vigilant fraud detection and prevention

The Company has implemented several risk mitigation strategies to combat potential fraud. An alert system is in place at the customer, dealer, and employee level, as well as a fraud detection algorithm for enterprise operation. In addition, fraud identification techniques have been put into effect to prevent fraudulent activities from taking place.

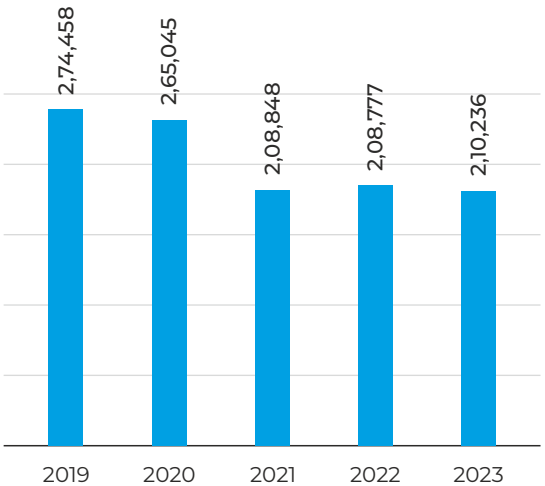
FINANCIAL PERFORMANCE OF THE COMPANY

Financials for the last 5 years at a glance

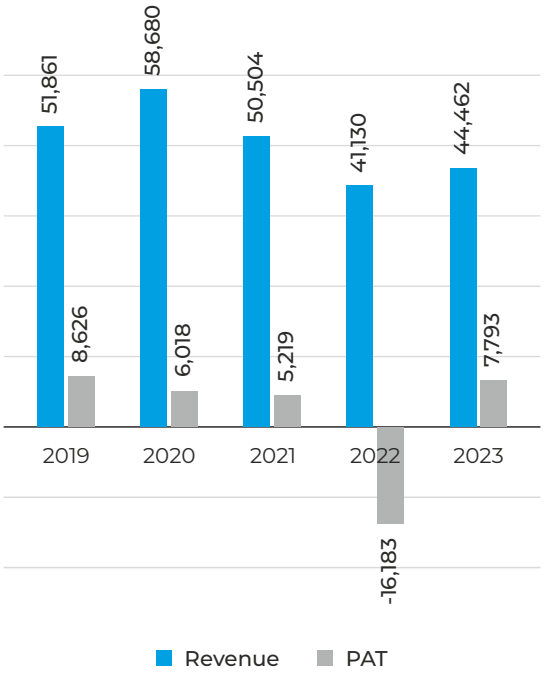
(₹ in Lakhs)

Financial year ended 31st March	2019	2020	2021	2022	2023
Operating Results					
Disbursements	2135 05	1788 10	750 34	1147 10	1318 28
Total Revenue	518 60	586 80	505 04	411 30	444 62
Profit Before Tax (PBT)	132 89	93 47	69 50	-215 70	108 80
Profit After Tax (PAT)	86 26	60 18	52 19	-161 94	78 68
Assets					
Fixed Assets (including assets leased out)	1 94	3 51	2 81	196	213
Investments	19 60	16 43	16 35	2,740	4,554
Deferred tax asset	32 45	27 11	21 44	9,978	9,240
Net stock on hypothecation	2110 33	2211 40	1749 11	1505 61	1516 56
Other loans (including interest accrued)	365 96	216 29	122 50	91 40	164 14
Other assets	109 70	438 50	647 39	37237	61457
Total Assets	**2639 98**	**2913 24**	**2559 60**	**2098 52**	**2435 34**
Liabilities					
Equity	16 45	16 45	16 45	1645	1645
Reserves and Surplus	430 75	490 93	543 12	39488	47281
Borrowings (including interest accrued)	2125 90	2354 73	1947 00	162468	189127
Other liabilities	66 88	51 13	53 03	62 51	54 81
Total Liabilities	**2639 98**	**2913 24**	**2559 60**	**2098 52**	**2435 34**
Key Indicators					
Earnings Per Share (in ₹)	52.4	36.8	30.29	-98.47	47.84
Book Value Per Share (in ₹)	271.9	308.4	3 40.2	250.1	297.46
CRAR (%)	20.9	24.90	31.8	21.57	27.92
GNPA (%)	4.50	6.90	12.1	25.53%	20.55
NNPA (%)	2.70	4.0	6.2	5.70%	2.58

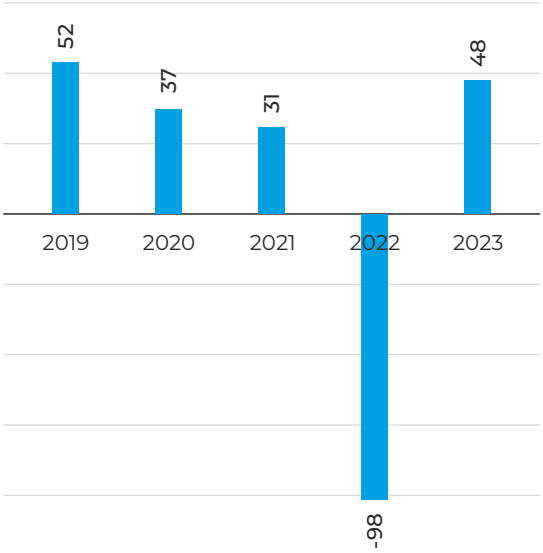
Assets under Management (Rs. in lakhs)



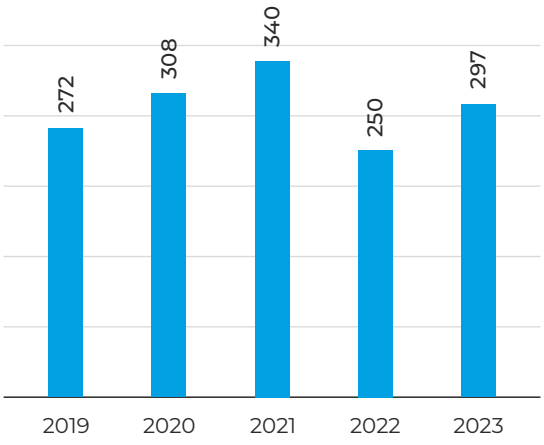
Revenue & PAT (Rs. in lakhs)



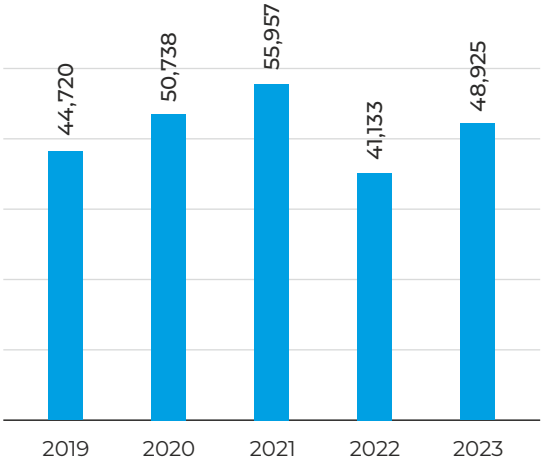
Earnings per Share (In Rs.)



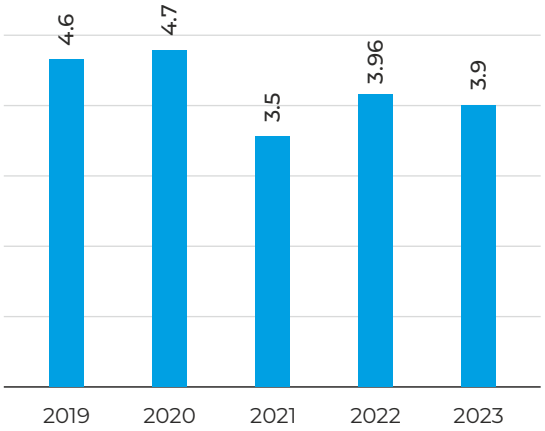
Book Value per Share (In Rs.)



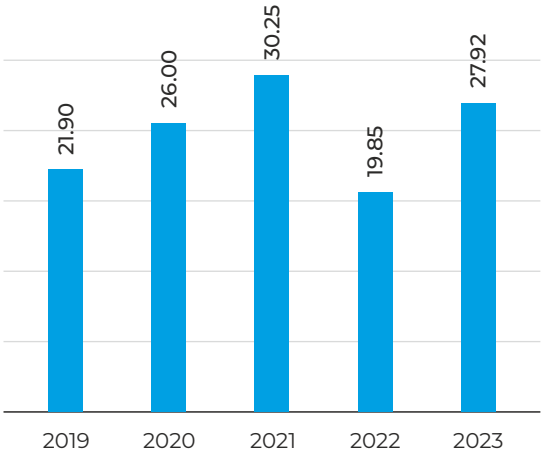
Net worth (Rs. in lakhs)



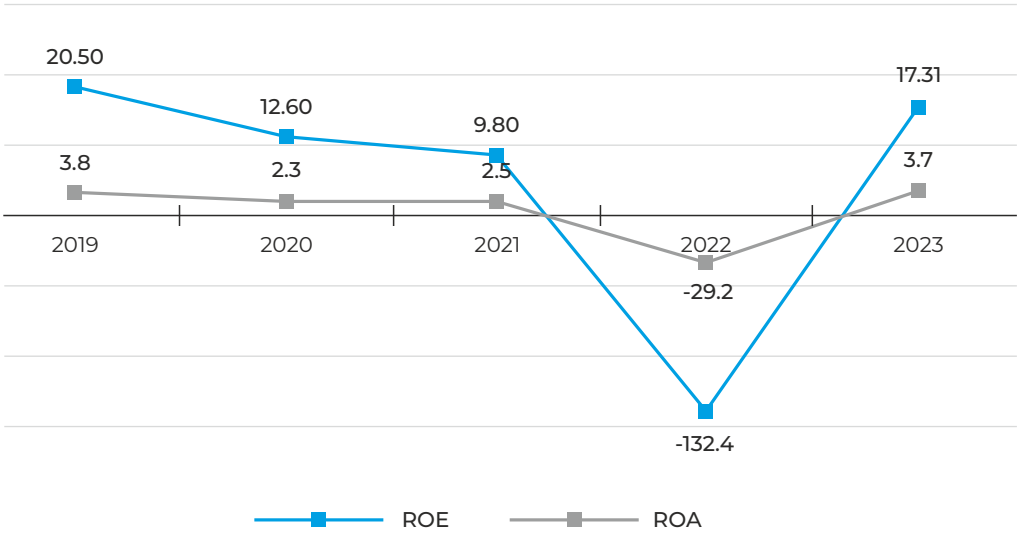
Debt to Equity ratio



Capital Adequacy Ratio



Return on Asset (ROA) & Return on Equity (ROE)



Financial Performance

The Company's Assets under Management (AUM) primarily comprise vehicle loans, of which two-wheelers constitute the major portion. The Company also has a wholesale loan book, which, as on March 31, 2023, was 8% of the total book. Overall AUM as on March 31, 2023 was ₹ 2102,36 lakhs (including assigned loan of ₹ 4,38 lakhs), as against ₹ 2087,77 lakhs (including assigned loan of ₹ 6,68 lakhs) at the end of the previous year. The disbursements for the year ended March 31, 2023, were ₹ 1318,28 lakhs as against ₹ 1145,40 lakhs for the year ended March 31, 2022.

The Company's income comprises both income from vehicle financing and corporate loans. The Company has earned an income of ₹ 444,20 lakhs in the current year, compared to ₹ 410,83 lakhs in the previous year. During the year, our expenses decreased by 46%. It comprises of various components, of which finance costs constitute the major portion, totaling at ₹ 14,815 lakhs, followed by other expenses of ₹ 112,58 lakhs (including ₹ 1,249 lakhs as impairment on financial instruments), employee costs of ₹ 74,44 lakhs, and depreciation and amortisation of ₹ 65 lakhs.

Financial Snapshot	Year Ended (₹ in Lakhs)		% Growth	Reasons for Variance
	March 31, 2023	March 31, 2022		
Disbursement (all Loans)	1318 28	1145 40	15%	Higher disbursements on account of post-covid trend as shown by the two wheeler industry in FY 22-23
AUM at the end of the period (own book) [2]	2097 98	2081 09	1%	The overall AUM grown by 1% as the repayments on account of higher recoveries from NPA, the tenor of product.
Average AUM (own-book excluding interest accrued) [3]	2,09,765	2033 48	3%	The average AUM has increased on account of recovery from Post-covid scenario in last two FYs.
Total Debt [4]	189127	1624 68	16%	The liquidity has been well maintained throughout the financial year , company has also gone for structured transactions like NCDs and MLDs.
Net worth [5]	48925	41134	19%	The net-worth has increased due to profit and well as restatement of previous year due to change in accounting policy which also has contributed ₹ 2359 lakhs.
Revenue [6]	44462	411 30	8%	Higher Disbursement contributed to the increase in Fee whereas the increase in average Aum with minimum NPA on the post-covid portfolio we can see a decent jump in interest income as well.
Finance Expenses [7]	14,815	149 92	(1%)	During the year, the Company has been able to reduce finance cost because of increasing the fund mix which ultimately helped in reducing cost.

Financial Snapshot	Year Ended (₹ in Lakhs)		% Growth	Reasons for Variance
	March 31, 2023	March 31, 2022		
Net Interest Income (NII) [8] =[6]-[7]	**296 47**	**261 38**	**13%**	
Operating Expenses [9]	175 18	152 73	(13%)	The overall opex has got a blend of fresh hiring i.e increase in employe benefit and increase in incentives for the targets achievement in business as well collections.
Loan Loss & Provisions [10]	12 49	324 36	(96%)	Due to the stupendous recovery shown by the company, there was no need to provide any extra provision throughout the year. Hence, we can see a substantial dip.
Profit Before Tax [11]	108 80	(215 70)	(150%)	The company , after having a one-off loss in the previous FY has again gone back to the road to recovery. With Higher disbursement and excellent collection we have been able to achieve the desired profits
Profit After Tax [12]	78 68	(161 94)	(148%)	The company , after having a one-off loss in the previous FY has again gone back to the road to recovery. With Higher disbursement and excellent collection we have been able to achieve the desired profits
Ratios				
Total OPEX to NII [13] = [9] / [8]	59.1%	58.4%		As result of increase in Collection expense and Salary cost without a proportionate increase in revenue has resulted in OPEX to NII.
Loan loss to average AUM [14] = [10] / [3]	0.60	15.95		Due to the stupendous recovery shown by the company, there was no need to provide any extra provision throughout the year. Therefore, the ratio has declined.
Return on average AUM [15] =[12] / [3]	3. 71	(7. 96)		The company , after having a one-off loss in the previous FY has again gone back to the road to recovery. With Higher disbursement and excellent collection we have been able to achieve the desired profits
Interest Cov-erage Ratio [16] = [11] + [7] / [7]	1.73	(0.44)		The company , after having a one-off loss in the previous FY has again gone back to the road to recovery. With Higher disbursement and excellent collection we have been able to achieve the desired profits
Current Ratio	0.77	0.97		

Financial Snapshot	Year Ended (₹ in Lakhs)		% Growth	Reasons for Variance
	March 31, 2023	March 31, 2022		
Debt-Equity Ratio [17] = [4] / [5]	3.87	3.96		The improved Profitability has caused a reduction in the leverage.
Operating Profit Margin/ Net Interest Margin on loan book [18] = [8] / [3]	14.1%	12.9%		The operating profits margins have seen the upward trend due to reduction of finance cost and reversal of provision.
Net Profit Margin [19] = [12] / [6]	17.69%	(39.3%)		The company , after having a one-off loss in the previous FY has again gone back to the road to recovery. With Higher disbursement and excellent collection we have been able to achieve the desired profits
Return on (Average) Net Worth	17.3%	(33.3%)		The company , after having a one-off loss in the previous FY has again gone back to the road to recovery. With Higher disbursement and excellent collection we have been able to achieve the desired profits
Earnings Per Share (in ₹)	47.84	(98.47)		The company , after having a one-off loss in the previous FY has again gone back to the road to recovery. With Higher disbursement and excellent collection we have been able to achieve the desired profits

Capital Adequacy Ratio (CRAR)

As on March 31, 2023, the CRAR is 27.92% of the aggregate risk weighted assets on the Balance Sheet, which is comfortably above the regulatory minimum of 15%. Of the CRAR,27.92% is from Tier - 1 capital only.

a) Borrowing Profile (excluding interest accrued)

Particulars	March 31, 2023		March 31, 2022	
	Amount in Lakhs	% of Total	Amount in Lakhs	% of Total
Loan from Bank/FI	1096,43	58.0%	1108,59	68.5%
Subordinated Debts	8,23	0.4%	29,68	1.8%
Non-Convertible Debentures/Market Linked Debentures	260,00	13.8%	150,02	9.3%
Public Deposit/ICD	35,68	2.0%	58,97	3.6%
Securitization	480,36	25.4%	265,56	16.4%
Others	6,78	0.4%	5,08	0.3%
Total	**1887 48**	**100%**	**1617 90**	**100%**

The Company's total external borrowings (excluding interest accrued) increased to ₹ 1889,20 lakhs as of March 31, 2023 from ₹ 1617,90 lakhs as of March 31, 2022, an increase by 16.8%.

The overall borrowing costs have increased to 9.1% during the year. The Company explored different avenues to raise funds in meeting its disbursement requirement during the year. The company has done securitization transactions of ₹ 626,59 lakhs (net of MRR) in FY 23 apart from ₹ 315,15 lakhs which was sourced through Banks/OFI as Working Capital limits. Over the last 5-6 years there has been substantial increase in funds raised through Direct Assignment and Securitization. The Company has collected total amount of ₹ 3608,87 lakhs through securitization and assignment transactions. Also the Company has issued Market Linked Debentures worth ₹ 175,00 lakhs and NCD amounting to ₹ 35,00 lakhs during the year. This will help the company substantially in getting funds into business and growing the loan book amidst the economic conditions prevailing in the country, which has restricted flow of funds into several sectors.The Company's total external borrowings (excluding interest accrued) increased to ₹ 1889,20 lakhs as of March 31, 2023, from ₹ 1617,90 lakhs as of March 31, 2022, an increase of 16.8%.

b) Assets under Management

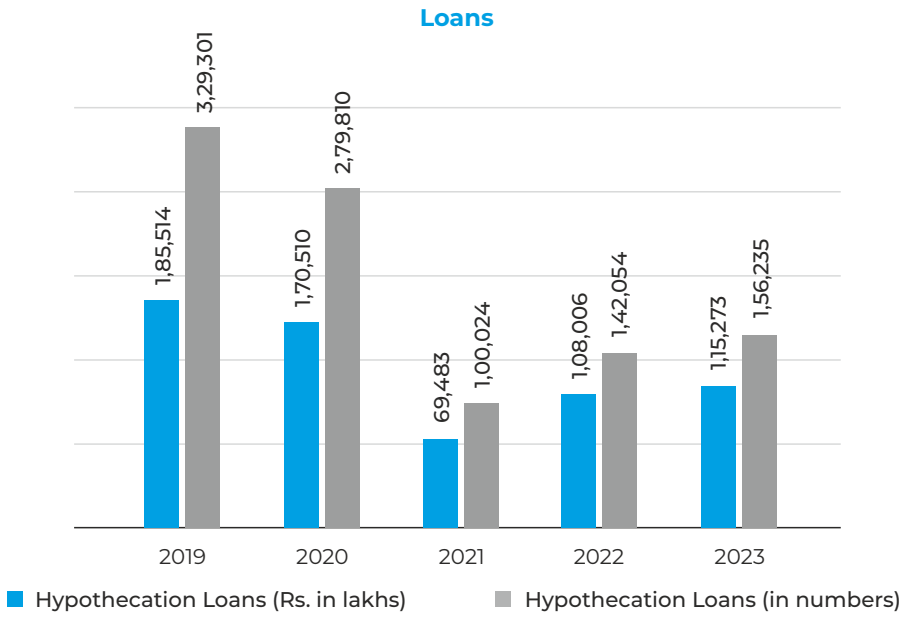
The own-book AUM as on March 31, 2023 stood at ₹ 2097,97 lakhs (i.e., ₹ 2102,36 lakhs less assigned portfolio of ₹ 4,38 lakhs) against own-book AUM of ₹ 2081,08 lakhs (i.e., ₹ 2087,77 lakhs less assigned portfolio of ₹ 6,68 lakhs) as on March 31, 2023. The Company's AUM has shown remarkable growth before FY 20 but saw a dip in FY 21 and FY 22 due to the prevailing conditions which restricted the growth. The Company is now slowly picking up and maintaining its growth momentum in the years to follow.

Today, the Company has presence for auto loan financing in 20 States. The geographical distribution of hypothecation loans (including securitized portfolio) is as given below:

Zone	Active clients	Regular	NPA	% of NPA	Zone wise %
EAST	69,775	18,607.12	7,205.78	27.92%	16.54%
NORTH	96,276	31,841.59	8,384.39	20.84%	19.25%
SOUTH	2,67,656	85,835.83	22,799.48	20.99%	52.34%
WEST	35,718	8,463.05	5,169.66	37.92%	11.87%
TOTAL	**4,69,425**	**1,44,747.59**	**43,559.31**	**23.13%**	**100.00%**

The Company's extensive reach of distribution, through its own team, Co-lending, it's marketing agents, its franchisees and above all the 3500+ branches of flagship company of the Group, Muthoot FinCorp Limited, has enabled it to service its 5 lakh+ live customer base with ease. The Company has further diversified its portfolio of vehicle financing and also moved to the used-car space, aside from exploring other channels of distribution and maintaining a nominal proportion of corporate loan book.

The disbursements of hypothecation auto loans shown a positive trend this year on account of a downtrend in the 2W volumes, as stated earlier. The disbursements of hypothecation auto loans, along with number of loans, over the last 5 years is given in the chart below:



c) Cost & Profitability Analysis

The Cost and Profitability analysis shows that the Company has earned profit with improvement in collection and increase in disbursement. The finance expenses were higher than what was required in view of the Company having to draw additional funds than what was required to meet sanction norms and also maintain liquidity and thereby incurred higher finance costs. The Company has higher Opex due to increase in collection cost and employee benefit expenses. The Company has not provided any extra provision during the year for ECL as there is improvement in collection resulted in maintain an NNPA of 2.58%.

The reason for all these have been the substantial slowdown in the economy over the last couple of years due to COVID-19 and impact of the same.

d) Spread Analysis

The Company has been able to maintain its gross and net spread at reasonable levels:

Particulars	March, 2023		March, 2022	
Daily Average Loan Book Size (₹ in Lakhs, excluding interest accrued)	2097 65		2033 48	
Income from Operations	444 62	21.9%	411 31	20.2%
Direct expense (including interest, brokerage, dealer/MFL incentive, field investigation charges)	168 09	8.3%	173 08	8.5%
Gross Spread	276 53	13.6%	238 22	11.7%
Personnel Expenses	74 44	3.7%	69 66	3.4%
OPEX (including depreciation etc.)	73 19	3.6%	59 92	2.9%
Total Expenses	147 61	7.3%	129 57	6.4%
Pre-Provision Profits	128 92	6.3%	108 65	5.3%
Loan Loss and provisions	12 50	0.6%	324 36	16.0%
Net Spread (before tax)	116 43	5.7%	(215 71)	(10.6%)

e) Opportunities & Threats

The overall economic recovery presents a notable chance to capitalize on the growth experienced by the Company in FY 23. We believe that demand for two-wheelers is poised to increase shortly, thus making way for financing companies. With diversified new products, the Company aims to build on its existing customer base while taking advantage of its MUTHOOT PAPPACHAN or MUTHOOT BLUE brand and dealer relationships. RBI's outlook of keeping an accommodative stance with regards to economic stimulation is likely to have a positive result on NBFCs' growth prospects. There is immense potential for market expansion as NBFCs are often seen as single-stop financiers provided they have sufficient funds.

Nevertheless, there are a few risks including weaker financial status, tighter regulation due to incidents of mismanagement, and liquidity crisis at certain times which can hinder their progress. Moreover, banks and other NBFCs offer stiff competition to this industry with diminishing entry barriers offering customers more options. Nevertheless, the Company manages to differentiate itself through customer services, digitization, and product features and strives to maintain this throughout.

RISKS & CONCERNS

a) Credit Risk:

Credit risk is basically the risk of loss due to failure of a borrower/counterpart to meet the contractual obligation of repaying his debt. The risk could be on account of some erroneous sourcing done by the Company or because the customer might be facing some issues which does not permit him to make the repayment even if he actually wanted to.

Measures:

Before sanctioning loans, the Company performs a thorough background check of the potential customers, so as to avoid any chances of fraud and default. The checks include field investigation, credit checks and tele-verification. The Company is contemplating the development of score-based models based on the data base that is generated over the last 10 years or so to determine the eligibility for loan sanctions for mitigating these risks.

b) Economic Risk:

The Company's performance would be hindered by any further slowdown of the economy, as it would lead to a slump in the auto sector as well as NBFC lending.

Measures:

The Company has devised continuity plans and strategies to mitigate the risks that might arise due to economic slowdown.

c) Regulatory Risk:

Risk potential on account of changes in laws, regulations or interpretations that causes business losses.

Measures:

The Company's operations would be affected by any changes in the regulatory environment. The legal and compliance team, in collaboration with external legal advisors keep themselves abreast and updated on the applicable laws and regulations and take any necessary actions as and when required.

d) Product Risk

The risk posed when the Competitors catch up with the product development. We have operations in the used car and two wheeler financing.

Measures:

The Company has been expanding its operations across various parts in the country. We have also begun operations in the used car and two-wheeler financing. Also, the Company owns a wholesale loan book, wherein we lend to other NBFCs engaged in SME lending, microfinance, three-wheeler, CV financing and personal loan, thus reducing the product concentration risk.

e) Technology Risk:

Information technology risk seeks to establish a strict information security structure to prevent data loss and cyber security threats.

Measures:

To counter the risks related to information technology, the Company is contemplating a major revamp of its Technology platform. The Company is in the process of finalizing with a pioneer for both its hardware and software requirements. The Company adopts a pro-active approach wherein things beyond the immediate future is looked into to ensure that the threats from the web is countered with no chances of fraud or manipulation.

f) Operational Risk:

Operational risks are those which arise as a result of incompetent or failed internal processes, people and systems or from external events.

Measures:

The constant skill development and training programs form the core of the employees' training programmes. To ensure better control over the transactions, processes and regulatory compliance the Company has standard operating procedures in place.

CORPORATE GOVERNANCE

Good corporate governance is essential for Muthoot Capital, to increase enterprise value in a sustainable way. The Company has a long history of fair, open and ethical practices, founded on the core Group values of Trust, Value, Precision and Commitment to Customers. To ensure good governance, the Board and its Committees have implemented effective policies and procedures that are regularly reviewed. Boasting experts in the banking industry and well-informed Board members, the Company efficiently carries out its fiduciary responsibilities to all stakeholders. The Internal Corporate Governance guidelines comply with RBI Directions for NBFCs so as to bring about best practices and transparency in business operation

INVESTMENT PROPOSITION

The organization is heading towards long-term sustainability prioritizing customer satisfaction and value addition for the stakeholders. Given the unhindered availability of inputs, the two-wheeler segment appears to be poised significant growth, despite an abysmally low performance this year.

The southern states still appears to possess enough space for market penetration. The Company is planning strategies to expand its presence across the country in a robust manner . The Group's Flagship Company, Muthoot FinCorp with its expanding infrastructure, is expected to lead to lower entry costs for the company in new locations. The large network of branches of Muthoot FinCorp will aid in expanding rapidly with minimal operational costs. Ultimately, the decision will reap multiple benefits in medium to long-term basis.

The used four-wheeler segment is very different from the two-wheeler. In the used four-wheeler segment, the Company has been in operation in 20 centers and looks forward to increasing its penetration along with the 2W segment. With proper channels, better distribution networks and efficient teams in place, this segment would lead to higher growth and profitability in the longer term. Our digital technology and analytics would ensure quicker processing of accurate data to confirm the correctness in the sourcing and speedy completion of disbursement. This would ensure that the operational costs would be kept minimal.

The Company has diverse options for funding purposes and the confidence of the investors/lenders remains untethered. We are eager to build new partnerships with the lenders and preserve their trust under all circumstances. Raising funds at reasonable rates will not be a challenge, thanks to the government stimulus packages and RBI initiatives. The skilled workforce and proper sourcing and collection infrastructure will only improve our chances of growth and make our goals achievable.

INTERNAL CONTROL SYSTEMS & ADEQUACY

A secure and effective internal control helps in eliminating the risk of asset loss, protecting sensitive

information, verifying the accuracy of important data within the stipulated time and conducting operations in a legal manner.

The Company has an in-house audit team which collaborates with an outsourced concurrent audit team. The former is responsible for monitoring all financial transactions/operations/security on a constant basis while ensuring accuracy of data and compliance with the regulations. Any deviations in these tasks are relayed directly to the Management.

The concurrent audit report is reviewed by the reputed internal auditors, M/s. BDO India LLP, a popular and dignified firm of Chartered Accountant professionals. The Internal Auditors monitor the systems and business operations of the Company. Any weaknesses in the system, non-compliance with the regulations and any suggestions for improved performance are reported by the Internal Auditors.

The Statutory Auditors review the Internal Audit Report while conducting audit functions to verify that there are no transactions which fall out of the regulatory stipulations and which are against the interests of the Company. The Internal Audit Report and the quarterly Compliance Report are reviewed by the Audit Committee and they also ensure that the observations in the report were addressed in the right time and manner by the Management. The Audit Committee also reviews an Action Taken Report (ATR) which lists down the points requiring correction and the relevant action needed.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCE

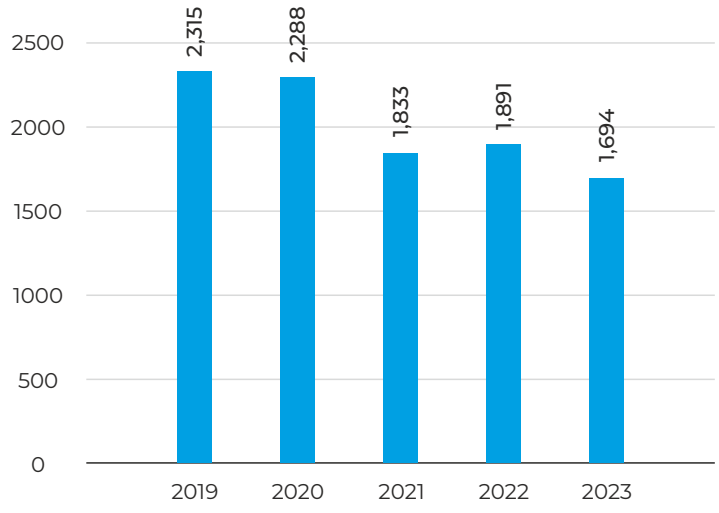
The Human Resource division of the Company is one of its most important assets as it is crucial in developing, reinforcing and changing the culture of an organization. For better business success and enhanced workforce management, the HR plays a vital role. With proven professionals spearheading the growth of the HR department in your Company, the employees are aligned with the Company's goals and objectives.

The Company understands that the efficiency of its employees will directly lead to the profitability of the organisation. There is a reduction in workforce from 1891 in 2022 to 1694 in 2023. We have successfully maintained a low-cost strategy for manpower and enabled professional partnerships on a variable cost basis.

The Company prioritizes the well-being of its workforce and hence keeps a safe, sanitized and motivated working environment during the pandemic outbreak. The Company had organized skill upgradation training programs aimed at up-skilling the employees to help utilize their potential in the best possible manner. Since all these factors contribute heavily to productivity, the Company ensures that the enthusiasm levels of the employees are high in all the offices.

The Company offers salaries and incentives which are of industry standards to appropriately reward the efforts of the employees, help them form a shining career and continue retaining talent. We strive to create growth opportunities for the employees and recognize their achievements.

Number of Employees



EMPLOYEE ENGAGEMENT

The Company continues to maintain its commitment towards ensuring a motivating and uplifting environment which ensures the focus and engagement of its workforce. To boost the morale of the employees, we consistently take initiatives which help in developing skills and promote team building. It is proven that motivated employees perform exceedingly well and feel valued as a part of the Company. We are dedicated to continue our efforts in the direction of making the Company a desirable working organization where everyone is pushed towards excellence and appreciated for their efforts.

CAUTIONARY STATEMENT

The statements made in this report describes the Company's objectives and projections which may be forward looking statements within the meaning of applicable laws and regulations and should be read in conjunction with the financial statements included herein and the notes thereto. Important developments that could affect the Company's operations include a downtrend in the industry - global or domestic or both, significant changes in the political and economic environment in India or abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other factors. The actual result might differ materially from those expressed or implied. The Company is not under any obligation to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events.

For and on behalf of the Board of Directors

Sd/-
Thomas John Muthoot
Chairman
DIN: 00011618

Kochi
August 08,2023

Report on
Corporate Governance

This report on Corporate Governance is prepared pursuant to Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has complied with the applicable requirements of the SEBI LODR and amendments thereto along with the directives issued by Reserve Bank of India and other applicable regulations.

1. Company's Corporate Governance philosophy

Corporate Governance philosophy of Muthoot Capital Services Limited (the Company) is founded upon a rich legacy of fair, ethical and transparent governance practices by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. The Company strongly believes it can emerge as a strong leader only by following good and sound corporate governance principles. Good corporate governance is a synonym for sound management, transparency and disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel a Company to make sound decisions, thus maximising long-term stakeholder value without compromising on integrity, societal obligations, environment and regulatory compliances. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the Muthoot culture and ethos.

The Company's philosophy on Corporate Governance is aimed at:

(a) enhancing long term shareholder value through assisting the top management in taking sound business decisions; and prudent financial management;

(b) achieving transparency and professionalism in all decisions and activities of the Company;

(c) achieving excellence in Corporate Governance by conforming to the prevalent guidelines on Corporate Governance, and excelling in, wherever possible and reviewing periodically the existing systems and controls for further improvements.

The Board of Directors of your Company are pleased to present this Report on Corporate Governance for the year ended March 31, 2023. The Details of the Company's Board structure and various Committees that constitute the governance structure of the organisation are covered in detail in this Report.

2. Board Of Directors

The Company's Board has an optimum combination of Executive, Non-Executive and Independent Directors in line with the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015, RBI Guidelines and other statutory provisions.

As on March 31, 2023, the Board of the Company comprised of six members which includes a Non-Executive Chairman, a Managing Director, a Non-Executive Non Independent Director and three Independent Directors including an Independent Woman Director. The detailed profile of each of the Directors is available on the Company's website at www.muthootcap.com in 'About' section.

All the Directors fulfil the conditions as prescribed in the Company's Policy on the Fit and Proper Criteria framed in accordance with the Master Directions issued by RBI in this regard. The Company has formulated a Policy on Board Diversity to have a competent and highly professional team of Board members from diverse backgrounds possessing skills and experience in critical areas of business management which would enable them to contribute effectively to the Company by providing valuable guidance and expert advice to the Management.

The Board of Directors of the Company consists of professionals from varied disciplines. The day-to-day management of the affairs of the Company is entrusted with the senior management personnel, headed

by the Managing Director, who function under the overall supervision, direction and control of the Board of Directors ("the Board") of the Company. The Board meets regularly to discuss, review and decide upon the matters such as policy formulation, setting up of goals, appraisal of performances with the goals and control functions, etc.

Some of the powers of the Board have also been delegated to its Sub-Committee(s), which monitors the day-to-day affairs relating to the operational matters of the Company. The Board thus exercises control over the overall functioning of the Company with a view to enhance the stakeholders value.

The Independent Directors on the Board of the Company have submitted their respective declarations confirming that they meet the criteria of independence and disclosures confirming that there are no material, financial and/or commercial transactions between Independent Directors and the Company which could have potential conflict of interest with the Company at large.

The Board, as part of its functioning, annually reviews its role and evaluates the performance of the Directors and the Board Committees. The Board also reviews its strength and composition from time to time in order to ensure that it remains aligned with the statutory as well as business requirements.

None of the Directors on the Board hold directorships in more than twenty companies (number of public companies and listed entities does not exceed ten and seven respectively). None of the Independent Directors of the Company are holding directorship in more than seven listed entities. The Managing Director of the Company is not serving as an Independent Director in any other listed entity. Further, during the financial year 2022-23, none of the Directors acted as a Member in more than 10 committees or as a Chairperson in more than 5 committees (committees being Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1) of the SEBI LODR) across all listed entities where they serve as a director. The certificate from the Managing Director confirming the compliance with the provisions of Section 165 of the Companies Act, 2013 and Regulation 17A & 26 (1) of SEBI (LODR) Regulations, 2015 with regard to the directorships and committee memberships is enclosed herewith as *Annexure 1.*

a. Composition of the Board

The composition of the Board is in conformity with Regulation 17 of the SEBI LODR read with Section 149 of the Companies Act, 2013 (the Act). As at March 31, 2023, the Board of Directors of the Company consist of 6 members as follows:

Category	No. of Directors	Percentage to total no. of Directors
Executive Directors	1	16.7
Non-Executive Non-Independent Directors	2	33.3
Non-Executive Independent Directors	3	50.0
Total	**6**	**100.0**

The category of the Directors of the Company as at March 31, 2023 is given below:

Category	Name of Director	DIN	Shareholding as on March 31, 2023	Nature of Relationship
Promoter & Executive Director	Mr. Thomas George Muthoot, Managing Director	00011552	3133480	Mr. Thomas John Muthoot, Mr. Thomas George Muthoot and Mr. Thomas Muthoot are brothers
Promoter, Non-Executive & Non - Independent Directors	Mr. Thomas John Muthoot, Chairman	00011618	3152964	
	Mr. Thomas Muthoot	00082099	3076624	
Non - Executive Independent Directors	Mr. A. P. Kurian	00008022	Nil	Not related to any Director/ Manager
	Mr. Thomas Mathew	01277149	Nil	
	Mrs. Shirley Thomas	08586100	Nil	

b. Key Board Qualifications, Expertise and Attributes

The Board of the Company comprises of qualified members who possess the required skills, expertise and competence that ensures the effective functioning of the Company. The members of the Board are committed to ensure that the Board is in compliance with the highest standards of corporate governance and excellence.

The below table summarizes the key qualifications, skills, expertise, and competencies identified by the Board of Directors as required in the context of the Business and sector of the Company to enable it to function effectively:

Board Qualification Indicators	
Banking & Finance	Being a Director in a non-banking financial Company, proficiency in complex financial management, capital allocation and financial reporting processes is a must. The Director should have experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions.
Board Diversity	Representation of gender, ethnic, geographic, cultural or other perspectives that expand the Board's understanding of the needs and viewpoints of the Company's customers, employees, governments, regulators and other stakeholders.
Business Operations	Vast experience in driving business successfully across the country with an understanding of diverse business environments, economic conditions, cultures and regulatory framework and a broad perspective on market opportunities.
Leadership	Expertise in developing talent, planning succession, furthering representation and diversity and other strategic human resource advisories.
Technology	Expertise or experience in the information technology business, technology consulting and operations, areas of integration and innovation technologies, digital, cloud and cyber security, technology domain and knowledge of technology trends.
Board Governance	Experience in developing governance practices, serving the best interest of all stakeholders, developing insights about management and accountability and driving corporate ethics and values, building long-term effective stakeholder engagements and the ability to understand, assess and manage risk.
Sales and Marketing	Experience in developing strategies to grow sales and market shares in semi-urban and rural markets, understanding long term trends, building brand awareness and equity and leading management teams to make strategic choices.

The specific areas of focus or expertise of individual Board members are given below:

Key Board Qualifications

Name of Director	Area of expertise, skills and attributes						
	Banking & Finance	Board Diversity	Business Operations	Leadership	Technology	Board Governance	Sales and Marketing
Thomas John Muthoot, Chairman	✓	✓	✓	✓		✓	✓
Thomas George Muthoot, Managing Director	✓	✓	✓	✓		✓	✓
Thomas Muthoot, Non-Executive Director	✓	✓	✓	✓		✓	✓
A.P. Kurian, Independent Director	✓	✓	✓	✓		✓	✓
Thomas Mathew, Independent Director	✓	✓	✓	✓	✓	✓	
Shirley Thomas, Independent Director	✓	✓	✓	✓	✓	✓	

c. Appointment, criteria and tenure of Independent Directors

Pursuant to Sections 149, 150 and 152 of the Companies Act, 2013 and Regulation 16 (1) (b), 17 and 17 (1) (a) of the SEBI (LODR) Regulations, 2015, there are three Independent Directors on the Board of the Company, as at March 31, 2023. The Board confirms that the Independent Directors fulfil the conditions specified in Section 149 of the Act and Regulation 16(1)(b) of the SEBI LODR and are independent of the Management as of 31st March 2023.

The terms and conditions setting out the criteria of appointment, independence, committee memberships, tenure of appointment, roles, and duties, sitting fees and other related terms of appointment is available on the website of the Company at: https://www.muthootcap.com/wp-content/uploads/2023/05/Terms-and-Conditions-of-Independent-Directors.pdf.

In terms of Regulation 25(8) of the SEBI LODR, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

It may also be noted that no Independent Director had resigned during the Financial Year 2022-2023.

d. Meeting of Independent Directors and Familiarisation Programme

The Independent Directors of the Company met once without the presence of the Non-Independent Directors and the Management representatives as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the SEBI LODR. All Independent Directors have attended the said meeting. The Independent Directors expressed their satisfaction with the level of the governance of the Board and the consistency in scores pertaining to various aspects of the Board meetings as captured in the Board Effectiveness Review exercise. At the said meeting, the Independent Directors:

(a) reviewed the performance of Non-Independent Directors and the Board of Directors as a whole;

(b) reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

(c) assessed the quality, quantity and timeliness of flow of information between the Management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

Pursuant to the Regulation 25 (7) of the SEBI (LODR) Regulations, 2015, the Company familiarises its Independent Directors on their roles, rights, responsibilities, nature of the industry in which the

Company operates, business model of the Company and other important matters relating to the business of the Company at the time of appointment and on a continuous basis.

Mr. Thomas John Muthoot, Chairman, Mr. Thomas George Muthoot, Managing Director and Mr. Thomas Muthoot, Non- Executive Non independent Director are brothers. None of the other Directors are related to each other within the meaning of the term "Relative" as per Section 2(77) of the Act.

The details of such programmes are available on the website of the Company at: https://www.muthootcap.com/wp-content/uploads/2023/06/Familiarisation-Refresher-Development-Programme.pdf.

e. Performance Evaluation of Board, its committees and individual Directors

The Company has in place a policy on Nomination and Remuneration which, is in compliance with the provisions of Section 178(3) of the Companies Act, 2013 and the guidelines of the Reserve Bank of India. The Nomination and Remuneration Committee (NRC) carried out an Annual Evaluation of the performance of the Board as whole and its committees along with the performance of individual Directors which includes Chairman, Managing Director and Non-Executive Directors. An indicative list of factors on which evaluation of the individual Directors, the Board and the Committees was carried out included, Board structure and composition, degree of fulfilment of key responsibilities, effectiveness of Board processes, information flow, functioning of the Board/ Committees, Board culture and dynamics, quality of the relationship between the Board and Management, contribution to decisions of the Board and guidance/support to Management outside Board/Committee meetings. The overall recommendations based on the evaluation of the Committee were discussed by the Board and individual feedback from Directors were taken on record. The discussion quality was robust, well-intended and led to clear direction and decision. Based on the outcome of the evaluation, assessment and feedback of the Directors, the Board and the Management have agreed on various action points that would be implemented. It was noted that the Board Committees function professionally and smoothly and besides the Board Committees' terms of reference as mandated by law, important issues are brought up and discussed in the respective Board Committees. The Independent Directors discussed matters pertaining to the Company's affairs and presented their collective views to the Board of Directors.

The major performance indicators of the Non-Executive Directors and Independent Directors are as follows:

(i) Understanding and knowledge of the market in which the Company is operating.

(ii) Ability to appreciate the working of the Company and the challenges it faces.

(iii) Attendance of meeting.

(iv) Extent of participation and involvement in the meetings.

(v) Ability to convey his views and flexibility to work with others.

f. Information provided to the Board of Directors

All relevant information within the Company is accessible to the Board in full. The notice of the meetings are given at least seven days before the date on which the Board and committees meet, unless the meeting is called at a short notice and appropriate information is provided to the board by way of dissemination of the detailed agenda accompanied by adequate explanatory notes and the Secretarial Standard on Meetings of Board of Directors (SS-1) issued by the Institute of Company Secretaries of India. In special and exceptional circumstances, additional or supplementary item(s) are presented to the Board or Committee as 'any other item'. All the agenda items are backed by necessary supporting information and documents to enable the Board to take informed decisions.

The Board tables before it any important legal matters of great importance including the information listed in Section 179 of the Company Act, 2013 and Regulation 17 read into Part A of Schedule II to the SEBI (LODR) Regulations 2015, so as to be able to discharge its responsibility for Strategic Supervision of companies. The information shared with the Board specifically includes the following:

- ✓ Annual operating plans, budgets including capital, and updates therein;
- ✓ Quarterly and annual financial results of the Company;
- ✓ Minutes of the meetings of the Board and its Committees and resolutions passed by circulation;
- ✓ Information on recruitment / remuneration of senior management just below Board level;
- ✓ Materially important show cause, demand, prosecution notices and penalty notices, if any;
- ✓ Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any;
- ✓ Any material default in financial obligations to and by the Company or substantial non-payment for services provided by the Company, if any;
- ✓ Any issue which involves possible public, or product liability claims of substantial nature, if any;
- ✓ Details of any acquisition, joint venture, or collaboration agreement, if any;
- ✓ Transactions involving substantial payment towards goodwill, brand equity or intellectual property, if any;
- ✓ Significant Labour problems and their solutions, if any;
- ✓ Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business;
- ✓ Quarterly details of foreign exchange exposures, if any;
- ✓ Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, if any;
- ✓ Disclosures received from Directors;
- ✓ Status of Related party transactions;
- ✓ Update on Corporate Social Responsibility activities;
- ✓ Report on action taken on last Board meeting decisions;
- ✓ Regular business updates and other proposals requiring guidance and approval of the Board.

Apart from the above, the Management team apprises the Board at every Meeting on the overall performance of the Company, as well as the current market conditions including the Company's business and the Regulatory scenario.

Compliance with all relevant legislation, rules or regulations and the statements made by the Management is periodically reviewed by the Board.

g. Board Meetings

The Board of Directors of the Company duly met 8 times during the financial year on 17.05.2022, 05.08.2022, 27.09.2022, 10.11.2022, 18.11.2022, 30.11.2022, 09.02.2023 and 22.03.2023. The maximum gap between any two Board Meetings held during the year was not more than 120 days. All meetings had the necessary quorum.

Requisite information, according to the requirements of Regulation 34 read with Schedule V of the SEBI (LODR) Regulations, 2015 is provided below:

Name of Director	No. of Board Meetings attended/held during the tenure	Whether attended last AGM held on September 27, 2022 (Through VC)	No. of other directorships and committee memberships and chairmanships as on March 31, 2023		
			Directorships[1]	Committees	
				Chairman	Member
Mr. Thomas John Muthoot	8/8	Yes	6	1	2
Mr. Thomas George Muthoot	8/8	Yes	5	1	1
Mr. Thomas Muthoot	7/8	Yes	5	0	2
Mr. A. P. Kurian	5/8	Yes	1	1	0
Mr. Thomas Mathew	8/8	Yes	0	0	0
Mrs. Shirley Thomas	8/8	Yes	1	0	1

[1]Directorships in Indian Public Companies (listed and unlisted) excluding MCSL and Section 8 Companies are considered. Committees membership considered for this purpose are those prescribed under regulation 26 of the SEBI (LODR) Regulations, 2015.

h. Remuneration of Directors

The Company confirms that the remuneration paid to the Directors is as per terms laid out in the Policy on Nomination & Remuneration of the Company. The Independent Directors of the Company has no pecuniary relationship with the Company, its promoters or Directors during the two immediately preceding financial years. Further, the Company has not paid any remuneration to the Non - Executive, Non - Independent Directors during the FY 2022-23. The Independent Directors are only eligible for sitting fees.

The details of the remuneration and sitting fee paid to Directors during FY 2022-23 are given below:

Name of Director	Gross Salary	Perquisites	PF Contribution	Sitting Fees	Total
Executive Directors					
Mr. Thomas George Muthoot	271.50	42.75	20.88	-	335.13
Non-Executive Directors					
Mr. Thomas John Muthoot	-			-	
Mr. Thomas Muthoot	-			-	
Non-Executive Independent Directors					
Mrs. Shirley Thomas	-			4.25	
Mr. A. P. Kurian	-			3.25	
Mr. Thomas Mathew	-			4.25	
Total	**271.50**	**42.75**	**20.88**	**11.75**	**335.13**

i. Code of Conduct for Directors and Senior Management Personnel

In compliance with the Regulation 17 (5) of SEBI (LODR) Regulations, 2015, the Company has put in place a Code of Conduct for Directors and Senior Management. This code aims to provide guidelines for Directors and Senior Management Personnel to help them identify and resolve ethical issues, providing mechanisms for reporting unethical conduct and fostering a culture of honesty and accountability. Each Director and Senior Management Personnel must comply with the letter and spirit of this Code. This Code stipulates that the independent directors of the Company must also comply with the provisions laid down in Schedule IV to the Companies Act, 2013.

Pursuant to the Regulation 26 (3) of SEBI (LODR) Regulations, 2015, all the members of the Board and Senior Management Personnel shall affirm the compliance with this Code on an annual basis and a declaration by the Managing Director confirming the adherence to this Code is enclosed herewith as **Annexure 2.**

The Code of Conduct for Directors and Senior Management Personnel is available on the website of the Company at: https://www.muthootcap.com/policy/code-of-conduct-of-board-of-directors-and-senior-management-personnel/.

j. Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations), as amended from time to time, the Board of Directors of the Company had adopted the Code Of Conduct to Regulate, Monitor and Report Trading by Designated Persons & Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (the Code). The Code is applicable to all Directors, Promoters, such identified Designated Persons and their Immediate Relatives and other Persons who are expected to have Unpublished Price Sensitive Information relating to the Company. The Company Secretary of the Company is the Compliance Officer under the Code.

The Code of Conduct for Prevention of Insider Trading is available on the website of the Company at: Code_of_Conduct_to_RegulateMonitor_and_Report_Trading_by_Designated_Persons.pdf (muthootcap.com).

3. COMMITTEES AND ITS TERMS OF REFERENCE

The Board has constituted various sub-committees with specific terms of reference and scope in compliance with the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and RBI Directions. The composition of the Board Committees is available on the Company's website https://www.muthootcap.com/wp-content/uploads/2022/12/COMPOSITION-OF-BOARD-OF-DIRECTORS-2.pdf and is also stated herein.

A. Audit Committee

The Audit Committee of the Board is constituted under Section 177 of the Companies Act, 2013 read with Rule 6 & 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of the SEBI (LODR) Regulations, 2015.

(i) Composition and Attendance

The Audit Committee of the Board composed of four Non-Executive Directors, out of which three are independent directors as on March 31, 2023. All members are financially literate and have relevant finance and/or audit exposure. Mr. Thomas Mathew has accounting and financial management expertise. The Company Secretary of the Company acts as the Secretary to the Committee.

The Audit Committee has met nine (9) times during the Financial Year on April 25, 2022; May 17, 2022; May 30, 2022; June 29, 2022; August 04, 2022; November 10, 2022; November 30, 2022; December 14, 2022, and February 09, 2023. All the recommendations made by the Audit Committee were accepted by the Board unanimously. The quorum as required under Regulation 18(2) of the SEBI LODR was maintained at all the meetings.

Mr. Thomas Mathew, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 27th September 2023.

The composition and attendance of the Members at the Audit Committee meetings held during the FY 2022-23 are as follows:

Name of the Member	Position	Number of Meetings attended/held during the tenure
Mr. Thomas Mathew	Chairman	9/9
Mr. A. P. Kurian	Member	6/9
Mr. Thomas Muthoot	Member	8/9
Mrs. Shirley Thomas	Member	9/9

(ii) Powers of the Audit Committee:

The Audit Committee shall have powers, which include the following:

(a) To investigate any activity within its terms of reference;

(b) to seek information from any employee;

(c) to obtain outside legal or other professional advice;

(d) to secure attendance of outsiders with relevant expertise, if it considers necessary; and

(e) to have full access to information contained in the books of accounts and the Company's facilities and personnel.

(iii) Terms of reference

The terms of reference of Audit Committee of the Board in compliance with Section 177 (4) of the Companies Act, 2013 and Regulation 18 (3) read with Part C of Schedule II of the SEBI (LODR) Regulations, 2015, are given below:

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

b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

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

   (i) Matters required to be included in Directors Responsibility Statement to be included in Board's Report in terms of Section 134 (3) (c) of the Companies Act, 2013;

   (ii) Changes, if any, in accounting policies and practices and reasons for the same;

   (iii) Major accounting entries involving estimates based on the exercise of judgement by management;

   (iv) Significant adjustments made in the financial statements arising out of audit findings;

   (v) Compliance with listing and other legal requirements relating to financial statements;

   (vi) Disclosure of any related party transactions; and

   (vii) Modified opinion(s) in the draft audit report.

e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

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

g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

h) Approval or any subsequent modification of transactions of the Company with related parties;

i) Scrutiny of inter corporate loans and investments;

j) Valuation of undertakings or assets of the Company, wherever it is necessary;

k) Evaluation of internal financial controls and risk management systems;

l) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

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

n) Discussion with internal auditors of any significant findings and follow up there on;

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

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

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

r) To review the functioning of the Whistle Blower mechanism;

s) Approval of appointment of Chief Finance Officer after assessing the qualifications, experience, and background, etc. of the candidate;

t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and

u) reviewing the utilization of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

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

B. Nomination & Remuneration Committee

The Nomination & Remuneration Committee (NRC) is set up by the Board in compliance with the Section 178 (1) of the Companies Act, 2013, and Regulation 19 of the SEBI (LODR) Regulations, 2015. The Committee is entrusted with responsibilities relating to the nomination for appointment or removal of Directors and Senior Management including Key Managerial Personnel and recommendation of remuneration policy. The Company Secretary of the Company acts as the Secretary to the Committee.

(i) Composition and attendance

As on March 31, 2023, the NRC of the Company comprise of three Non - Executive Independent Directors. The Committee met four times during the FY 2022-23 on May 17, 2022; November 10, 2022; November 18, 2022, and March 22, 2023.

The composition and attendance of the Members at the NRC meetings held during the FY 2022-23 are as follows:

Name of the Member	Position	Number of Meetings attended/held during the tenure
Mr. A. P. Kurian	Chairman	4/4
Mr. Thomas Mathew	Member	4/4
Mrs. Shirley Thomas	Member	4/4

(ii) Terms of reference

The terms of reference of the Nomination & Remuneration Committee in line with Section 178 of the Companies Act, 2013 and Regulation 19 read with Para A of Part D of Schedule II of the SEBI (LODR) Regulations, 2015, are as under:

a) Formulation of the criteria for determining qualifications, positive attributes and independence
of a director and recommend to the Board of Directors a policy, relating to the remuneration of the Directors, Key Managerial Personnel, and other employees;

For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

a. use the services of an external agencies, if required;

b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

c. consider the time commitments of the candidates.

b) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

c) Devising a policy on diversity of Board of Directors;

d) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors for their appointment and removal;

e) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; and

f) Recommend to the Board, all remuneration, in whatever form, payable to senior management.

(iii) Performance evaluation criteria for Independent Directors

The Committee while evaluating the performance of the Independent Directors, shall take into consideration various factors as mentioned below:

(a) Understanding and knowledge of the market in which the Company is operating;

(b) Ability to appreciate the working of the Company and the challenges it faces;

(c) Attendance of meeting;

(d) Extend of participation and involvement in the meetings;

(e) Ability to convey his views and flexibility to work with others;

Marks may be assigned for each of the above criteria and based on the score achieved, the Board may evaluate the performance of each Independent Director.

The Company has adopted the Policy on Board Diversity as required under Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, 2015. The Nomination and Remuneration Committee works with the Board on succession planning for its Directors, KMPs and Senior Management Personnel.

C. Stakeholders Relationship Committee

In compliance with the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015, the Board has constituted a Stakeholders Relationship Committee to redress the grievances of shareholders, debenture holders, and other stakeholders. The Company Secretary of the Company acts as the Secretary to the Committee.

(i) Composition and attendance

As on March 31, 2023, the Stakeholders Relationship Committee of the Company consists of four Directors. The Committee has met four times during the FY 2022-23 on May 17,2022; August 05, 2022; November 10, 2022, and February 09, 2023.

The composition and attendance of the Members at the SRC meetings held during the FY 2022-23 are as follows:

Name of the Member	Position	Number of Meetings attended/held during the tenure
Mr. Thomas Muthoot	Chairman	4/4
Mr. Thomas John Muthoot	Member	4/4
Mr. Thomas George Muthoot	Member	4/4
Mr. Thomas Mathews	Member	4/4

(ii) Terms of reference

The terms of reference of Stakeholders Relationship Committee in accordance with Section 178 (6) of the Companies Act, 2013, and Regulation 20 read with Para B of Part D of Schedule II of the SEBI (LODR) Regulations, 2015 include the following:

a) Resolving the grievances of the security holders of the listed entity including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc;

b) Review of measures taken for effective exercise of voting rights by shareholders;

c) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and

d) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

The Company has in place an Investor Grievance Redressal Policy for the redressal of investor grievances / complaints on a timely manner. The Company maintains a designated email id investorgrievance@muthootcap.com and its corporate email id mail@muthootcap.com for handling investor grievances through which investors can lodge their complaints.

Ms. Deepa G, Company Secretary of the Company acts as the Compliance Officer in terms of SEBI (LODR) Regulations, 2015. The Compliance Officer reviews the investor complaints on a regular basis to find out whether any complaints remain unresolved within the time specified in the Investor Grievance Redressal Policy of the Company.

Pursuant to Regulation 13 (3) of SEBI (LODR) Regulations, 2015, the status of investor complaints received and redressed during FY 2022-23 are as follows:

Sr. No.	Particulars	No. of Complaints
1.	Number of Investor complaints pending at the beginning of the year (i.e., 01.04.2022)	Nil
2.	Number of Investor complaints received during the year (01.04.2022 - 31.03.2023)	Nil
3.	Number of Investor complaints redressed during year (01.04.2022 - 31.03.2023)	Nil
4.	Number of Investor complaints remaining unresolved at the end of the year (i.e., 31.03.2023)	Nil

D. Corporate Social Responsibility Committee

In compliance with the requirements of Section 135 read with Schedule VII of the Companies Act, 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee to promote a culture that emphasizes and sets high standards for social responsibility of the Company and reviews corporate performance against those standards.

(i) Composition and attendance

As on March 31, 2023, the CSR Committee of the Company, consists of three Non - Executive Directors, out of which two are Independent Directors. The Company Secretary of the Company acts as the Secretary to the Committee.

The CSR Committee of the Company has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company in accordance with Schedule VII to the Companies Act, 2013, which has been approved by the Board.

The CSR Policy of the Company, as approved and adopted by the Board, is available on the website of the Company at https://www.muthootcap.com/wp-content/uploads/2023/05/CSR-Policy.pdf.

The CSR Committee met four times during the Financial Year 2022-23 on May 17, 2022; August 04, 2022; November 10, 2022 and February 09, 2023.

The composition and attendance of the Members at the CSR Committee meetings held during the FY 2022-23 are as follows:

Name of the Member	Position	Number of Meetings attended/held during the tenure
Mr. Thomas Muthoot	Chairman	4/4
Mr. Thomas Mathew	Member	4/4
Mrs. Shirley Thomas	Member	4/4

(ii) Terms of reference

The terms of reference of the CSR Committee are in accordance with Section 135 (3) of the Companies Act, 2013 and are given below:

a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

b) Recommend to the Board the amount of expenditure to be incurred on the CSR activities referred to in (i) above; and

c) Monitor the CSR policy of the Company from time to time.

The CSR Annual Report containing details of the CSR activities undertaken by the Company during the year along with the amount spent on CSR activities forms part of the Board's Report.

E. Risk Management Committee

The Board of Directors had established a Risk Management Committee (RMC) for monitoring and assessing the Company's risk management policies and related practices, in accordance with the requirements of Rule 21 of SEBI Listing Obligations and Disclosure Requirements. The Company Secretary of the Company acts as the Secretary to the Committee.

(i) Composition and attendance

As on March 31, 2023, the Risk Management Committee of the Company consists of four Directors, out of which two are Independent Directors. The Committee has met three times during the FY 2022-23 on April 25, 2022; October 21, 2022 and November 30, 2022.

The composition and attendance of the Members at the RMC meetings held during the FY 2022-23 are as follows:

Name of the Member	Position	Number of Meetings attended/held during the tenure
Mr. Thomas George Muthoot	Chairman	3/3
Mr. Thomas Muthoot	Member	3/3
Mr. Thomas Mathews	Member	3/3
Mrs. Shirley Thomas[1]	Member	1/1

[1]inducted to the committee w.e.f 10.11.2022

(i) Terms of reference

The terms of reference of Risk Management Committee in accordance with Regulation 21 of the SEBI (LODR) Regulations, 2015 include the following:

a) Oversee the development, implementation and maintenance of the Company's overall risk management framework and its appetite, strategy, principles and policies, to ensure they are in line with emerging regulatory, corporate governance and industry best practice;

b) Oversee the Company's risk exposures, risk/return and proposed improvements to the Group`s risk management framework and its risk appetite, strategy, principles, policies and standards;

c) Provide formal sign - off for the board risk report and other risk related sections within the annual reports & accounts;

d) Facilitate effective contribution and involvement of non - executives and aid their understanding of risk issues and the Company's risk management framework;

e) Provide input to the Remuneration Committee on the alignment of remuneration to risk performance;

f) Monitoring the cyber security of the Company and take appropriate actions/approach to combat cyber threats given the level of complexity of business and acceptable levels of risk;

g) Review new risk principles and policy and material amendments to risk principles and policy recommended by the Chief Executive and Chief Risk Officer ('CRO'), for approval by the Board;

h) Oversee adherence to Company's risk principles, policies and standards and any action taken resulting from material policy breaches, based upon reports from the Chief Executive and the CRO;

i) i) Review the appointment, resignation or dismissal of the CRO and make appropriate recommendation to the Board;

ii) Review and discuss with the CRO the scope of work of the Company's Risk Division, its plans, the issues identified as a result of its work, how management is addressing these issues and the effectiveness of systems of risk management;

iii) Review the adequacy of the Company's Risk Division's resources, and its authority and standing within the Company

iv) Review co-ordination between the Company's Risk Division and the external auditors;

v) Periodically review and update its own terms of reference to reflect best practice, requesting Board approval for all proposed changes and, at appropriate intervals, evaluate its own performance against the terms of reference; and

j) Review periodically the report of Asset Liability Management Committee (ALCO) and to suggest on improvements, actions to be taken.

4. SENIOR MANAGEMENT

The particulars of senior management including the changes therein since the close of previous financial year is detailed below:

The details of the senior level management as on 31.03.2023 are as follows:

Sr. No.	Name	Designation
1.	Mr. Madhu Alexiouse	Chief Operating Officer*
2.	Mr. Ramandeep Singh	Chief Finance Officer
3.	Ms. Deepa Gopalakrishnan	Company Secretary & Compliance Officer
4.	Mrs. Umadevi Pazhoor Unnikrishnan	Chief Risk Officer
5.	Mr. R. Balakrishnan	Executive Vice President
6.	Mr. Vijayan T	Vice President – IT and Operations
7.	Mr. Sooraj Mohan M	Vice President - Collections
8.	Mr. Arun Singer	General Manager – North and East

* Mr. Madhu Alexiouse had resigned with effect from closing hours of 18th of May 2023.

The details of changes in key managerial personnels are as follows:

Sr. No.	Name	Designation	Appointment/ Resignation	Date of Appointment/ Resignation	Reason for Resignation
During the FY 22-23					
1	Mr. Abhijith Jayan	Company Secretary & Compliance Officer	Resignation	w.e.f. the closing hours of September 28, 2022	Personal Reason
2	Mr. Vinodkumar Madhavan Panickar	Chief Finance Officer	Resignation	w.e.f. the closing working hours of December 05, 2022	Personal Engagements
3	Mr. Ramandeep Singh	Chief Finance Officer	Appointment	Appointment is effective from December 06, 2022	
4	Ms. Deepa Gopalakrishnan	Company Secretary & Compliance Officer	Appointment	Was designated as Compliance Officer w.e.f. 29.09.2022 and was appointed as Company Secretary and Compliance Officer w.e.f. March 22, 2023	
During the FY 23-24					
1	Mr. Mathews Markose	Chief Executive Officer	Appointment	Appointment is effective from **May 19, 2023**	

The details of changes in Senior Management Personnels are as follows:

Sr. No.	.Name	Designation	Appointment/ Resignation	Date of Appointment/ Resignation	Reason for Resignation
		During the FY 22-23			
1	Mrs. Umadevi Pazhoor Unnikrishnan	Chief Risk Officer	Appointment	Appointment is effective from March 22, 2023, for a period of 3 years	
2	Mr. Sheeraj Khan	Head - Human Capital Management and Development	Resignation	w.e.f. the closing hours of March 18, 2023	Personal Reason
3	Mr. Arin Ghosh	Head - Collections	Resignation	w.e.f. the closing hours of March 01, 2023	Personal Reason
4	Mr. Sooraj Mohan M	Vice President - Collections	Appointment	Appointment is effective from January 04, 2023	
5	Mr Sandeep Vellarikat	Head – Products, Credit & Risk	Resignation	Resigned on 15th November 2022	Personal Reason
		During the FY 23-24			
1	Mr. Madhu Alexiouse	Chief Operating Officer	Resignation	w.e.f. the closing working hours of May 18th, 2023	Personal Reason
2	Mr. R. Balakrishnan	Executive Vice President	Resignation	w.e.f. the closing hours of April 30, 2023	Personal Reason
3	Mr. Rajeev R	Zonal Head-Personal and Two-Wheeler Loans	Appointment	Appointment is effective from April 03, 2023	
4	Mr. Sarath Sasikumar	Zonal Head-Four-Wheeler Loans	Appointment	Appointment is effective from June 15, 2023	

5. REMUNERATION OF DIRECTORS

Managing Director

The Company has during the year paid remuneration to Managing Director by way of salary, and perquisites within the limits approved by the Shareholders. The Board of Directors on the recommendation of the NRC approved the remuneration payable to Managing Director based on his performance and the overall performance of the Company subject to the overall ceiling as stipulated in Section 197 of the Act.

Details of the remuneration to the Managing Director during the financial year 2022-23 are as under:

Name of Director	Gross Salary	Perquisites	PF Contribution	Sitting Fees	Total
Mr. Thomas George Muthoot	271.50	42.75	20.88	-	335.13

The evaluation of performance of the Managing Director is undertaken taking into consideration several aspects such as his ability to lead his team, his vision and commitment, his drive and managerial ability, in addition to the performance of the Company and his specific contribution to the growth and efficient functioning of the Company.

The broad terms of agreement of appointment of Mr. Thomas George Muthoot, Managing Director, are as under:

Salary: ₹4,20,00,000/- per annum (Rupees Four Crore Twenty Lakhs only) w.e.f. July 12, 2022, till July 11, 2025 (including perquisites and 15% variable incentive).

Period of agreement: Five years from July 12, 2021 to July 11, 2026.

Notice Period: The appointment may be terminated by either party by giving three months' notice of such termination or salary in lieu thereof or by mutual consent

Perquisites: Total perquisites shall be limited to ₹ 15,00,000/- per annum (Rupees Fifteen Lakhs only).

Perquisites includes benefits and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, reimbursement of expenditure or allowance in respect of maintenance, utilities such as gas, electricity, water, furnishings and house repairs, medical reimbursement for himself and his family, medical insurance for himself and his family, and leave on full pay, leave travel concession for himself and his family, personal accident insurance, club fees, etc. and such other allowances, perquisites and benefits in accordance with the rules of the Company or as may be allowed by the Board from time to time.

Car, Telephone, Cell Phone, PC shall be provided and their maintenance and running expenses shall be met by the Company. The use of above at residence, for official purpose, shall not be treated as perquisites.

He shall also be entitled to reimbursement of all entertainment and other expenses properly incurred for the business of the Company.

For the purpose of above monetary limits, the following perquisites shall not be included:

(a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(b) Gratuity payable in terms of the provisions of the Payment of Gratuity Act, 1972 and the Gratuity Scheme adopted by the Company.

(c) Encashment of leave at the end of the tenure as per the leave encashment policy adopted by the Company.

No sitting fees shall be paid to the Managing Director for attending meeting of the Board of Directors or any Committee thereof.

Severance Fees: Nil

During the year under review, no stock options were issued to the Managing Director.

Non-Executive Directors

The Company does not pay any salary, benefits, bonuses, stock options, etc., to the Non-Executive Directors. Remuneration is only paid to non-executive independent Directors by the way of sitting fees in accordance with provisions of the Companies Act, 2013 and other applicable rules. The details of the Sitting Fees paid to the Non-Executive Directors during the financial year 2022-23 given below.

Name of Director	Gross Salary	Perquisites	PF Contribution	Sitting Fees	Total
Non-Executive Directors					
Mr. Thomas John Muthoot	-			-	
Mr. Thomas Muthoot	-			-	
Non-Executive Independent Directors					
Mrs. Shirley Thomas	-			4.25	
Mr. A. P. Kurian	-			3.25	
Mr. Thomas Mathew	-			4.25	
Total	**-**	**-**	**-**	**11.75**	**-**

Mr. Thomas Muthoot had maintained a deposit amounting to ₹ 535.00 lakhs with the Company which was repaid during the financial year. He was also paid an amount of ₹ 11.87 lakhs by the way of interest on public deposit.

6. WHISTLE BLOWER POLICY/VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company has formulated a comprehensive Whistle Blower Policy in line with the provisions of Section 177 (9) & 177 (10) of the Companies Act, 2013 and Regulation 4 (2) (d) (iv) & relevant provisions of the SEBI (LODR) Regulations, 2015 with a view to enable stakeholders, including directors, individual employees and their representative bodies to freely report their genuine concerns about illegal or unethical practices or actual /suspected case of fraud or suspected leak of Unpublished Price Sensitive Information to the Audit Committee of the Company. It outlines the method and process for various stakeholders to voice genuine concerns about unethical conduct that may be in breach with the employees' Code of Conduct.

The mechanism seeks to provide adequate safeguards to prevent the victimization of Directors or employees who use the mechanism and shall also provide for direct access to the Chairman of the Audit Committee. No personnel has been denied access to the Audit Committee in this regard.

The said Policy is available on the website of the Company at https://www.muthootcap.com/wp-content/uploads/2023/08/Whistle-Blower-Policy.pdf

7. GENERAL MEETINGS

a) Details of General Meetings

The details of General Meetings held during the last three years are as follows:

FY ended	Date	Time	Venue
March 31, 2022	September 27, 2022	1.00 p.m.	Video Conference
March 31, 2021	September 25, 2021	10.30 a.m.	Video Conference
March 31, 2020	September 28, 2020	10.30 a.m.	Video Conference

b) Special Resolutions passed at the last three AGM.

Sr. No.	Date of AGM	Special Resolution
1	September 27, 2022	No Special resolutions were passed
2	September 25, 2021	No Special resolutions were proposed
3	September 28, 2020	No Special resolutions were proposed

c) Extra Ordinary General Meeting

No Extraordinary General Meeting of the Shareholders was held during the financial year 2022-23.

d) Postal Ballot

Details of resolutions passed by postal ballot: During the financial year 2022-23, the Company had sought the approval of the Shareholders by way of Postal Ballot through remote e-Voting process, vide Notice dated 10th November 2022, on the following Resolution(s):

(i) Approval of remuneration to Managing Director in the event of loss for the FY 2021-2022 : as Special Resolution

(ii) Approval of remuneration to the Managing Director for a period of three years w.e.f. July 12, 2022 till July 11, 2025: as Ordinary resolution.

The details of voting pattern is available at https://www.muthootcap.com/wp-content/uploads/2023/02/Postal-Ballot-Voting-Results-2022.pdf. A Gist of the voting results is given hereunder.

Description of the Resolution	Votes in favour of the Resolution(s)		Votes against the Resolution(s)		Invalid
	No. of votes cast	% of total valid votes cast	No. of votes cast	% of total valid votes cast	
Approval of remuneration to Managing Director in the event of loss for the FY 2021-2022	32889	90.49	3458	9.51	Nil
Approval of remuneration to the Managing Director for a period of three years w.e.f. July 12,2022 till July 11, 2025	32719	90.32	3508	9.68	Nil

The resolutions were deemed to be passed on 27th January 2023 (being the last date of Remote e-Voting and postal ballot), and the results of which were announced on 30th January 2023.

Person who conducted the aforesaid postal ballot exercise:

The Company had appointed Mr. Puzhankara Sivakumar., FCS, Managing Partner, M/s. SEP & Associates, Company Secretaries (C.P No. 2210) as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

There is no immediate proposal for passing any special resolution through Postal Ballot on or before ensuing Annual General Meeting.

Procedure for Postal Ballot:

Pursuant to Section 108 and 110 and all other applicable provisions of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 as amended, the Company had on 29th December 2022 completed the dispatch of Postal Ballot Notice to all the Members whose names appeared on the Register of Members/List of Beneficial Owners maintained by the Depositories as on 23rd December 2022.

The Company has engaged Central Depository Services (India) Limited (CDSL) to enable the Members to cast their votes electronically.

The Company had sent the postal ballot notice in electronic form to those shareholders whose names appeared the register of members and whose email addresses were available with Company/ depositories/RTA as on cutoff date and in physical form along with the Postal Ballot form and pre-paid envelope to those Members whose email address is not so registered.

Voting rights were conferred upon those whose names appeared on the Register of Members/List of Beneficial Owners as on 23rd December 2022 (cut-off date) . Members who desired to exercise their votes by electronic mode were requested to vote before close of business hours on the last date of e-Voting.

The voting through Postal Ballot and electronic mode commenced at 9.00 a.m. on 29th December 2022 and ended at 5.00 p.m. on 27th January 2023 (both days inclusive).

The Scrutiniser, after the completion of scrutiny, submitted his report and the consolidated results of the Postal Ballot were announced on 30th January 2023. The results were displayed on the website of the Company, besides being communicated to the stock Exchanges. The resolutions are deemed to have been passed on 27th January 2023.

Details of special resolution proposed to be conducted through postal ballot:

As of the date of the Report, no special resolutions are proposed to be conducted through Postal Ballot.

8. MEANS OF COMMUNICATION

Quarterly results	The results are displayed on https://www.muthootcap.com/investors/#tab2
Newspaper in which results are normally published	Quarterly unaudited and annual audited financial results of the Company were published in “Business Line” (English Language National Daily) and “Mangalam” (Vernacular Language).
Website, where results are displayed	The results are displayed on www.muthootcap.com
Whether it also displays official news releases	Yes
Website for investor complaints	The Company has in place an Investor Grievance Redressal Policy for the redressal of investor grievances / complaints on a timely manner. The Company maintains a designated email id investorgrievance@muthootcap.com and its corporate email id mail@muthootcap.com for handling investor grievances through which investors can lodge their complaints.
Presentations to institutional investors or analysts	Presentations made during the year to institutional investors are displayed on https://www.muthootcap.com/investors/#tab3
Annual Reports and Annual General Meetings	The Annual Report for financial year 2022-23 including the Audited Financial Statements for the year ended 31st March 2023, is being sent by e-mail to those Members whose e-mail addresses are registered with the Company/Depository Participant(s), unless any Member has requested for a physical copy of the same by writing to mail@muthootcap.com mentioning their Folio No./DP ID and Client ID. The Annual Report and the Notice of the AGM is also available on the Company’s website at www.muthootcap.com.

9. GENERAL SHAREHOLDER INFORMATION

a) **29th Annual General Meeting:** Wednesday, 20th of September 2023 at 1.00 P. M through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM")

b) **Financial Year:** April 01, 2022, to March 31, 2023

c) **Dividend Details:** Nil

d) **Listing Details:**

Name and address of the Stock Exchange	Scrip Code	Status of Listing Fee for the FY 2023-24
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	511766	Paid
National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	MUTHOOTCAP	Paid

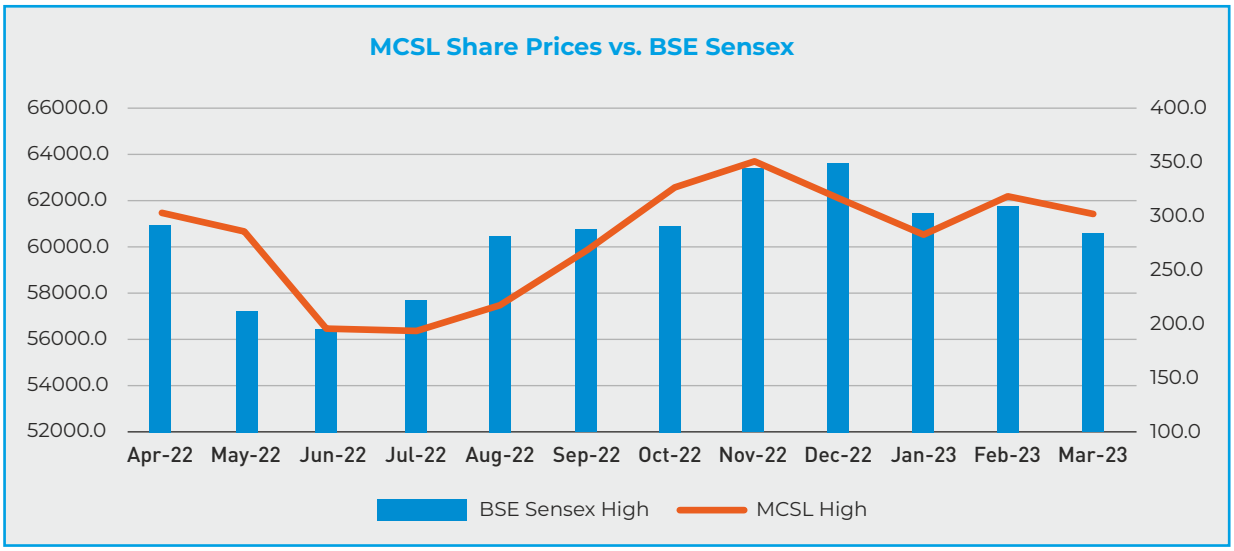
e) **Equity Shares:** ISIN: INE296G01013

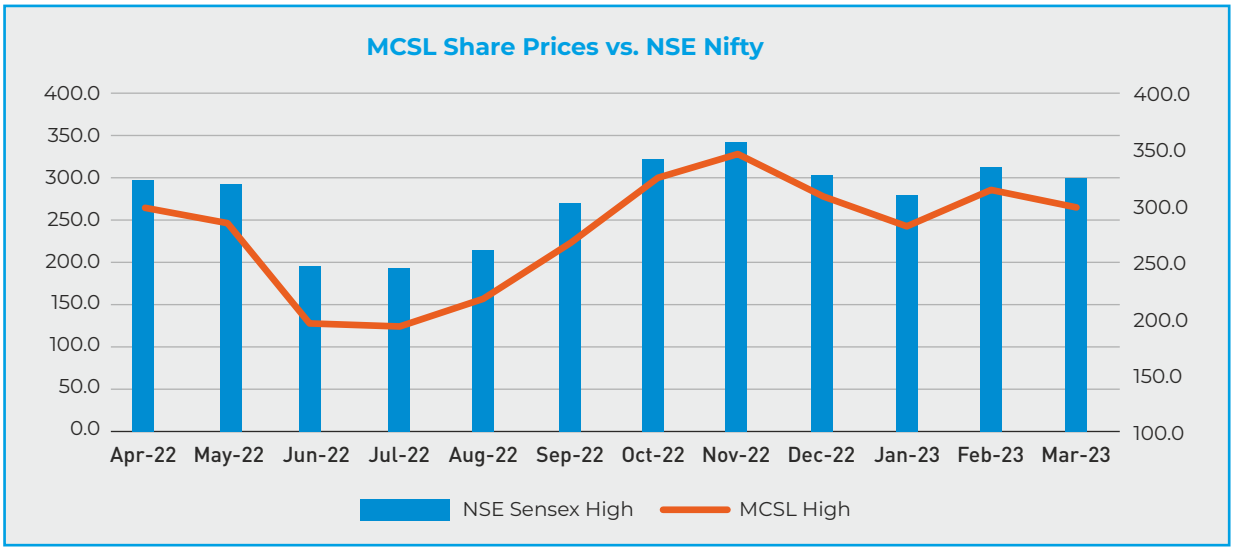
f) **The Aggregate Non-promoter/Public Shareholding of the Company as at 31st March 2023 is as shown below:**
Number of Shares: 61,48,641
Percentage to total holding: 37.38 %
The ISIN details of debt instruments as on 31.03.2023 are as follows :

Sr. No.	ISIN	Security Description	Allotment Date	Maturity Date	Listing Quantity	Coupon rate and frequency
1.	INE296G07010 Scrip code: 959633	Secured NCD	25.06.2020	21.04.2023 (Redeemed on 20.04.2023)	500	10.07% Quarterly
2.	INE296G07119 Scrip code: 974292 (The ISIN originally allotted was INE296G08018 which was subsequently restructured to INE296G07119)	Secured PPMLD	06.10.2022	06.10.2024	1,000	On Maturity
3.	INE296G07093 Scrip code: 974550	Secured PPMLD	07.01.2023	06.01.2026	3,500	On Maturity
4.	INE296G07085 Scrip code: 974551	Secured PPMLD	07.01.2023	06.04.2024	2,000	On Maturity
5.	INE296G07077 Scrip code: 974552	Secured PPMLD	07.01.2023	06.01.2025	2,000	On Maturity
6.	INE296G07101 Scrip code: 974648	Secured NCD	08.03.2023	31.05.2024	3,500	10.40% Monthly

g) Stock Market Data from April 01, 2022, to March 31, 2023:

Month	BSE			NSE		
	High	Low	Volume (Nos.)	High	Low	Volume (Nos.)
April 2022	299.90	262.75	17979	299.95	261.95	267022
May 2022	284.65	185.50	38207	293.80	186.25	619960
June 2022	194.60	159.25	33678	196.35	143.80	367908
July 2022	192.05	164.95	93279	193.20	163.00	676538
August 2022	216.25	180.05	48970	213.00	181.00	872758
September 2022	265.05	195.00	578172	269.70	195.15	6595088
October 2022	325.00	234.20	89055	324.70	234.25	2317517
November 2022	346.30	275.00	125267	345.00	278.05	2217534
December 2022	312.00	260.00	63647	305.55	255.20	1061525
January 2023	280.05	239.10	24763	279.45	238.95	848353
February 2023	313.80	251.70	36229	313.90	250.00	1191520
March 2023	299.30	235.95	71033	299.90	237.05	663728





There were no instances were the securities of the Company listed on Stock Exchanges were suspended from Trading.

The name of the registrar and share transfer agent engaged by the Company is Integrated Registry Management Services Private Limited whose address is given below.

Integrated Registry Management Services Private Limited
Registrar and Share Transfer Agents
2nd Floor, "Kences Towers", No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017
Ph: 044 - 28140801 - 803 | Fax: 044 – 28142479 | Email: csdstd@integratedindia.in

h) Registration Details:

The Company is registered in the state of Kerala. The Company being a Non-Banking Financial Company, is also registered with Reserve Bank of India (Certificate of Registration Number: 16.00024). In 1998, the Company obtained Deposit Taking NBFC license from RBI. Corporate Identification Number (CIN) of the Company is L67120KL1994PLC007726.

i) Share Transfer System:

With regard to Regulation 40 (1) of SEBI (LODR) Regulations, 2015 as amended, securities can be transferred only in dematerialized form. However, with effect from April 01, 2019, the shareholders are not allowed to transfer any shares in the physical form and hence, the dematerialisation of the shares is mandatory for transfer of shares. But it does not mean that the investor cannot hold the shares in physical form. Even after April 01, 2019 the investor has the option of holding shares in physical form. The shares held in dematerialized form can be transferred through the depositories without the Company's involvement. All such transfers are processed by the Registrar and Share Transfer Agents of the Company and thereafter submitted to the Company.

Pursuant to Regulation 40 (9) of the SEBI (LODR) Regulations, 2015, the Company obtain certificates from a Company Secretary in Practice on a half-yearly basis to the effect that all the transfers are completed within the statutory stipulated period. A copy of the said certificate is submitted to both the Stock Exchanges, where the shares of the Company are listed.

Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

j) Distribution of Shareholding as on March 31, 2023

Sr. No.	Category	No of Holders	% of Holders	No of Shares	% of Shares
1	UPTO 500	18954	94.54	1342696	8.16
2	501 - 1000	564	2.81	418902	2.54
3	1001 - 2000	236	1.17	334265	2.03
4	2001 - 3000	85	0.42	216370	1.31
5	3001 - 4000	42	0.20	149517	0.9.
6	4001 - 5000	28	0.13	129430	0.78
7	5001 - 10000	52	0.25	378778	2.30
8	10001 AND ABOVE	86	0.42	13477575	81.94
	Total	**20047**	**100**	**16447533**	**100**

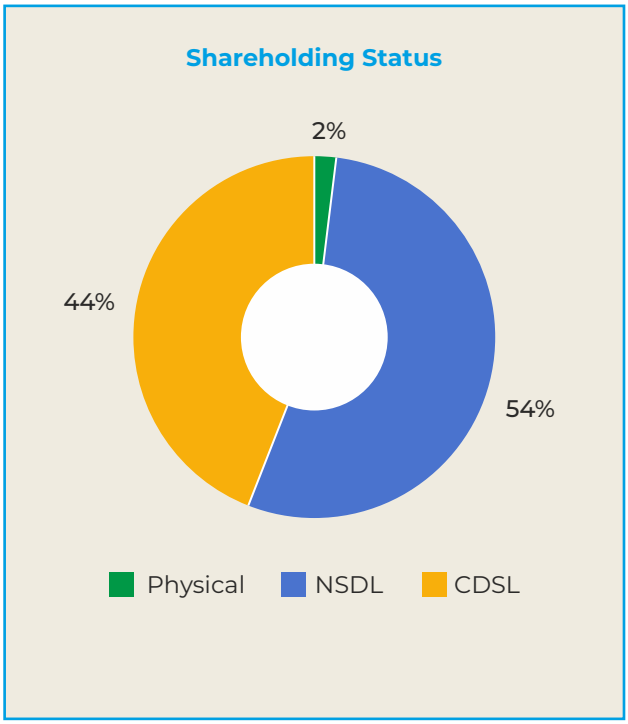
k) Dematerialisation of Shares and Liquidity:

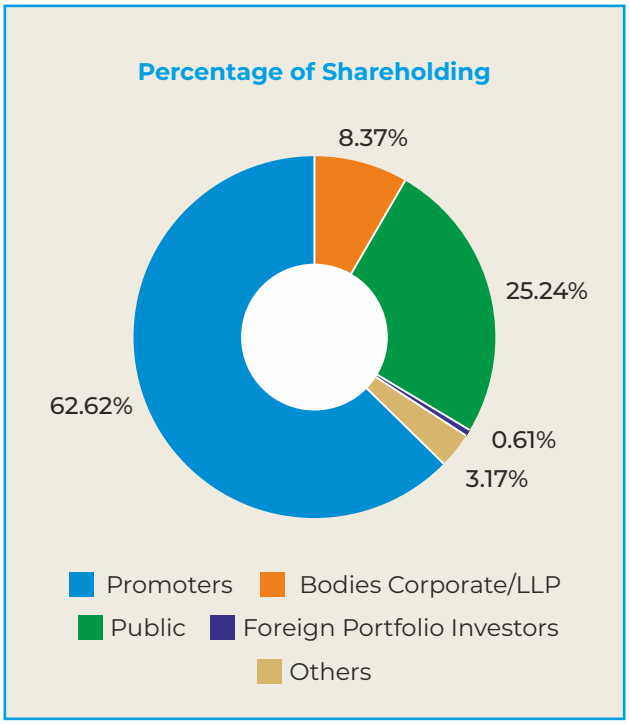
In order to create electronic connection of our shares for scrip-less trading, the Company has agreements with both National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares of the Company may be held by the shareholders with any depository participant registered with these depositories. The ISIN for the shares of the Company is INE296G01013.

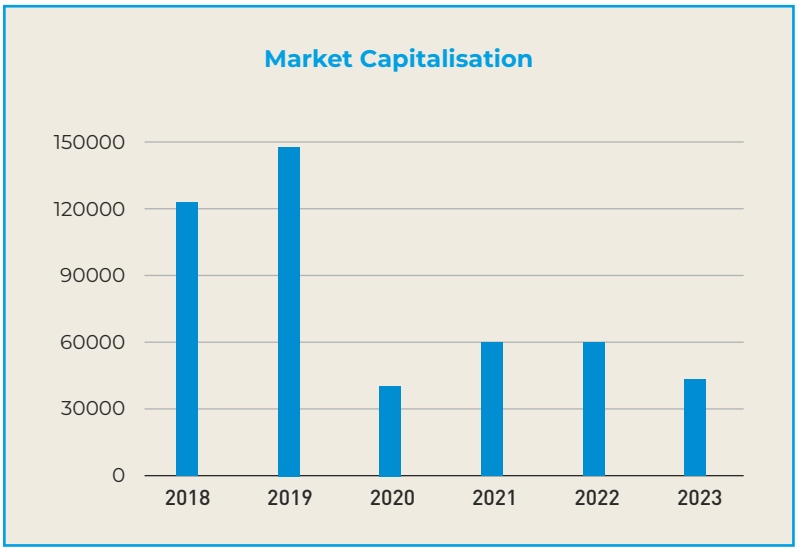
As on March 31, 2023, 98.44% of shares of the Company were held in dematerialized form. The Company's equity shares are frequently traded at the BSE Limited and the National Stock Exchange of India Limited.

l) Categories of Shareholding as on 31st March 2023.

Sr.No.	Category	Total			
		No of Holders	% of Holders	Shares	% of Shares
1	ALTERNATIVE INVESTMENTS	4	0.02	144753	0.88
2	BANK	1	0.01	330	Nil
3	BODIES CORPORATE	111	0.55	1353201	8.23
4	CLEARING MEMBER	18	0.09	42810	0.26
5	FOREIGN PORT FOLIO	4	0.02	99940	0.61
6	HUF	135	0.67	57459	0.35
7	IEPF	1	0.01	98217	0.60
8	LIMITED LIABILITY	10	0.05	23686	0.14
9	N R I	369	1.84	177135	1.08
10	PROMOTERS	9	0.04	10298892	62.62
11	RESIDENT INDIAN	19384	96.69	4151047	25.24
12	TRUSTS	1	0.01	63	Nil
	Total	**20047**	**100**	**16447533**	**100**







m) Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments as on 31st March 2023.

n) Disclosure of commodity price risks and commodity hedging activities or Foreign Exchange Risk:

The Company adheres to a prudent Risk Management Policy that has been approved by the Board in order to reduce threats or losses to identify and take full advantage of opportunities, and to ensure stable and sustainable business growth. It additionally promotes a proactive approach to identifying, assessing, and managing business-related risks. In "Management Discussion and Analysis", which is a part of this Annual Report, an extensive description of the risks and concerns is provided.

o) Plant Locations:

Being a financial service Company, Muthoot Capital Services Limited has no plant locations.

p) Address for correspondence:

For any assistance with share transfers and transmissions, address changes, non-receipt of dividends or balance sheets, issuance of duplicate share certificates, or any other share-related questions, investors shall contact:

i. Integrated Registry Management Services Private Limited
Registrar and Share Transfer Agents

2nd Floor, "Kences Towers", No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017

Ph: 044 - 28140801 - 803 | Fax: 044 - 28142479 | Email: csdstd@integratedindia.in

ii. Compliance Officer

Muthoot Capital Services Limited

3rd Floor, Muthoot Towers, M.G. Road, Kochi - 682 035

Ph: 0484 - 6619614 | Email: investorgrievance@muthootcap.com / mail@muthootcap.com

For queries on financial statements, contact:

i. Chief Finance Officer

Muthoot Capital Services Limited

3rd Floor, Muthoot Towers, M. G. Road, Kochi - 682 035

Ph: 0484 - 6619603 | Email: ramandeep.gill@muthootcap.com

10. CREDIT RATING

The Credit Rating enjoyed by the Company as on March 31, 2023, is as given below:

Credit Rating Agency	Instrument	Rating as on March 31, 2023	Migration during the FY 2022-23
CRISIL	₹ 2500 crore Bank loan facilities	CRISIL A+ / Stable	Upgraded from CRISIL A / Stable
CRISIL	Fixed deposits	CRISIL A+ / Stable	Upgraded from CRISIL A / Stable
CRISIL	₹ 200 crore non-convertible debentures	CRISIL A+/Stable	Assigned
CRISIL	₹ 150 crore non-convertible debentures	CRISIL A+/Stable	Upgraded from CRISIL A / Stable
CRISIL	₹ 100 crore Long Term Principal Market Linked Debentures	CRISIL PPMLD A+/Stable	Upgraded from CRISIL PPMLD A r / Stable
CRISIL	₹ 250 Crore Commercial Paper	CRISIL A1+	Upgraded from CRISIL A1

11. Disclosures

(a) Related Party Transactions:

During the year under review, besides the transactions reported in Notes forming part of the financial statements for the year ended 31st March 2023 in the Annual Report, there were no other material related party transactions of the Company with its Promoters, Directors or the Management or their relatives. These transactions do not have any potential conflict with the interest of the Company at large. All related party transactions are placed before the Audit Committee of the Board periodically and placed for Board's information, if required. Further, there are no material individual transactions that are not in the normal course of business or not on an arm's length basis. Certain transactions, which were repetitive in nature, were approved through omnibus route.

(b) Disclosure on website:

The Policy on Related Party Transactions is posted on the website of the Company and can be accessed at: https://www.muthootcap.com/wp-content/uploads/2022/06/Related-party-transaction-policy.pdf

(c) Disclosure of Accounting Treatment:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 read with Section 133 of the Act.

(d) CEO / CFO Certification:

The certificate required under Regulation 17 (8) of the SEBI (LODR) Regulations, 2015, duly signed by Mr. Thomas George Muthoot, Managing Director and Mr. Ramandeep Singh, Chief Finance Officer for the financial year ended 31st March 2023 was reviewed by the Board. The said certificate is enclosed herewith as **Annexure 3.**

(e) Details of Non-Compliance:

There have been no instances of non-compliances by the Company and no penalties and / or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years except the following:

Sr. No.	Action Taken by	Details of violation	Details of Action Taken	Remarks
		FY 2020-21		
1	National Stock Exchange of India Limited	Delay in submission of voting results of Postal Ballot as per Regulation 44 (3) of SEBI (LODR) Regulations, 2015.	Fine of ₹ 10,000/- was imposed.	The Company has paid the amount as instructed by NSE and appeared for the personal hearing in December 2020, the decision on the same is yet to come.
		FY 2021-22		
2	National Stock Exchange of India Limited & BSE Limited	Delay in submission of disclosures on related party transactions as per Regulation 29 (3) of SEBI (LODR) Regulations, 2015.	Fine of ₹ 1,60,000/- was imposed by each Stock Exchanges.	The Company has paid the fine and filed the necessary disclosures on August 23, 2021.
3	BSE Limited	Delay in submission of certificate signed by the Debenture Trustee as per Regulation 52 (5) of SEBI (LODR) Regulations, 2015.	Fine of ₹ 31,000/- was imposed.	The Company has paid the fine and filed the necessary disclosures on August 16, 2021.
		FY 2022-23		
1	BSE Limited	Delay in disclose the extent and nature of security created and maintained with respect to its secured listed non-convertible debt securities for the quarter ended 31.12.2021.	Fine of ₹ 2,67,860/- was imposed.	The entity has disclosed and paid the fees levied by exchange.
2	BSE Limited	Delay in disclose the extent and nature of security created and maintained with respect to its secured listed non-convertible debt securities for the quarter ended 31.03.2022	Fine of ₹ 1,43,960/- was imposed.	The entity has disclosed and paid the fees levied by exchange on 03.10.2022.

Sr. No.	Action Taken by	Details of violation	Details of Action Taken	Remarks
		FY 2022-23		
3	BSE Limited	There is one day delay in giving record date intimation before 7 days (excluding the date of intimation and the record date) to the recognised stock. The record date was on August 16, 2021 and the intimation was given on August 05, 2021. The listed entity has intimated the exchange with one day delay.	Fine of ₹ 11,800/- was imposed.	The fine was imposed during the Financial year under review since the delay happened during the previous year.
4	BSE Limited	There is one day delay in giving record date intimation before 7 days (excluding the date of intimation and the record date) to the recognised stock.The record date was on September 06, 2021 and the intimation was given on August 28, 2021. The listed entity has intimated the exchange with one day delay.	Fine of ₹ 11,800/- was imposed.	The fine was imposed during the Financial year under review since the delay happened during the previous year.
5	BSE Limited	There is one day delay in giving record date intimation before 7 days (excluding the date of intimation and the record date) to the recognised stock.The record date was on November 02, 2021 and the intimation was given on October 23, 2021 The listed entity has intimated the exchange with one day delay.	Fine of ₹ 11,800/- was imposed.	The fine was imposed during the Financial year under review since the delay happened during the previous year.

Sr. No.	Action Taken by	Details of violation	Details of Action Taken	Remarks
FY 2022-23				
6	BSE Limited	There is one day delay in giving record date intimation before 7 days (excluding the date of intimation and the record date) to the recognised stock.The record date was on February 01, 2022 and the intimation was given on January 20, 2022. The listed entity has intimated the exchange with one day delay.	Fine of ₹ 23,600/- was imposed.	The fine was imposed during the Financial year under review since the delay happened during the previous year.
7	BSE Limited	There is three day delay in giving record date intimation before 7 days (excluding the date of intimation and the record date) to the recognised stock.The record date was on May 03, 2022 and the intimation was given on April 26, 2022. The listed entity has intimated the exchange with 3 day delay.	Fine of ₹ 23,600/- was imposed.	The fine was imposed during the Financial year under review since the delay happened during the same Financial year.
8	BSE Limited	There is three day delay in giving record date intimation before 7 days (excluding the date of intimation and the record date) to the recognised stock. The record date was on July 05, 2022 and the intimation was given on June 25, 2022. .The listed entity has intimated the exchange with 3 day delay.	Fine of ₹ 11,800/- was imposed.	The fine was imposed during the Financial year under review since the delay happened during the same Financial year. .

Sr. No.	Action Taken by	Details of violation	Details of Action Taken	Remarks
		FY 2022-23		
9	BSE Limited	Delay in giving intimation to the Stock Exchange 5 working days as per Reg 57(4) prior to beginning of first quarter of the FY 2022-23.	Fine of ₹ 2,360/- was imposed.	The fine was imposed by BSE on the Listed Entity during the financial year under review for delay happened for previous Financial year
10	BSE Limited	Delay in giving intimation to the Stock Exchange 7 working days as per Reg 57(5) prior to beginning of first quarter of the FY 2022-23. The due date was April 11 2022 however the same was intimated on October 03rd 2022.	Fine of ₹ 1,180/- was imposed.	The fine was imposed by BSE on the Listed Entity during the financial year under review for delay happened for previous Financial year

(f) Details of mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and other applicable provisions of the Listing Regulations. The status of compliance with the discretionary requirements, as stated under Part E of Schedule II to the SEBI LODR, is as under:

- A comprehensive report on the status of compliance with all the applicable corporate laws, rules and regulations by the Company is placed before the Board on a quarterly basis for their information and review.
- Unmodified opinion(s) in Audit Report: The Auditors have expressed an unmodified opinion in their report on the standalone financial statements of the Company.
- Reporting of Internal Auditor: The Internal Auditor directly reports to the Audit Committee.
- Shareholders' Rights: The quarterly/half /yearly financial results are published in the newspapers of wide circulation. Financial Results are also available on the website of the Company (https://www.muthootcap.com/investors/#tab2), BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com).

(g) The Company has no material subsidiaries as per the conditions laid down under the Listing Regulations. Hence, no policy on Material Subsidiary has been framed.

(h) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

The Company has not raised any funds through preferential allotment or qualified institutions placement.

(i) Certificate from Company Secretary in Practice:

A certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached as **Annexure 4.**

(j) Compliance certificate on Corporate Governance

A certificate on Corporate Governance provided by the Independent Auditors of the Company confirming the compliance with the conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015, is enclosed herewith as **Annexure 5.**

(k) Share capital audit

The Share Capital Audit as required under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, read with SEBI Circular No. CIR/MRD/DP/30/2010 Dated 6 September 2010, a Qualified Practicing Company Secretary carries out Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity capital. This audit is carried out every quarter and the reconciliation of share capital audit report thereon is submitted to the Stock Exchanges and to the Board of Directors.

(l) Disclosure of non-acceptance of any recommendation of any committee by the Board in the financial year 2022-23 and its reason:

There was no such instance during the financial year 2022-23 when the Board had not accepted any recommendation of any Committee of the Board.

(m) Fees paid to Statutory Auditor:

The details of total fees paid to Statutory Auditors during the FY 2022 - 2023 for all services rendered by them is given below:

Particulars	Amount (₹ in lakhs)
Audit fees (including for Limited Review)	16.00
Taxation matters	-
Other services	2.00
Reimbursement of expenses	7.13
Total	**25.13**

(n) Disclosure under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has been employing 282 women employees in various cadres as on March 31, 2023. The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace and an Internal Complaint Committee in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder for reporting and conducting inquiry into the complaints made by the victim on the harassments at the workplace. The functioning of the Committee is carried out as per letter and spirit contained in the provisions of the Act.

During the FY 2022-23, the Company did not revive any complaint on sexual harassment. Hence, there are no complaints pending for redressal as on March 31, 2023.

(o) Redressal of investor grievances through SEBI complaints redressal system (SCORES)

SCORES (SEBI Complaints and Redress System) is a centralized web-based grievance redressal system launched by SEBI (http://scores.gov.inv). It provides a platform for aggrieved investors, whose grievances, pertaining to securities market, remain unresolved by the concerned listed Company or registered intermediary after a direct approach. All the activities starting from lodging of a complaint till its closure by SEBI would be handled in an automated environment and the complainant can view the status of his complaint online.

An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge complaints in physical form at any of the offices of SEBI. Such complaints would be scanned and also uploaded in SCORES for processing.

(p) Dividend Distribution Policy

The Securities and Exchange Board of India (SEBI) on July 8, 2016 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 (Regulations). Vide these Regulations, SEBI has inserted Regulation 43A of SEBI (LODR) Regulations, 2015, which requires the Company to frame and adopt a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website. Accordingly, this Dividend Distribution Policy forms part of the Corporate Governance Report as **Annexure-6** and is also available on the website of the Company at https://www.muthootcap.com/wp-content/uploads/2021/12/Policy-on-Distribution-of-Dividends.pdf

(q) Unclaimed dividends

During the financial year 2022-23, the Company has transferred an amount of ₹ 6,65,155/- to Investor Education and Protection Fund (IEPF) Authority, being unclaimed and unpaid dividend for the financial year 2014-15. Since the amount has been transferred to IEPF Authority, no claim for unclaimed and unpaid dividends for the financial year 2014-15 shall lie against the Company.

Further, in compliance with the provisions of Companies Act, 2013 and Rules made thereunder, the Company had transferred the shares pertaining to the shareholders whose dividend were remaining unclaimed and overdue for a period of seven consecutive years to the IEPF Authority. As per the provisions of IEPF Authority (Accounting, inspection, Transfer and Refund) Rules, 2016 (as amended), the shareholder may lodge the claim to the IEPF Authority for such dividends and shares by submitting an online application in Form IEPF- 5 available on the website www.iepf.gov.in.

(r) Disclosure of commodity price risks and commodity hedging activities:

The Company adheres to a prudent Risk Management Policy that has been approved by the Board in order to reduce threats or losses, identify and take full advantage of opportunities, and ensure stable and sustainable business growth. It additionally promotes a proactive approach to identifying, assessing, and managing business-related risks. In "Management Discussion and Analysis", which is a part of this Annual Report, an extensive description of the risks and concerns is provided.

(s) Risk Management:

The Board oversees the risk management functions of the Company, and a separate Risk Management Committee of the Board supervises the risk management functions. Apart from these, the Company has a separate Risk Management Department that co-ordinates and administers the risk management functions thereby setting up a top to down focus on the risk management. The Company's Risk Management Policy deals with identification, mitigation and management of risks across the organisation. The Company's well-defined organisational structure, documented policy guidelines, defined authority matrix and internal controls ensure operational effectiveness, reliability of financial data and compliance with applicable laws, regulations and Company's policies. This has been dealt with the Management Discussion and Analysis annexed to the Annual Report.

(t) Disclosure with respect to Demat suspense account/ unclaimed suspense account.

The Company has no shares lying in the demat suspense account or unclaimed suspense account.

Further, there were no shares allotted by the way of Employee Stock Option during the Financial Year.

(u) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

The Company Does not have any material subsidiaries as on March 31, 2023.

(v) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

As on 31st March 2023, there are 2 transactions involving grant of Loans and advances, to Companies in which directors are interested.

(a) Secured Loan in the form of Term Loan to Muthoot Pappachan Technologies Limited (a Company

in which the promoter Directors of MCSL are Directors) having a balance outstanding of ₹ 2,36,10,786 as on 31.03.2023.

(b) Unsecured Loan in the form of Demand Promissory Note (DPN) to MPG Security Group Private Limited (a Company in which the spouses of promoter Directors of MCSL are Directors) having a balance outstanding of ₹ 33,34,805 as on 31.03.2023.

(w) Disclosure of certain types of agreements binding listed entities(1) Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations.

There are no agreements whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, which requires disclosure under this clause.

12. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT

There has been no instance of non-compliance of any requirement of the Corporate Governance Report as prescribed under the SEBI (LODR) regulations 2015.

13. COMPLIANCE OF DISCRETIONARY REQUIREMENTS

The Company has fulfilled the discretionary requirements relating to the financial statements and the auditors have expressed an unmodified opinion in their report.

14. DISCLOSURE OF COMPLIANCE WITH THE SEBI LODR

The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and Schedule V - Part C to F of the SEBI LODR.

Annexure 1

CONFIRMATION CERTIFICATE FROM MANAGING DIRECTOR

To,
The Members of Muthoot Capital Services Limited

I confirm that the Company has received from all the Directors, a declaration of compliance in accordance with the provisions of Section 165 of the Companies Act, 2013, and Regulation 17A & 26 (1) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended March 31, 2023.

Place : Kochi
Date : 08.08.2023

Sd/-
Thomas George Muthoot
Managing Director
DIN: 00011552

Annexure 2

CONFIRMATION CERTIFICATE REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

To,
The Members of Muthoot Capital Services Limited

I confirm that the Company has received from the members of the Board and Senior Management team of the Company, declarations of compliance with the Code of Conduct as applicable to them during the financial year ended March 31, 2023.

Place : Kochi
Date : 08.08.2023

Sd/-
Thomas George Muthoot
Managing Director
DIN: 00011552

Annexure 3

CERTIFICATION BY CHIEF EXECUTIVE OFFICER /CHIEF FINANCE OFFICER

We hereby certify that for the quarter and financial year ending March 31, 2023, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(iii) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(iv) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

(v) We further certify that:

(i) There have been no significant changes in internal control over financial reporting during the year;

(ii) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) There have been no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

	Sd/-	Sd/-
Place : Kochi	**Thomas George Muthoot**	**Ramandeep Singh**
Date : 19.05.2023	**Managing Director**	**Chief Finance Officer**

Annexure 4

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Muthoot Capital Services Limited
3rd Floor, Muthoot Towers,
M. G. Road Kochi
Kerala 682035

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Muthoot Capital Services Limited having CIN: L67120KL1994PLC007726 having registered office At 3rd Floor, Muthoot Towers, M. G. Road Kochi, Kerala 682035 (hereinafter referred to as the "the Company") produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below, for the Financial Year ended on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr.No.	Name of the Director	DIN	Initial date of appointment in the company
1.	Kurian Peter Arattukulam	00008022	06/04/1994
2.	Thomas George Muthoot	00011552	18/02/1994
3.	Thomas John Muthoot	00011618	18/02/1994
4.	Thomas Muthoot	00082099	18/02/1994
5.	Thomas Mathew	01277149	01/04/2019
6.	Shirley Thomas	08586100	25/11/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on this based on our verification. While forming opinion on issuance of this certificate we have also taken into consideration independent legal opinion wherever there was a scope for multiple interpretations. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

UDIN: F006086E000736431

Sd/-
CS Syam Kumar R
Partner
COP: 25735, Membership No. F6086

Place :Kochi
Date: 03.08.2023

Annexure 5

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Muthoot Capital Services Limited

1. We have examined the compliance of conditions of Corporate Governance by Muthoot Capital Services Limited ("the Company") for the year ended on March 31, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable ("Listing Regulations"). Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations. Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance during the year ended March 31, 2023. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance of conditions of Corporate Governance by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143 (10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. In our opinion and to the best of our information and according to the explanations and representations provided by the management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations during the year ended March 31,2023.

8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on Use

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this certificate.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No. 003990S/S200018

Sd /-
Viswanadh VNSS Kuchi
Partner
M No. 210789
Place: Hyderabad
Date: 19th May 2023
UDIN: 23210789BGYTBN7112

Annexure 6

POLICY ON DISTRIBUTION OF DIVIDENDS

I. About the Company

Muthoot Capital Services Limited (hereinafter the "Company" or "MCSL") promoted by the Muthoot Pappachan Group (MPG), is a Deposit Taking Non-Banking Financial Company ("NBFC-D) registered with Reserve Bank of India (RBI) having its equity shares listed on the BSE Limited and National Stock Exchange of India Limited and its debt instruments listed on the BSE Limited.

II. Preface

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business and used for acquisitions, expansion, or diversification, or it can be distributed to the shareholders which is at the sole discretion of the management. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to reconcile between all these needs and determine a sustainable way forward.

III. Objective

The Dividend Distribution Policy ("the policy") establishes the principles to ascertain the amount that can be distributed to equity shareholders as dividend by the Company as well as to enable the Company to strike a balance between pay-out and retained earnings, in order to address future needs of the Company. This Policy aims to create a framework for deciding distribution of profits generated by the Company as dividend(income) to its equity shareholders and at the same time to assure a long-term capital appreciation and wealth creation for its shareholders. The Board of Directors (hereinafter the "Board") and the Audit Committee of the Board shall refer to the policy while declaring / recommending dividends. Through this Policy, the Company would endeavor fairness, consistency and sustainability while distributing profits to the shareholders.

This Policy emphasizes the process for recommendation / declaration of dividend and its pay-out by the Company which is in accordance with the provisions of the Companies Act, 2013 (the Companies Act) and other rules, regulations etc. as applicable to the Company and is in line with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for distribution of dividends.

IV. Timing of Dividend Declaration

The Board of Directors may declare one or more interim dividends any time during the financial year. The Board may recommend final dividend after approval of the audited financial statements by the Board which shall be paid after approval of shareholders in the Annual General Meeting. The Board will consider Financial and Non-Financial parameters stated in the policy for declaring both interim as well as final dividend.

Dividend would continue to be declared on per share basis on the Ordinary Equity Shares of the Company. The Company currently has no other class of shares. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date.

V. Financial Parameters to be Considered While Declaring Dividend

1. Financial parameter will include but is not limited to profit for the period, availability and need of liquidity in the Company, Capital to Risk Assets Ratio, Leverage ratio, Return on Assets, requirement of maintaining reserves including statutory reserves prescribed by various regulators such as Debenture Redemption Reserve, fund requirement for future expansion, etc.

2. Dividends shall generally be declared out of the Profit After Tax of the Company relating to the current financial year or out of the profits of the Company for any previous financial year or years, subject to any other regulatory provisions that may be introduced from time to time.

VI. Non- Financial Parameters to be Considered While Declaring Dividend

Non - Financial Parameters to be considered by the Board, for determining the declaration of dividend, will include but would not be limited to the following:

a) Internal Factors

- Expected business growth
- Accumulated reserves
- Quality of assets and NPA
- Cash flow position of the Company
- Profitability of the Company
- Asset-Liability Management Position
- Ability to raise or availability of Debt capital
- Future fund requirements in business
- The ratio of debt to equity (at net debt and gross debt level)
- Deployment of funds in short term marketable investments
- Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities

b) External Factors

- Macro-economic environment
- Business cycles
- Cost of external financing
- Industry outlook for the future years
- Overall retail credit growth in the economy
- Liquidity position in the economy
- Performance and Outlook of the sector that the Company currently caters to (2 Wheeler and Used 4 Wheeler).
- Monetary policy of Reserve Bank of India
- Changes in government policies
- Regulatory changes
- Inflation rate
- Changes in the Government policies, industry specific rulings & regulatory provisions.
- Change in tax structure applicable on dividend both for the Company as well as Shareholders

VII. Circumstances Under Which the Shareholders of the Company May Not Expect Dividends

Shareholders of the Company may not expect declaration of dividend in below mentioned circumstances.

i) Expectation of growth opportunity in the existing business and capital is required to be conserved for meeting the opportunity.

ii) In the event of an opportunity for acquisition and/or strategic investment in existing lines of business or new business where Company may be required to allocate capital.

iii) In the event of requirement of working capital in business.

iv) In the event of inadequacy of cashflow available for distribution of dividend.

v) In the event of absence or inadequacy of profits.

vi) In the event of unstable economy where the Company would be expected to preserve cash for meet any future contingencies.

VIII. Policy Guidelines on Utilization of the Retained Earnings of the Company

The retained earnings of the Company may be used, inter alia, for one or more of the following purposes:

- Business Growth

- Capital expenditure
- Working capital requirements
- Acquisition of businesses/entities
- Declaration of dividend
- Buyback of shares
- Issue of Bonus Shares
- Investment in new lines of business
- Repayment of debt
- Meeting contingency plans
- Correcting the capital structure; and
- Any other purpose as may be permitted by the Companies Act, 2013

IX. Parameters and treatment of Various Classes of Shares at Time of Payment of Dividend

The Company has issued only one class of equity shares and has not issued any Preference shares till date; hence there will be no differential treatment in dividend.

X. Transfer of Unpaid / Unclaimed Dividend and Equity Shares to Investor Education and Protection Fund (IEPF)

As per Section 124 (5) of the Companies Act, the dividend which remains unpaid / unclaimed for a period of 7 years from the date of transfer to unpaid dividend account shall be transferred by the Company to IEPF.

XI. Review

This Policy shall be reviewed by the Board periodically for additions, deletions, changes or alterations in the parameters, process of recommendation/declaration/ pay-out of dividend considered in the Policy. Further, the Board shall have right to modify or amend any or all of the clauses of this Policy in line with changes in regulations as applicable to the Company. In case of any change in applicable laws which make any of the clauses or provisions of this Policy inconsistent with changes then such changes will prevail over this Policy and Policy shall deemed to be amended accordingly from the date of effect of change in applicable laws.

Independent
Auditors' Report

To the Members of Muthoot Capital Services Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Muthoot Capital Services Limited ("the Company"), which comprise the balance sheet as at 31 March 2023, and the statement of Profit and Loss including other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial statements").

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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of matter

1. We draw attention to Note 53 to the financial statements which describes the impact of macro-economic factors and compliance requirements on the operations and financial position of the company, including the Company's estimate of impairment losses and the continuing uncertainties which may require changes in such estimates in the future.

Our opinion is not modified in this respect.

2. We draw attention to Note 41 to the financial statements which describes the impact of change in accounting policy w.r.t income recognition on credit impaired assets.

Our opinion is not modified in this respect.

Key Audit Matters

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.

We have determined the matters described below to be the key audit matters to be communicated in our report.

S No.	Key audit matters	How our audit addressed the key audit matter
1	**Impairment of financial assets** Ind-AS 109 (Financial Instruments) requires the Company to recognize Expected credit loss (ECL), on financial assets, which involves application of significant judgement and estimates including use of key assumptions such as probability of default, loss given default and exposure at default.	Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the financial statements were reasonable and the related disclosures in the financial statements made by the management were adequate. These procedures included, but not limited, to the following: • We examined Board Policy approving the methodology for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures commensurate with the size, complexity and risk profile specific to the Company; • We obtained an understanding of the model adopted by the Company for calculation of expected credit losses including the appropriateness of the data on which the calculation is based; • We evaluated the design and operating effectiveness of controls across the processes relevant to ECL. These controls, among others, included controls over the allocation of assets into stages; • We tested, on samples basis, the input and historical data used for determining the PD and LGD rates, model validation and agreed the data with the underlying books of accounts and records; • We tested the arithmetical calculation of the workings of the expected credit losses; • We evaluated that the Company's impairment allowance is derived in accordance with Ind AS 109 which also include considering the impact of RBI's regulations/ circulars; • We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 on ECL especially in relation to judgements used in estimation of ECL provision.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Director's report, Management Discussion and Analysis Report and Business Responsibility Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Board of Directors for Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

  Obtain an understanding of internal financial 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 the 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 and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income), the Statement of Changes in Equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the (Ind AS) specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 Match 2023 on its financial position in its financial statements – Refer Note 45 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023; and

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 79.5, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(b) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note 79.5, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not paid/declared any dividend during the financial year. Accordingly, reporting on compliance with the provisions of Section 123 of the Act is not applicable.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No.003990S/S200018

Sd/-
Viswanadh VNSS Kuchi
Partner
Membership No: 210789

UDIN: 23210789BGYTBR2002

Place of Signature: Kochi
Date: 19th May 2023

Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Muthoot Capital Services Limited ("the Company") on the financial statements as of and for the year ended 31 March 2023.

(i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets

(b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain Property, Plant and Equipment were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties disclosed in the financial statements are held in the name of the Company as at Balance Sheet date.

(d) The Company has not revalued its Property, Plant and Equipment and intangible assets during the year and hence this clause is not applicable to the Company.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(b) Based on our audit procedures & according to the information and explanation given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) The Company has made investments in and granted loans or advances in the nature of Loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties in respect of which,

(a) Company's principal business is to give loans and hence this sub-clause is not applicable.

(b) Based on our audit procedures & according to the information and explanation given to us, the investments made are not prejudicial to the Company's interests.

(c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated. Note 6.1 (ix) to the Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at March 31, 2023, aggregating ₹ 46,349.05 Lakhs were categorised as credit impaired including interest accrued and due ("Stage 3") and ₹ 9,671.58 Lakhs were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 11.1 and Note 11.2 to the Financial Statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating ₹ 1,52,899.80 Lakhs, where credit

risk has not significantly increased since initial recognition (categorised as "Stage 1"), delay in the repayment of interest and/or principal in respect of loans aggregating to ₹ 16,555.21 Lakhs were also identified. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is ₹ 39,285.13 Lakhs including interest accrued and due. Reasonable steps are being taken by the Company for recovery of the principal and interest as stated in the applicable Regulations and Loan agreements.

(e) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(e) of the Order is not applicable.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances during the year in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) Based on our audit procedures & according to the information and explanation given to us, the Company has neither given any loan, guarantees and security nor made any investment during the year covered under section 185 and 186 of the Act. Therefore paragraph 3(iv) of the Order is not applicable to the Company.

(v) In our opinion and according to the information and explanations given to us, the Company being a Non-banking financial company registered with the Reserve Bank of India, the provisions of section 73 to 76 or any other relevant provision of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company. In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India, to the extent applicable, have been complied with. According to the information and explanations given to us by the management, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal in respect of the aforesaid deposits.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31 March 2023 for a period of more than six months from the date they became payable except as given below:

Nature of the Statute	Nature of the Dues	Amount demanded (₹ In Lakhs)	Amount Paid (₹ In Lakhs)	Period to which it relates	Due date	Date of payment	Remarks, if any
Assam Professions, Trades, Callings and Employment Taxation Act, 1947	Professional Tax	0.01	Nil	April 2022 to October 2023	Last day of the succeeding month	Not Paid	Due to issues w.r.t registration under Assam Professional tax department
Madhya Pradesh Professional Tax Act, 1995	Professional Tax	0.04	Nil	April 2022 to October 2023	Last day of the succeeding month	Not Paid	Due to issues w.r.t registration under Madhya Pradesh department
Odisha State Tax on Professions, Trades, Callings and Employments Act, 2000	Professional Tax	0.11	Nil	April 2022 to October 2023	Last day of the succeeding month	Not Paid	Due to issues w.r.t registration under Odisha department
West Bengal State Tax on Professions, Trades, Callings and Employment Rules, 1979	Professional Tax	0.23	Nil	April 2022 to October 2023	Last day of the succeeding month	Not Paid	Due to issues w.r.t registration under West Bengal department
Maharashtra Profession Tax Act, 1975	Professional Tax	0.38	Nil	April 2022 to October 2023	Last day of the succeeding month	Not Paid	Issues w.r.t registration under Maharashtra. However, the PT is being paid to Kerala department

(b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

(viii) Based on our audit procedures and as per the information and explanations given by the management, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3(viii) of the order is not applicable to the Company.

(ix) (a) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us, the Company is not a declared willful defaulter by any bank or financial institution or other lender. Accordingly, paragraph 3(ix)(b) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us and the records of the Company examined by us, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that the company has not used any short term funds raised for long term purposes during the year.

(e) According to the information and explanations given to us and the records of the Company examined by us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint venture or associate companies. Accordingly, paragraph 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any loans during the year on pledge of securities held in its joint venture or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year and hence the question of whether money raised were applied for the purposes for which those are raised does not arise. Accordingly, paragraph 3(x) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the question of whether the requirements of section 42 and section 62 of the Act have been complied with and the funds raised have been used for the purposes for which the funds were raised does not arise. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we report that 24 instances of minor frauds amounting to ₹ 4.69 Lakhs on the Company has been noticed or reported during the year out of which ₹ 1.19 Lakhs has been recovered by the company till the date of issue of this report.

(b) No report under sub-section (12) of section 143 of the Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government

(c) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no whistle blower complaints were received during the year by the Company.

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, paragraph 3(xii)(a) to (c) of the Order is not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the Indian Accounting Standard Related Party Disclosures (Ind AS 24)

(xiv) (a) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the reports of the Internal Auditors for the period under audit.

(xv) On the basis of the information and explanations given to us, in our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) Based on our audit procedures and according to the information and explanations given to us, the Company is required to be registered under Section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934).

(b) Based on our audit procedures and according to the information and explanations given to us, the Company has conducted Non-Banking Financial activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) Based on our audit procedures and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the questions of fulfilling criteria of a CIC, and in case the Company is an exempted or unregistered CIC, whether it continues to fulfill such criteria, do not arise. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on our audit procedures and according to the information and explanations given to us, none of the group companies are Core Investment Company (CIC) and hence the question of number of CICs which are part of the Group does not arise. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) Based on our audit procedures and according to the information and explanations given to us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.

(xix) On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report of the Company's capability of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) Based on our audit procedures and according to the information and explanations given to us, the company is not required to spend the amount for corporate social responsibilities and Accordingly, paragraph 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No.003990S/S200018

Sd/-
Viswanadh VNSS Kuchi
Partner
Membership No: 210789
UDIN: 23210789BGYTBR2002

Place of Signature: Kochi
Date: 19th May 2023

Annexure B

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls with reference to financial statements of Muthoot Capital Services Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No.003990S/S200018

Signature
Viswanadh VNSS Kuchi
Partner
Membership No: 210789
UDIN: 23210789BGYTBR2002

Place of Signature: Kochi
Date: 19th May 2023

Balance Sheet as at 31st March 2023

(₹ in lakhs)

Particulars	Note	As at 31-Mar-2023	As at 31-Mar-2022
I. ASSETS			
1. Financial Assets			
a. Cash and Cash Equivalents	8	**50,186.88**	29,318.00
b. Bank Balance Other than Cash and Cash Equivalents	9	**7,246.83**	4,202.00
c. Derivative Financial Instruments	10	**-**	11.00
d. Loans	11	**1,68,070.26**	1,59,701.00
e. Investments	12	**4,553.80**	2,740.00
f. Other Financial Assets	13	**860.23**	1,144.00
2. Non – Financial Assets		**-**	-
a. Current Tax Assets (Net)	14	**2,823.48**	2,344.00
b. Deferred Tax Assets (Net)		**9,240.42**	9,978.00
c. Property Plant and Equipment	15	**204.42**	182.00
d. Other Intangible Assets	16	**8.14**	14.00
e. Other Non-Financial Assets	17	**339.75**	218.00
TOTAL ASSETS		**2,43,534.21**	**2,09,852.00**
II. LIABILITIES AND EQUITY			
A. LIABILITIES			
1. Financial Liabilities			
a. Derivative Financial Instruments	10	**-**	-
b. Payables			
I. Trade Payables	18	**-**	-
i) Total Outstanding Dues of Micro Enterprises and Small Enterprises		**-**	-
ii) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises		**3,104.82**	2,849.00
c. Debt Securities	19	**26,061.65**	15,426.00
d. Borrowings (Other than Debt Securities)	20	**1,57,965.55**	1,37,649.00
e. Deposits	21	**3,775.35**	5,950.00
f. Subordinated Liabilities	22	**1,325.25**	3,442.00
g. Other Financial Liabilities	23	**1,826.66**	2,729.00
2. Non-Financial Liabilities			
a. Provisions	24	**372.72**	360.00
b. Other Non-Financial Liabilities	25	**176.77**	313.00

Balance Sheet as at 31st March 2023

(₹ in lakhs)

Particulars	Note	As at 31-Mar-2023	As at 31-Mar-2022
B. EQUITY		**-**	-
a. Equity Share Capital	**26**	**1,644.75**	1,645.00
b. Other Equity	**27**	**47,280.69**	39,489.00
TOTAL LIABILITIES AND EQUITY		**2,43,534.21**	**2,09,852.00**

Note: The accompanying notes form an integral part of the financial statements (Note No: 1-81)
As per our separate report of even date attached

For PKF Sridhar & Santhanam LLP
Chartered Accountants
FRN No:003990S/S200018

For and on behalf of the Board of Directors of
MUTHOOT CAPITAL SERVICES LIMITED

Sd/-
VISWANADH VNSS KUCHI
Partner
Membership No: 210789
UDIN: 23210789BGYTBR2002

Sd/-
THOMAS JOHN MUTHOOT
Chairman
DIN: 00011618

Sd/-
THOMAS GEORGE MUTHOOT
Managing Director
DIN: 00011552

Sd/-
THOMAS MUTHOOT
Director
DIN: 00082099

Sd/-
RAMANDEEP SINGH
Chief Finance Officer

Sd/-
DEEPA GOPALA KRISHNAN
Company Secretary &
Compliance Officer
Membership No: 68790

Place: Kochi
Date: 19th May 2023

Statement of Profit and Loss

for the year ended 31st March 2023

(₹ in lakhs)

Particulars	Note	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
I. Revenue from Operations			
a. Interest Income	28	**40,751.53**	38,616.00
b. Dividend Income		**2.56**	3.00
c. Fees and Charges Income	29	**3,309.15**	2,353.00
d. Net Gain on Fair Value Changes	30	**55.92**	42.00
e. Other Operating Income	31	**300.95**	70.00
Total Revenue from Operations		**44,420.11**	**41,084.00**
II. Other Income	32	**41.85**	**47.00**
III. Total Income (I+II)		**44,461.96**	**41,131.00**
IV. Expenses			
a. Finance Costs	33	**14,814.64**	14,992.00
b. Impairment on Financial Instruments	34	**1,249.39**	32,436.00
c. Employee Benefits Expenses	35	**7,444.08**	6,966.00
d. Depreciation, Amortisation and Impairment	36	**64.92**	96.00
e. Other Expenses	37	**10,008.98**	8,211.00
Total Expenses		**33,582.01**	**62,701.00**
V. Profit /(Loss) before Tax (III-IV)		**10,879.95**	**(21,570.00)**
VI. Tax Expenses:			
a. Current Tax		**2,120.68**	2,867.00
b. Deferred tax		**762.66**	(8,295.00)
c. Taxes relating to prior years		**128.50**	52.00
VII. Profit /(Loss) for the Year (V-VI)		**7,867.95**	**(16,194.00)**
VIII. Other Comprehensive Income (OCI)			
[A] Items that will not be reclassified to Profit or Loss			
(i) Remeasurement of Defined Benefit Plans		**(51.48)**	(7.00)
(ii) Fair value changes on Equity Instruments through Other Comprehensive Income		**(52.05)**	35.00
(iii) Cost of Hedging		**2.58**	(17.00)
(iv) Income Tax Relating to Items that will not be reclassified to Profit or Loss		**25.41**	(3.00)
Subtotal (A)		**(75.54)**	**8.00**
[B] Items that will be reclassified to Profit or Loss			
(i) Cash Flow Hedging Reserve		**-**	4.00
(ii) Income Tax Relating to Items that will be reclassified to Profit or Loss		**-**	(1.00)
Subtotal [B]		**-**	**3.00**
Total Other Comprehensive Income (A+B)		**(75.54)**	**11.00**

Statement of Profit and Loss

for the year ended 31st March 2023

(₹ in lakhs)

Particulars	Note	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
IX. Total Comprehensive Income for the year (VII+VIII)		**7,792.41**	**(16,183.00)**
Earnings Per Equity Share (Face value of ₹ 10/- each)			
Basic Earnings Per Equity Share (In Rupees)		**47.84**	**(98.47)**
Diluted Earnings Per Equity Share (In Rupees)		**47.84**	**(98.47)**

Number of Equity Shares

Note: The accompanying notes form an integral part of the financial statements (Note No: 1-81).
As per our separate report of even date attached.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
FRN No:003990S/S200018

For and on behalf of the Board of Directors of
MUTHOOT CAPITAL SERVICES LIMITED

Sd/-
VISWANADH VNSS KUCHI
Partner
Membership No: 210789
UDIN: 23210789BGYTBR2002

Sd/-
THOMAS JOHN MUTHOOT
Chairman
DIN: 00011618

Sd/-
THOMAS GEORGE MUTHOOT
Managing Director
DIN: 00011552

Sd/-
THOMAS MUTHOOT
Director
DIN: 00082099

Sd/-
RAMANDEEP SINGH
Chief Finance Officer

Sd/-
DEEPA GOPALA KRISHNAN
Company Secretary &
Compliance Officer
Membership No: 68790

Place: Kochi
Date: 19th May 2023

Statement of Changes in Equity
for the year ended 31st March 2023

A. Equity Share Capital

Particulars	Number of Shares	(₹ in lakhs)
As at 1st April, 2021	**1,64,47,533**	**1644.75**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at 1st April, 2021	**1,64,47,533**	**1644.75**
Increase / (decrease) during the year	-	-
As at 31st March, 2022	**1,64,47,533**	**1644.75**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance As at 1st April, 2022	**1,64,47,533**	**1644.75**
Increase / (decrease) during the year	-	-
As at 31st March, 2023	**1,64,47,533**	**1644.75**

B. Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus				Other Comprehensive Income				Total
	Statutory Reserve	Securities Premium	General Reserve	Retained Earnings	Equity Instrument	Cost of Hedging	Cashflow Hedging Reserve	Remeasu-rement of Defined Benefit Plans	
Balance as at 1st April, 2021	**8,426.00**	**20,135.00**	**1,185.00**	**24,506.28**	**93.00**	**8.00**	**2.00**	**(44.00)**	**54,311.28**
Changes in accounting policy or prior period items	-	-	-	1,360.00	-	-	-	-	1,360.00
Restated balance as at 1st April, 2021	**8,426.00**	**20,135.00**	**1,185.00**	**25,866.28**	**93.00**	**8.00**	**2.00**	**(44.00)**	**55,671.28**
Profit for the Year	-	-	-	(17,193.00)	-	-	-	-	(17,193.00)
Other Comprehensive Income for the Year	-	-	-	-	35.00	(17.00)	4.00	(7.00)	15.00
Income Tax on OCI	-	-	-	-	(9.00)	4.00	(1.00)	2.00	(4.00)
Cost of Hedgeing transferred to Retained Earnings	-	-	-	(5.00)	-	5.00	-	-	-
Cost of Hedgeing reserve transferred to Retained Earnings	-	-	-	5.00	-	-	(5.00)	-	-
Retirement Benefits transferred to Retained Earnings	-	-	-	(49.00)	-	-	-	49.00	-
Transferred to/(from)	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the Year	**-**	**-**	**-**	**(17,242.00)**	**26.00**	**(8.00)**	**(2.00)**	**44.00**	**(17,182.00)**
Balance as at 31st March, 2022	**8,426.00**	**20,135.00**	**1,185.00**	**8,624.28**	**119.00**	**-**	**-**	**-**	**38,489.28**

(₹ in lakhs)

Particulars	Reserves and Surplus				Other Comprehensive Income				Total
	Statutory Reserve	Securities Premium	General Reserve	Retained Earnings	Equity Instrument	Cost of Hedging	Cashflow Hedging Reserve	Remeasurement of Defined Benefit Plans	
Changes in accounting policy or prior period items	-	-	-	999.00	-	-	-	-	999.00
Restated balance as at 1st April, 2022	**8,426.00**	**20,135.00**	**1,185.00**	**9,623.28**	**119.00**	**0.00**	**0.00**	**0.00**	**39,488.28**
Profit/(Loss) for the Year	-	-	-	7,867.95	-	-	-	-	7,867.95
Other Comprehensive Income for the Year	-	-	-	-	(52.05)	2.58	-	(51.48)	(100.95)
Income Tax on OCI	-	-	-	-	13.10	(0.65)	-	12.96	25.41
Cost of Hedgeing transferred to Retained Earnings	-	-	-	1.93	-	(1.93)	-	-	-
Retirement Benefits transferred to Retained Earnings	-	-	-	(38.52)	-	-	-	38.52	-
Transferred to/(from)	1,560.00	-	-	(1,560.00)	-	-	-	-	-
Total Comprehensive Income for the Year	**1,560.00**	**-**	**-**	**6,271.36**	**(38.95)**	**-**	**-**	**-**	**7,792.41**
Balance as at 31st March, 2023	**9,986.00**	**20,135.00**	**1,185.00**	**15,894.64**	**80.05**	**-**	**-**	**-**	**47,280.69**

Note: The accompanying notes form an integral part of the financial statements (Note No: 1-81)
As per our separate report of even date attached

For PKF Sridhar & Santhanam LLP
Chartered Accountants
FRN No:003990S/S200018

For and on behalf of the Board of Directors of
MUTHOOT CAPITAL SERVICES LIMITED

Sd/-
VISWANADH VNSS KUCHI
Partner
Membership No: 210789
UDIN: 23210789BGYTBR2002

Sd/-
THOMAS JOHN MUTHOOT
Chairman
DIN: 00011618

Sd/-
THOMAS GEORGE MUTHOOT
Managing Director
DIN: 00011552

Sd/-
THOMAS MUTHOOT
Director
DIN: 00082099

Sd/-
RAMANDEEP SINGH
Chief Finance Officer

Sd/-
DEEPA GOPALA KRISHNAN
Company Secretary &
Compliance Officer
Membership No: 68790

Place: Kochi
Date: 19th May 2023

Statement of Cash Flows

for the year ended 31st March 2023

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Tax	**10,879.95**	(21,570.00)
Adjustments to Reconcile Profit before Tax to Net Cash Flows:	**-**	-
Depreciation, Amortisation & Impairment	**64.92**	96.00
Interest income due to change in accounting policy	**3,151.92**	-
Profit / Loss on Sale of Fixed Assets	**1.22**	-
Asset Written off	**-**	-
Dividend Income	**(2.56)**	(3.00)
Income from Investments	**(206.48)**	(96.00)
Net Gain on Fair Value Changes	**(55.92)**	(42.00)
Impairment on Financial Instruments	**1,249.39**	32,436.00
Finance Cost	**14,814.64**	14,992.00
Operating Profit before Working Capital Changes	**29,897.08**	**25,813.00**
Adjustments for Net Increase / (Decrease) in Operating Assets:		
Bank Balances other than Cash and Cash Equivalents	**(3,044.90)**	2,719.00
Loans	**(12,687.54)**	(2,816.00)
Other Financial Assets	**(43.41)**	(84.00)
Derivative Financial Instruments	**13.83**	(165.00)
Other Non-Financial Assets	**5.33**	(18.00)
Adjustments for Net Increase / (Decrease) in Operating Liabilities -		
Other Financial Liabilities	**(902.30)**	(90.00)
Trade Payables	**256.48**	767.00
Other Non - Financial Liabilities	**(136.33)**	145.00
Provisions	**12.56**	10.00
Net changes in working capital	**(16,526.28)**	**468.00**
Cash generated from Operations before Income Tax	**13,370.80**	26,281.00
Finance cost paid	**(15,139.93)**	(15,835.00)
Direct Taxes paid	**(2,872.08)**	(3,117.00)
Net cash from / (used) in Operating Activities	**(4,641.21)**	**7,329.00**
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	**(58.78)**	(12.00)
Sale of Fixed Assets	**0.09**	1.00
Increase in Intangible Asset	**-**	-
Increase / (Decrease) in Investment	**(1,800.55)**	(1,026.00)
Interest on Investments	**196.82**	95.00
Dividend Income	**2.56**	3.00
Net cash from / (used) in Investing Activities	**(1,659.86)**	**(939.00)**

Statement of Cash Flows

for the year ended 31st March 2023

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
C) CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase / (Decrease) in Borrowings other than Debt Securities	**20,434.80**	(16,405.00)
Net Increase / (Decrease) in Deposits	**(2,135.25)**	604.00
Net Increase / (Decrease) in Debt Securities	**11,000.00**	(12,500.00)
Net Increase / (Decrease) in Subordinated liabilities	**(2,129.60)**	(2,839.00)
Net Cash Generated from Financing Activities	**27,169.95**	(31,140.00)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**20,868.88**	(24,750.00)
Opening Balance of Cash and Cash Equivalents (Refer Note 8)	**29,318.00**	54,068.00
Closing Balance of Cash and Cash Equivalents (Refer Note 8)	**50,186.88**	29,318.00

Notes: The accompanying notes form an integral part of the financial statements (Note No: 1-81)
As per our separate report of even date attached

For PKF Sridhar & Santhanam LLP
Chartered Accountants
FRN No:003990S/S200018

For and on behalf of the Board of Directors of
MUTHOOT CAPITAL SERVICES LIMITED

Sd/-
VISWANADH VNSS KUCHI
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Membership No: 210789
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Director
DIN: 00082099

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RAMANDEEP SINGH GILL
Chief Finance Officer

Sd/-
DEEPA GOPALA KRISHNAN
Company Secretary &
Compliance Officer
Membership No: 68790

Place: Kochi
Date: 19th May 2023

Notes to Financial Statements

for the year ended 31st March 2023

1. CORPORATE INFORMATION

Muthoot Capital Services Limited ('the Company') is a public company domiciled in India, governed by the Companies Act 2013 and is a Systemically Important Deposit Accepting Non-Banking Financial Company ("NBFC") registered with Reserve Bank of India. The shares of the Company are listed on the Bombay Stock Exchange and the National Stock Exchange. The Company is part of the Muthoot Pappachan Group. During the year, the Company was primarily engaged in the business of financing for purchase of automobiles, mainly two wheelers and used four wheelers against hypothecation of the vehicles and granting of personal/ business loans etc. The registration details are as follows:

RBI : 16.00024
Corporate Identity Number (CIN) : L67120KL1994PLC007726

The registered office of the Company is at 3rd Floor, Muthoot Towers, M. G. Road, Kochi - 682035. The financial statements of the Company for the year ended 31st March, 2023 were approved for issue in accordance with the resolution of the Board of Directors on 19th May, 2023.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 7 - Significant Accounting Judgements, Estimates and Assumptions.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except where otherwise indicated.

3. PRESENTATION OF FINANCIAL STATEMENT

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs and Companies (Indian Accounting Standards) Rules 2015, as amended, as notified by the Ministry of Corporate Affairs (MCA).

4. STATEMENT OF COMPLIANCE

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). These financial statements may require further adjustments, if any, necessitated by the guidelines / clarifications / directions issued in the future by Reserve Bank of India, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable

5. NEW AND AMENDED ACCOUNTING STANDARDS ADOPTED BY THE COMPANY

5(i). There were certain amendments in accounting standards which were applicable from this financial year, namely:

Ind AS 103 - Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

Ind AS 16 - Proceeds before intended use

The amendments requires excess of net sale proceeds over the cost of testing of items produced by property, plant and equipment for its intended use, if any, would not be recognised in the statement of profit or loss, but deducted from the directly attributable costs considered as part of cost of an item of PPE.

Ind AS 37 - Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

Ind AS 109 - Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability."

Ind AS 106 - Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Company does not expect the amendments to have any significant impact in its financial statements"

None of the amendments have significant effect on the Company's Financial Statements.

5(ii) New Accounting Standards/Amendments notified but not yet effective:

Ministry of Corporate Affairs (MCA), on March 31, 2023, through the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2023 amended certain existing Ind ASs on miscellaneous issues with effect from 1st April 2023. Following are few key amendments relevant to the Company:

i. Ind AS 1 - Presentation of Financial Statements & Ind AS 34 - Interim Financial Reporting - Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.

ii. Ind AS 107 - Financial Instruments: Disclosures - Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.

iii. Ind AS 8 - Accounting policies, changes in accounting estimate and errors - Clarification on what constitutes an accounting estimate provided.

iv. Ind AS 12 - Income Taxes - In case of a transaction which give rise to equal taxable and deductible temporary differences, the initial recognition exemption from deferred tax is no longer applicable and deferred tax liability & deferred tax asset shall be recognized on gross basis for such cases.

The Company is in process of evaluating the impact of the above amendments which is not expected to have any material impact on the financial statements of the Company. It may be noted that we expect there would be a change in Accounting policies section of the financial statements as the standard would require presentation of 'material accounting policies' as against 'significant accounting policies' disclosed so far.

6. SIGNIFICANT ACCOUNTING POLICIES

6.1 Financial instruments

(i) Business Model Assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a. How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management.

b. The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed.

c. How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

d. The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

(ii) The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium / discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised cost unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(iii) Financial Assets

a. Initial recognition and measurement

All financial assets are recognized initially at fair value when the parties become party to the

contractual provisions of the financial asset. In case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

b. Subsequent measurement

The Company classifies its financial assets into various categories for subsequent measurements. The classification depends on the contractual terms of the financial assets, cash flows and the company's business model for managing financial assets. The basis of classification and methodology for subsequent measurement is described below:

(i) Financial assets measured at amortised cost

A financial asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

(iv) Equity Investments

Equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments that are not held for trading for which the company has elected to present the changes in fair value through other comprehensive income (FVOCI).

(v) Financial Liabilities

a. Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

b. Subsequent Measurement

Financial Liabilities are subsequently measured at amortized cost using the effective interest method, except those that are classified as FVTPL. Financial Liability is classified at FVTPL if it is held for trading or it is a derivative or it is designated as such on initial recognition.

(vi) Derecognition of financial assets and liabilities

a. Financial Asset

The Company derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

An entity has transferred the financial asset if, and only if, either:

i) It has transferred its contractual rights to receive cash flows from the financial asset or

ii) It retains the rights to the cash flows,but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

b. Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

(vii) Offsetting

Financial assets and financial liabilities are generally reported in gross in the Balance Sheet. Financial assets and liabilities are offset and the net amount is presented in the Balance Sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously in all the following circumstances:

a. The normal course of business
b. The event of default
c. The event of insolvency or bankruptcy of the Company and/or its counterparties.

(viii) Determination of Fair Value

On initial recognition, all the Financial Instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of Financial Instruments (eg. Derivatives) at fair value on each Balance Sheet date.

Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company."

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic interest.

A fair value measurement of a Non-Financial Asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 Financial Instruments - These inputs used in the valuation are at unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regard to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the Balance Sheet date.

Level 2 Financial Instruments - These inputs used for valuation are significant, and are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 Financial Instruments - Those that include one or more unobservable input that is significant to the measurement as a whole.

(ix) Impairment of Financial Assets

In accordance with Ind AS 109, the company uses Expected Credit Loss model (ECL) for evaluating impairment of Financial Assets other than those measured at fair value through profit or loss.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since initial recognition, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is the portion of Lifetime ECL that represent the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated either on an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments."

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level.

Pursuant to the Ind AS 109 - Financial Instruments , the Company is following the 'three-stage' model to evaluate impairment of assets based on changes in credit quality since initial recognition which is summarized as below:"

Stage 1 (Upto 30 days default)

Includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date; sub-categorized into "0" bucket and "1-30" bucket.

Stage 2 (31-90 days default)

Includes loan assets that have had a significant increase in credit risk since initial recognition, but that do not have objective evidence of impairment; sub categorized into "31-60" and "61-90" buckets.

Stage 3 (All accounts marked as credit-impaired in line with the revised RBI circular noted below)

In line with Reserve Bank of India Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and Clarifications dated

November 12, 2021 borrower accounts shall be flagged as overdue as part of the day-end processes for the due date, irrespective of the time of running such processes. Similarly, classification of borrower accounts as Non-Performing Asset / Stage 3 shall be done as part of day-end process for the relevant date i.e. more than 90 days overdue and NPA/Stage 3 classification date shall be the calendar date for which the day end process is run. In other words, the date of Non-Performing Asset / Stage 3 shall reflect the asset classification status of an account at the day-end of that calendar date. The Company has carried out the requirement in line with Reserve Bank of India Clarification and accordingly the change in accounting policy is effective financial year 2021-22. Upgradation of accounts classified as Stage 3/Non-performing assets (NPA) - The Company upgrades loan accounts classified as Stage 3/NPA to "standard" asset category only if the entire arrears of interest, principal and other amount are paid by the borrower and there is no change in the accounting policy followed by the company in this regard.

Credit-impaired financial assets:

At each reporting date, the company assesses whether financial assets carried at amortised cost are credit- impaired.

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or

e) The disappearance of an active market for a security because of financial difficulties.

The Expected Credit Loss (ECL)

As per Ind AS 109, the loan losses are to be provided based on ECL method. ECL is measured at 12-month ECL for Stage 1 loan assets and at Llifetime ECL for Stage 2 and Stage 3 loan assets.

ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, i.e., ECL=PD X EAD X LGD"

PD : Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio. The PD is computed for Stage 1, Stage 2 and Stage 3 independently by determining default rates based on the historical data after giving due weightage for abnormal period and events, probability of roll back etc.

EAD : Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected draw down on committed facilities, etc.

LGD: Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD. In respect of Financial Assets where historical information is not available, minimum provision as mandated under RBI guidelines would be made along with additional provision as considered necessary by the management.

Forward Looking Information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and the market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD and EAD determined by the Company based on its internal data as described above. While the internal estimates of PD, LGD and EAD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

To mitigate its credit risks on Financial Assets, the Company seeks to use collateral where possible. The collateral comes in various forms such as vehicles, guarantees, securities etc. However, the fair value of collateral affects the calculation of ECL. The collateral is majorly the property for which the loan is given. The fair value of the same is based on historical data of recovery/management estimates provided by third party on management judgements.

(x) Write-Offs

The Company reduces the gross carrying amount of a Financial Asset when the Company has no reasonable expectations of recovering a Financial Asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cashflows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the Statement of Profit and Loss.

6.2 Revenue from Operations

6.2.1 Interest Income

i) Interest income is recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets except for purchased or originated credit impaired Financial Assets and other credit impaired assets.

The EIR in case of a Financial Asset is computed

a. At the rate that exactly discounts estimated future cash receipts through the expected life of a Financial Asset to the gross carrying amount of the Financial Asset.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees received between parties to the contract that are an integral part of the Effective Interest Rate, transaction costs, and all other premiums or discounts.

ii) Interest income on overdue interest levied on customers for delay in repayment of contractual cash flows are both recognized on receipt basis.

iii) Interest income on credit-impaired financial assets: the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis. (Refer note. 41 for detailed disclosure on account of change in accounting policy)

6.2.2 Dividend Income

Dividend income is recognised when:

a. The right to receive the payment is established,

b. It is probable that the economic benefits associated with the dividend will flow to the entity, and

c. The amount of the dividend can be measured reliably

6.2.3 Recognition of revenue from sale of goods or services and Fees and Charges Income

Revenue (other than for Financial Instruments within the scope of Ind AS 109) is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties.

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the respective company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the respective company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the respective company satisfies a performance obligation. Revenue from contract with customer for rendering services is recognized at a point in time when the performance obligation is satisfied.

6.2.4 Net Gain on Derecognition of Financial Instruments Under Amortized Cost Category

Net gain/loss arising on derecognition of Financial Instruments is recognised directly in the Statement of Profit and Loss and presented separately under the head Net Gain on Derecognition of Financial Instruments Under Amortized Cost Category.

6.3 Expenses

6.3.1 Finance Costs

Finance costs represents Interest expense recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed:

a. At the rate that exactly discounts estimated future cash payments through the expected life of the Financial Liability to the gross carrying amount of the amortised cost of a Financial Liability.

b. By considering all the contractual terms of the Financial Instrument in estimating the cash flows.

c. Including all fees paid between parties to the contract that are an integral part of the Effective Interest Rate, transaction costs, and all other premiums or discounts.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the Financial Liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisors and other expenses such as external legal costs, rating fee etc, provided these are incremental costs that are directly related to the issue of a Financial Liability.

6.3.2 Retirement and Other Employee Benefits

a) Short term Employee Benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognized in the period in which the employee renders the related service.

b) Post-Employment Employee Benefits

1) Defined Contribution Schemes

All the employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognizes such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

2) Defined Benefit Schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is

recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future.

These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

Remeasurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit and loss in subsequent periods.

3) Other Long-Term Employee Benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Statement of Profit and Loss.

The Company presents the provision for compensated absences under provisions in the Balance Sheet.

6.3.3 Impairment of Non-Financial Assets

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

6.3.4 Taxes

a) Current Tax

Current Tax Assets and Liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in Other Comprehensive Income or in Equity). Current tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred Tax

Deferred Tax Assets and Liabilities are recognized for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred Income Tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related Deferred Income Tax asset is realized or the Deferred Income Tax liability is settled.

Deferred Tax Assets are recognized for detectable temporary differences, carry forward, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred Tax Assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred Tax Assets and Liabilities are offset where there is a legally enforceable right to offset Current Tax Assets and Liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle Current Tax Liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

6.4 Foreign Currency Transactions

6.4.1 Functional and Presentational Currency

The financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

6.4.2 Transactions and Balances

a) Initial Recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

b) Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

6.5 Cash and Cash Equivalents

Cash and Cash Equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

6.6 Property, Plant and Equipment

Property, Plant and Equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and

condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

6.6.1 Depreciation

Depreciation is calculated using the written down value method to write down the cost of Property, Plant and Equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

The estimated useful lives (in years) are as follows

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful Life Estimated by Company
Motor Vehicles		
I) Car	8	8
ii) Cycle, Scooters	10	10
Furniture and Fittings	10	10
Office Equipment	5	5
Computer & Accessories		
i) Computer	3	3
ii) Network & Servers	6	6
Windmill Generator	22	22
Building	37	37

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in other income/ expense in the Statement of Profit and Loss in the year the asset is derecognised. The date of disposal of an item of Property, Plant and Equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

6.7 Intangible Assets

An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the

asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is presented as a separate line item in the Statement of Profit and Loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis in the Statement of Profit and Loss from/upto the date of acquisition/sale.

Amortisation is calculated using the written down value method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a written down value basis over a period of 3 years, unless it has a shorter useful life.

The Company's intangible assets consist of computer software with definite life.

Gains or losses from derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit and Loss when the asset is derecognised.

7 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Financial Statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements is included in the following notes:

7.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interests (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement redirecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through Other Comprehensive Income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

7.2 Defined Employee Benefit Assets and Liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

7.3 Fair Value Measurement

When the fair values of Financial Assets and Financial Liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

7.4 Impairment of Loans Portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. It has been the Company's policy to periodically review its models at the end of each reporting period in the context of actual loss experience, changes in macro economic variables etc. and make necessary adjustments or incorporate overlays to its ECL model so as to be in line with its estimate of the most likely loss allowance wherever considered necessary.

7.5 Contingent Liabilities and Provisions other than Impairment on Loan Portfolio

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

7.6 Effective Interest Rate (EIR) Method

The Company's EIR methodology, recognizes interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given/taken. This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments.

7.7 Other Estimates

These include useful lives of tangible and intangible assets current /deferred taxes etc. In respect of current tax and deferred taxes, judgments / estimates are used for the purpose of ascertaining the respective current/deferred tax asset/liability in accordance with the income tax laws and ICDS framework. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Notes Forming Part of the Financial Statements
for the year ended 31st March, 2023

Amounts in the Financial statements are presented in lakhs except for per share data and as otherwise stated

8. CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Cash In Hand	**0.09**	-
Balances with Banks (of the nature of Cash and Cash Equivalents)	**21,054.51**	23,636.00
Bank Deposit with original maturity less than three months	**29,132.28**	5,682.00
Total	**50,186.88**	29,318.00

8.1 Short term deposits are made for varying period of between one day and three months, depending on the cash requirements of the Company, and earn interest at the respective short-term deposit rates.

9. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Balances with Banks		
- Unclaimed Dividend Accounts	**7.74**	15.00
- Margin Money	**103.05**	117.00
Bank deposit		
- Money or Security against the Borrowings, Guarantees, other Commitments. (Refer Note 9.1)	**6,586.27**	3,297.00
- Other Bank deposit	**549.77**	773.00
Total	**7,246.83**	**4,202.00**

9.1 Deposits offered as collateral security against securitization transactions.

10. DERIVATIVE FINANCIAL INSTRUMENTS

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(₹ in lakhs)

Particulars	As at 31-Mar-2023				As at 31-Mar-2022			
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities
(i) Currency Derivatives:								
- Forwards	-	-	-	-	1,748.00	11.00	-	-
- Currency Futures	-	-	-	-	-	-	-	-
- Currency Swaps	-	-	-	-	-	-	-	-
- Options Purchased	-	-	-	-	-	-	-	-
- Options Sold (written)	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-
Sub Total (i)	-	-	-	-	1,748.00	11.00	-	-
(ii) Interest Rate Derivatives:								
- Forward Rate Agreements	-	-	-	-	-	-	-	-
- Options Purchased	-	-	-	-	-	-	-	-
- Options Sold (written)	-	-	-	-	-	-	-	-
- Futures	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-
Sub total (ii)	-	-	-	-	-	-	-	-
(iii) Credit Derivatives:	-	-	-	-	-	-	-	-
(iv) Equity Linked Derivatives:	-	-	-	-	-	-	-	-
(v) Other Derivatives:	-	-	-	-	-	-	-	-
Total Derivative Financial Instruments (i+ii+iii+iv+v)	-	-	-	-	1,748.00	11.00	-	-

(₹ in lakhs)

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	Notional Amounts	Fair value Asset	Notional Amounts	Fair value Liabilities
Included in above are derivatives held for hedging and risk management purposes as follows:				
(i) Fair value hedging	-	-	-	-
(ii) Cash flow hedging:	-	-	-	-
- Currency derivatives	-	-	-	-
(iii) Net investment hedging	-	-	1,748.00	11.00
(iv) Undesignated Derivatives	-	-	-	-
Total (i)+ (ii)+(iii)+(iv)	-	-	1,748.00	11.00

10.1 Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risk managed using derivative instruments is foreign currency risk.

10.2 Derivatives designated as hedging instruments.

Company has designated forward contracts as a hedging instrument to mitigate foreign exchange risk from foreign currency exposure on its borrowings.

10.3 Derivatives not designated as hedging instruments.

There are no derivatives not designated as hedging instruments.

11. LOANS

(₹ in lakhs)

Particulars	As at 31-Mar-2023						As at 31-Mar-2022					
		At Fair Value						At Fair Value				
	Amortised Cost	Through h OCI	Through Profit or Loss	Designated at Fair Value Through Profit or Loss	Subtotal	Total	Amortised Cost	Through OCI	Through Profit or Loss	Designated at Fair Value Through Profit or Loss	Subtotal	Total
(A) i) Vehicle Loans	**1,92,425.38**	-	-	-	-	**1,92,425.38**	1,95,298.00	-	-	-	-	1,95,298.00
ii) Term Loans	**10,439.88**	-	-	-	-	**10,439.88**	8,629.00	-	-	-	-	8,629.00
iii) Others Loans	**6,055.17**	-	-	-	-	**6,055.17**	3,022.00	-	-	-	-	3,022.00
Total (A) – Gross (Refer Note 11.(iii))	**2,08,920.43**	-	-	-	-	**2,08,920.43**	2,06,949.00	-	-	-	-	2,06,949.00
Less: Impairment Loss Allowance (Refer Note 11. (ii))	**40,850.17**	-	-	-	-	**40,850.17**	47,248.00	-	-	-	-	47,248.00
Total (A) – Net	**1,68,070.26**	-	-	-	-	**1,68,070.26**	1,59,701.00	-	-	-	-	1,59,701.00
(B) (i) Secured by Tangible Assets / Others (Refer Note 11.(i))	**2,08,733.88**	-	-	-	-	**2,08,733.88**	2,06,583.00	-	-	-	-	2,06,583.00
(ii) Unsecured	**186.55**	-	-	-	-	**186.55**	366.00	-	-	-	-	366.00
Total (B) - Gross (Refer Note 11.(iii))	**2,08,920.43**	-	-	-		**2,08,920.43**	2,06,949.00	-	-	-		2,06,949.00
Less: Impairment Loss Allowance	**40,850.17**	-	-	-	-	**40,850.17**	47,248.00	-	-	-	-	47,248.00
Total (B) – Net (Refer Note 11.(ii))	**1,68,070.26**	-	-	-	-	**1,68,070.26**	1,59,701.00	-	-	-	-	1,59,701.00
(C) Loans in India												
i) Public Sector	-	-	-	-	-	-		-	-	-	-	-
ii) Others	**2,08,920.43**	-	-	-	-	**2,08,920.43**	2,06,949.00	-	-	-	-	2,06,949.00
Total (C) - Gross (Refer Note 11.(iii))	**2,08,920.43**	-	-	-		**2,08,920.43**	2,06,949.00	-	-	-		2,06,949.00
Less: Impairment Loss Allowance	**40,850.17**	-	-	-	-	**40,850.17**	47,248.00	-	-	-	-	47,248.00
Total (C) - Net (Refer Note 11.(ii))	**1,68,070.26**	-	-	-	-	**1,68,070.26**	1,59,701.00	-	-	-	-	1,59,701.00

11 (i) Includes loans secured against receivables of borrowers. Refer Note 49.2.10 Quantitative information of Collateral

11 (ii) Includes an additional management overlay provision of ₹ 21,082.62 lakhs over and above the provision required made in FY ended 31st March 2022.

11 (iii) Refer Note 41 for Change in accounting policy w.r.t 'Accounting of Interest income on credit impaired assets'

11.1 Credit quality of Financial Loans

The company has a comprehensive framework for reviewing of its retail and other loans primarily based on days past due monitoring at period end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse. The following table sets out information about credit quality of loans measured at amortised cost based on days past due information. The amount represents gross carrying amount.

(₹ in lakhs)

Particulars	As at 31-Mar-2023					As at 31-Mar-2022				
	Collective			POCI*	Total	Collective			POCI*	Total
	Stage 1	Stage 2	Stage 3**			Stage 1	Stage 2	Stage 3		
Neither Past due nor impaired (0 days Past due)	**1,36,344.59**	**-**	**-**		**1,36,344.59**	1,22,915.00	-	-	-	1,22,915.00
Past due not impaired										
Upto 30 days past due	**16,555.21**	**-**	**-**	**-**	**16,555.21**	13,188.00	-	-	-	13,188.00
31 to 90 days past due	**-**	**9,671.58**	**-**	**-**	**9,671.58**	-	14,557.00	-	-	14,557.00
Impaired more than 90 Days	**-**	**-**	**46,349.05**	**-**	**46,349.05**	-	-	56,289.00	-	56,289.00
Total	**1,52,899.80**	**9,671.58**	**46,349.05**	**-**	**2,08,920.43**	1,36,103.00	14,557.00	56,289.00	-	2,06,949.00

* Purchased or Originated Credit Impaired

** Refer Note 41 for Change in accounting policy w.r.t 'Accounting of Interest income on credit impaired assets'. The amount consists of Gross NPA amounting to ₹ 43,119.63 and interest accrued and due of ₹ 3,229.42 Lakhs.

11.2 An analysis of changes in the gross carrying amount as follows:

(₹ in lakhs)

Particulars	As at 31-Mar-2023					As at 31-Mar-2022				
	Collective			POCI*	Total	Collective			POCI*	Total
	Stage 1	Stage 2	Stage 3**			Stage 1	Stage 2	Stage 3		
Gross Carrying amount Opening Balance	**1,36,103.88**	**14,556.25**	**56,289.25**	**-**	**2,06,949.38**	1,58,764.00	21,188.00	25,178.00	-	2,05,130.00
New Assets Originated or Purchased	**1,07,066.01**	**3,400.81**	**2,688.72**	**-**	**1,13,155.54**	96,295.00	4,274.00	4,676.00	-	1,05,245.00
Assets derecognised on payment/recovery through disposal of repossessed asset	**(77,845.10)**	**(8,903.31)**	**(20,682.37)**	**-**	**(1,07,430.78)**	(91,162.00)	(7,257.00)	(5,007.00)	-	(1,03,426.00)
Transfers to Stage 1	**537.40**	**(369.92)**	**(167.48)**	**-**	**-**	1,222.00	(1,212.00)	(10.00)	-	-
Transfers to Stage 2	**(5,319.36)**	**5,378.80**	**(59.44)**	**-**		(8,760.00)	8,764.00	(4.00)	-	-
Transfers to Stage 3	**(7,643.03)**	**(4,391.05)**	**12,034.08**	**-**	**-**	(20,256.00)	(11,200.00)	31,456.00	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Asset written off	**-**	**-**	**(3,753.71)**	**-**	**(3,753.71)**	-	-	-	-	-
Gross Carrying amount Closing Balance	**1,52,899.80**	**9,671.58**	**46,349.05**	**-**	**2,08,920.43**	1,36,103.00	14,557.00	56,289.00	-	2,06,949.00

* Purchased or Originated Credit Impaired

** Refer Note 41 for Change in accounting policy w.r.t 'Accounting of Interest income on credit impaired assets' The amount consists of Gross NPA amounting to ₹ 43,119.63 and interest accrued and due of ₹ 3,229.42 Lakhs.

11.3 Reconciliation of ECL balance is given below

(₹ in lakhs)

Particulars	As at 31-Mar-2023					As at 31-Mar-2022				
	Stage 1	Stage 2	Stage 3**	POCI*	Total	Stage 1	Stage 2	Stage 3	POCI*	Total
ECL Allowance - Opening Balance	**1,680.12**	**1,465.10**	**43,888.00**	**-**	**47,033.22**	2,088.00	2,277.00	13,603.00		17,968.00
New Assets Originated or Purchased	**769.14**	**252.66**	**1,613.25**		**2,635.05**	1,169.00	408.00	567.00		2,144.00
Assets derecognised on payment/recovery through disposal of repossessed asset	**(875.76)**	**(889.87)**	**(16,178.78)**		**(17,944.41)**	(1,182.00)	(776.00)	(2,168.00)		(4,126.00)
Transfers to Stage 1	**176.46**	**(37.01)**	**(139.45)**		**-**	132.00	(128.00)	(4.00)		-
Transfers to Stage 2	**(66.86)**	**116.04**	**(49.18)**		**-**	(116.00)	118.00	(2.00)		-
Transfers to Stage 3	**(94.77)**	**(432.36)**	**527.13**		**-**	(266.00)	(1,180.00)	1,446.00		-
Impact on year end ECL of exposures transferred between stages during the year	**(176.84)**	**368.09**	**10,273.69**		**10,464.94**	(117.00)	755.00	10,257.00		10,895.00
					-					-
Impact of changes in credit risk of assets	**(106.86)**	**(9.14)**	**2,293.48**		**2,177.48**	(28.00)	(9.00)	20,189.00		20,152.00
Amounts written off			**(3,516.11)**		**(3,516.11)**					
ECL allowance - Closing Balance (Refer Note 11.3.1)	**1,304.63**	**833.51**	**38,712.03**	**-**	**40,850.17**	1,680.00	1,465.00	43,888.00	-	47,033.00

***Purchased or Originated Credit Impaired**

11.3.1 Includes an additional one-time lump sum provision of ₹ 21,082.62 lakhs over and above the provision required made during year ended 31st March 2022.

12. INVESTMENTS

(₹ in lakhs)

Particulars	As at 31-Mar-2023							As at 31-Mar-2022						
	At Fair Value							At Fair Value						
	Amortised Cost	Through Other Compre-hensive Income	Through Profit or Loss	Designated at Fair Value Through Profit or Loss	Sub Total	Others	Total	Amortised Cost	Through Other Compre-hensive Income	Through Profit or Loss	Designated at Fair Value Through Profit or Loss	Sub Total	Others	Total
i) Government Securities	**1,148.84**	**-**	**-**	**-**	**-**	**-**	**1,148.84**	1,153.00	-	-	-	-	-	1,153.00
ii) Debt Securities	**-**	**-**	**82.21**	**-**	**82.21**	**-**	**82.21**	-	-	258.00	-	258.00	-	258.00
iii) Equity Instruments	**-**	**196.84**	**-**	**-**	**196.84**	**-**	**196.84**	-	249.00	-	-	249.00	-	249.00
iv) Investments on own Securitised Pass-through certificate	**3,007.40**	**-**	**-**	**-**	**-**	**-**	**3,007.40**	1,001.00	-	-	-	-	-	1,001.00
v) Other (Alternate I nvestment Fund)	**-**	**-**	**118.51**	**-**	**118.51**	**-**	**118.51**	-	-	79.00	-	79.00	-	79.00
Total Gross (A)	**4,156.24**	**196.84**	**200.72**	**-**	**397.56**	**-**	**4,553.80**	2,154.00	249.00	337.00	-	586.00	-	2,740.00
I) Investments Outside India	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	-	-
ii) Investments in India	**4,156.24**	**196.84**	**200.72**	**-**	**397.56**	**-**	**4,553.80**	2,154.00	249.00	337.00	-	586.00	-	2,740.00
Total Gross (B)	**4,156.24**	**196.84**	**200.72**	**-**	**397.56**	**-**	**4,553.80**	2,154.00	249.00	337.00	-	586.00	-	2,740.00
Less: Allowance for I mpairment Loss (C)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	-	-
Total - Net D=(A)-(C)	**4,156.24**	**196.84**	**200.72**	**-**	**397.56**	**-**	**4,553.80**	2,154.00	249.00	337.00	-	586.00	-	2,740.00

12.1 The Company received dividends of ₹ 2.56 lakhs (31st March 2022 ₹ 3.19 Lakhs) from its FVOCI securities recorded as dividend income.

13. OTHER FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Security Deposit (unsecured, considered good) (Refer Note 13.1)	**123.36**	110.00
Other Financial Asset :	**-**	-
- unsecured, considered good (Refer Note 13.2)	**736.87**	949.00
- unsecured, considered doubtful	**244.23**	244.00
- provision provided for doubtful asset	**(244.23)**	(244.00)
Excess Interest Spread/Service asset receivable on assignment transaction (Net of ECL provision) (Refer Note 13.3 & 13.4)	**(0.00)**	85.00
Total	**860.23**	**1,144.00**

13.1 Includes security deposits with related parties ₹ 63.04 lakhs (31st March, 2022 ₹ 63 lakhs)

13.2 Includes receivables from related parties ₹ 16.44 lakhs (31st March, 2022 ₹ 10 lakhs)

13.3 An analysis of changes in the gross carrying amounts in respect of excess interest spread/service asset receivable on assignment transaction is as follows:

(₹ in lakhs)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Gross Carrying amount - Opening Balance	**430.00**	450.00
Addition during the year	**-**	2.00
Deletion during the year	**2.16**	22.00
Gross Carrying amount - Closing Balance	**427.84**	**430.00**

13.4 Reconciliation of ECL balance in respect of Excess Interest Spread / Service Asset receivable on assignment transaction is given below:

(₹ in lakhs)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
ECL Allowance - Opening Balance	**345.00**	223.00
Addition during the year	**82.84**	122.00
Reversal during the year	-	-
ECL Allowance - Closing Balance	**427.84**	**345.00**

14. CURRENT TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Income Tax receivable (Net of provisions)	**2,823.48**	2,344.00
Total	**2,823.48**	**2,344.00**

15. PROPERTY, PLANT & EQUIPMENT

(₹ in lakhs)

Particulars	Furniture & Fixtures	Computer	Vehicles Car	Windmill	Office Equipment	Building	Total
Gross block As at 1st April, 2021	**141.00**	**92.00**	**272.00**	**4.00**	**44.00**	**-**	**553.00**
Additions	-	8.00	-	-	4.00	-	12.00
Disposal	-	-	-	-	4.00	-	4.00
As at 31st March, 2022	**141.00**	**100.00**	**272.00**	**4.00**	**44.00**	**-**	**561.00**
Additions	**0.79**	**8.81**	**-**	**-**	**49.30**	**25.01**	83.91
Disposal	**0.92**	**35.69**	**-**	**-**	**6.91**	**-**	43.52
As at 31st March, 2023	**140.87**	**73.12**	**272.00**	**4.00**	**86.39**	**25.01**	**601.39**
Accumulated Depreciation and Impairment As at 1st April, 2021	**74.00**	**59.00**	**146.00**	**-**	**24.00**	**-**	**303.00**
Charge for the Year	17.00	15.00	39.00	-	8.00	-	79.00
Disposals	-	-	-	-	3.00	-	3.00
As at 31st March, 2022	**91.00**	**74.00**	**185.00**	**-**	**29.00**	**-**	**379.00**
Charge for the Year	12.62	9.65	26.95	-	9.79	0.42	59.43
Disposals	0.87	34.24	-	-	6.35	-	41.46
As at 31st March, 2023	**102.75**	**49.41**	**211.95**	**-**	**32.44**	**0.42**	**396.97**
Net Carrying Amount as at 31st March, 2022	**50.00**	**26.00**	**87.00**	**4.00**	**15.00**	**-**	**182.00**
Net Carrying Amount as at 31st March, 2023	**38.12**	**23.71**	**60.05**	**4.00**	**53.95**	**24.58**	**204.42**

16. OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Computer Software	Total
Gross Block As at 1st April, 2021	**119.00**	**119.00**
Additions	-	-
Disposals	-	-
As at 31st March, 2022	**119.00**	**119.00**
Additions	-	-
Disposals	-	-
As at 31st March, 2023	**119.00**	**119.00**
Accumulated Amortisation and Impairment as at 1st April 2021	**88.00**	**88.00**
Charge for the year	17.00	17.00
Disposals	-	-
As at 31st March, 2022	**105.00**	**105.00**
Charge for the year	5.49	5.49
Disposals	-	-
As at 31st March, 2023	**110.49**	**110.49**
Net carrying amount as at 31st March, 2022	**14.00**	**14.00**
Net carrying amount as at 31st March, 2023	**8.14**	**8.14**

17. OTHER NON-FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Balance with Government Authorities	**182.98**	56.00
Prepaid Expenses (Refer Note 17.1)	**141.47**	124.00
Stock of Stationery and Promotional item	**15.30**	38.00
Total	**339.75**	**218.00**

17.1 Includes prepaid expenses with related parties Nil (31st March, 2022 ₹ 8 lakhs).

18. TRADE PAYABLES

(₹ in lakhs)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note 18.1)	**-**	-
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises (Refer Note 18.2)	**3,104.82**	2,849.00
Total	**3,104.82**	**2,849.00**

Trade payable ageing schedule as at 31st March, 2023

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payments					
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	**-**
(ii) Others	31.23	2,800.39	239.23	8.64	25.33	**3,104.82**
(iii) Disputed Dues - MSME	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	**-**

Trade payable ageing schedule as at 31st March, 2022

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payments					
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	**-**
(ii) Others	1,961.00	839.00	21.00	17.00	11.00	**2,849.00**
(iii) Disputed Dues -MSME	-	-	-	-	-	**-**
(iv) Disputed dues – Others		-	-	-	-	**-**

18.1 Amount Payable to Micro, Small and Medium Enterprises

Company has not identified any Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

18.2 Trade payable includes amounts payable to related parties amounting to ₹ 87.09 lakhs. (31st March, 2022, ₹ 198 lakhs)

19. DEBT SECURITIES

(₹ in lakhs)

Particulars	As at 31-Mar-2023				As at 31-Mar-2022			
	At Amortised Cost	At Fair Value Through Profit or Loss	Designated at Fair Value Through Profit or Loss	Total	At Amortised Cost	At Fair Value Through Profit or Loss	Designated at Fair Value Through Profit or Loss	Total
Secured Redeemable Non Convertible Debentures	**26,061.65**	**-**	**-**	**26,061.65**	15,426.00	-	-	15,426.00
Total	**26,061.65**	**-**	**-**	**26,061.65**	15,426.00	-	-	15,426.00
Debt Securities in India	**26,061.65**	**-**	**-**	**26,061.65**	15,426.00	-	-	15,426.00
Debt Securities outside India	**-**	**-**	**-**	**-**	-	-	-	-
Total	**26,061.65**	**-**	**-**	**26,061.65**	15,426.00	-	-	15,426.00

19.1 Privately placed redeemable debentures

I. Terms of Repayment

(₹ in lakhs)

Redeemable at par from the date of Balance sheet	Non Convertible Debenture		Principal Protected Market Linked Debentures	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
24-36 months	**-**	-	**3,500.00**	-
12-24 months	**3,500.00**	5,000.00	**12,000.00**	-
Upto 12 months	**5,000.00**	10,000.00	**2,000.00**	-
Interest Accrued	**97.39**	435.00	**680.04**	-
Impact of EIR	**-56.57**	-9.00	**-659.21**	-
Total	**8,540.82**	**15,426.00**	**17,520.83**	**-**

Interest range for Non Convertible Debenture

Interest Rate range from 10.07% to 10.40% as at 31st March 2023 (As at 31st March 2022, 9.30% to 10.07%)

Interest range for Principal Protected Market Linked debenture

Interest Rate range from 10.20% to 10.35% as at 31st March 2023

Nature of Security

The Non-Convertible Debentures are secured by charge on receivables of the Company.

19.2 The principal portion of outstanding Secured Redeemable Non-Convertible Listed Debenture privately placed stood at ₹ 26,000 lakhs.

(₹ in lakhs)

Particulars	Date of Allotment	Amount as at 31st March, 2023 allotment	Redemption period from the date of	Interest Rate
Principal Protected Market Linked Debenture - 1**	06th Oct 2022	10,000.00	2 Years	10.20%
Principal Protected Market Linked Debenture - 2, Tranche 1**	07th Jan 2023	2,000.00	1 Years 84 days	10.35%
Principal Protected Market Linked Debenture - 2, Tranche 2**	07th Jan 2023	2,000.00	1 Years 359 days	10.35%
Principal Protected Market Linked Debenture - 2, Tranche 3**	07th Jan 2023	3,500.00	2 Years 359 days	10.35%
Non-convertible Debenture -1*	08th Mar 2023	3,500.00	1 Year 3 months	10.40%
Non-convertible Debenture -2***	25th Jun 2020	5,000.00	2 Years 300 days	10.07%

*Interest is payable on Monthly basis as per the terms of sanction.

**Interest is payable on bullet repayment basis as per the terms of sanction.

***Interest is payable on Quarterly basis as per the terms of sanction.

Nature of Security

The Non-Convertible Debentures are secured by charge on receivables of the Company.

The principal portion of outstanding Secured Redeemable Non-Convertible Listed Debenture privately placed stood at ₹ 15000 lakhs.

(₹ in lakhs)

Bank	Date of Allotment	Amount as at 31-Mar-2022	Redemption period from the date of allotment	Interest Rate
State Bank of India*	25th June, 2020	**5,000.00**	2 Year and 300 days	**10.07%**
Canara Bank**	19th November, 2020	**5,000.00**	1 year 181 days	**9.30%**
Punjab National Bank**	19th November, 2020	**5,000.00**	1 year 181 days	**9.30%**
Total		**15,000.00**		

*Interest is payable on quarterly basis as per the terms of sanction.

**Interest is payable on annual basis as per the terms of sanction.

20. BORROWINGS (Other than Debt Securities)

(₹ in lakhs)

Particulars	As at 31-Mar-2023				As at 31-Mar-2022			
	At Amortised Cost	At Fair Value Through Profit or Loss	Designated at Fair Value Through Profit or Loss	Total	At Amortised Cost	At Fair Value Through Profit or Loss	Designated at Fair Value Through Profit or Loss	Total
Secured-Term Loans								
From Banks	**18,026.99**	**-**	**-**	**18,026.99**	20,607.00	-	-	20,607.00
From Financial Institutions / Corporates	**4,150.26**	**-**	**-**	**4,150.26**	208.00	-	-	208.00
Secured-Loans from Others					-	-	-	-
From Securitisation	**47,817.99**	**-**	**-**	**47,817.99**	26,321.00	-	-	26,321.00
Secured-Demand Loans					-	-	-	-
From Banks	**87,291.81**	**-**	**-**	**87,291.81**	90,005.00	-	-	90,005.00
Unsecured Loans from Others								
From Directors	**678.50**	**-**	**-**	**678.50**	508.00	-	-	508.00
Total	**1,57,965.55**	**-**	**-**	**1,57,965.55**	1,37,649.00	-	-	1,37,649.00
Borrowings in India	**1,57,965.55**	**-**	**-**	**1,57,965.55**	1,37,649.00	-	-	1,37,649.00
Borrowings Outside India	**-**	**-**	**-**	**-**	-	-	-	-
Total	**1,57,965.55**	**-**	**-**	**1,57,965.55**	1,37,649.00	-	-	1,37,649.00

20.1 Secured Term Loan from Banks

(i) Terms of Repayment as at 31st March, 2023

(₹ in lakhs)

Tenure (from the Date of the Balance Sheet)	Rate of Interest	Repayment Details	Amortised Cost
12-24 Months	10.60%	Monthly Frequency	3,500.00
12-24 Months	9.4% to 9.95%	Quarterly Frequency	3,393.75
Upto 12 Months	9.45% to 10.6%	Monthly Frequency	4,958.24
Upto 12 Months	9.4% to 9.95%	Quarterly Frequency	6,175.00
Total			**18,026.99**

Nature of Security

The term loans from Banks are secured by charge on the entire loan receivables and current assets (both present and future). These loans are also backed by personal guarantee of the promoter Directors of the Company, Mr. Thomas John Muthoot, Mr. Thomas George Muthoot and Mr. Thomas Muthoot

20.1. (i) 1 Interest is payable on monthly basis as per the terms of sanction

(ii) Terms of Repayment as at 31st March, 2022

(₹ in lakhs)

Tenure (from the Date of the Balance Sheet)	Rate of Interest	Repayment Details	Amortised Cost
24-36 Months	9.35%	Quarterly Frequency	**1,079.00**
12-24 Months	8.45% to 9.5%	Monthly Frequency	**2,533.00**
12-24 Months	9.35%	Quarterly Frequency	**4,314.00**
Upto 12 Months	8.45% to 9.5%	Monthly Frequency	**5,809.00**
Upto 12 Months	7.93% to 9.35%	Quarterly Frequency	**6,872.00**
Total			**20,607.00**

Nature of Security

The term loans from Banks are secured by charge on the entire loan receivables and current assets (both present and future). These loans are also backed by personal guarantee of the promoter Directors of the Company, Mr. Thomas John Muthoot, Mr. Thomas George Muthoot and Mr. Thomas Muthoot

20.1 (ii) 1 Interest is payable on monthly basis as per the terms of sanction

20.2 Secured Term Loans from Financial Institutions/Corporates

(i) Terms of Repayment as at 31st March, 2023

(₹ in lakhs)

Tenure (from the Date of the Balance Sheet)	Rate of Interest	Repayment Details	Amortised Cost
Upto 12 months	10.40%	monthly frequency	**4,150.26**
Total			**4,150.26**

Nature of Security

The term loans from other Financial Institutions / Corporates are secured by charge on the entire loan receivables and current assets (both present and future) of the Company. These loans are also backed by the personal guarantee of the promoter Directors of the Company, Mr. Thomas John Muthoot, Mr. Thomas George Muthoot and Mr. Thomas Muthoot.

20.2 (i) 1 Interest is payable on monthly basis as per the terms of sanctions

(ii) Terms of Repayment as at 31st March, 2022

(₹ in lakhs)

Tenure (from the Date of the Balance Sheet)	Rate of Interest	Repayment Details	Amortised Cost
Upto 12 months	9.50%	Quarterly Frequency	**208.00**
Total			**208.00**

Nature of Security

The term loans from other Financial Institutions/Corporates are secured by charge on the entire loan receivables and current assets (both present and future) of the Company. These loans are also backed by the personal guarantee of the promoter Directors of the Company, Mr. Thomas John Muthoot, Mr. Thomas George Muthoot and Mr. Thomas Muthoot.

20.2 (ii) 1 Interest is payable on monthly basis as per the terms of sanctions.

20.3 Secured Term Loan from Securitisation transaction.

i) Terms of Repayment as at 31st March, 2023

(₹ in lakhs)

Tenure (from the Date of the Balance Sheet)	Rate of Interest	Repayment Details	Amortised Cost
More than 24 Months		Monthly Frequency	25.51
12-24 Months	8.20% - 10.00%	Monthly Frequency	10,413.40
Upto 12 months		Monthly Frequency	37,597.41
Interest Accrued			133.99
Impact of EIR			(352.32)
Total			**47,817.99**

Nature of Security

Secured by assignment of underlying receivables relating to the securitisation transaction and credit enhancement offered by the Company by way of overcollateralization amounting to ₹ 7,049.81 lakhs. Further, Company has maintained MRR by way of collateral fixed deposit (Refer Note 9) and interest spread accruing to the company under securitisation arrangement.

20.3. (i). 1. Interest is payable on monthly basis as per the terms of agreement

(ii) . Terms of Repayment as at 31st March, 2022

(₹ in lakhs)

Tenure (from the Date of the Balance Sheet)	Rate of Interest	Repayment Details	Amortised Cost
More than 24 Months		Monthly Frequency	71.63
12-24 Months	6.80% to 10.00%	Monthly Frequency	5,477.42
Upto 12 months		Monthly Frequency	21,006.68
Interest accrued			20.06
Impact of EIR			(254.79)
Total			**26,321.00**

Nature of Security

Secured by assignment of underlying receivables relating to the securitisation transaction and credit enhancement offered by the Company by way of over collateralization amounting to ₹ 4103.85 lakhs. Further, Company has maintained MRR by way of collateral fixed deposit (Refer Note 9) and interest spread accruing to the company under securitisation arrangement.

20.3.(ii). 1. Interest is payable on monthly basis as per the terms of agreement.

20.4 Secured Demand Loan from Banks

i) Terms of Repayment as at 31st March, 2023

(₹ in lakhs)

Tenure (from the Date of the Balance Sheet)	Rate of Interest	Repayment Details	Amortised Cost
Upto 12 months	8.85% to 11.45%	On Maturity	87,466.02
Interest accrued			252.60
Impact of EIR			(-426.81)
Total			**87,291.81**

Nature of Security

The Demand loans from Banks are secured by charge on the entire loan receivables and current assets (both present and future). These loans are also backed by personal guarantee of the promoter Directors of the Company, Mr. Thomas John Muthoot, Mr. Thomas George Muthoot and Mr. Thomas Muthoot

20.4 (i).1. Interest is payable on monthly basis as per the terms of sanction.

ii) Terms of Repayment as at 31st March, 2022

(₹ in lakhs)

Tenure (from the Date of the Balance Sheet)	Rate of Interest	Repayment Details	Amortised Cost
Upto 12 months	7.75% to 9.9%	On Maturity	90,044.61
Interest accrued			275.27
Impact of EIR			(314.88)
Total			**90,005.00**

Nature of Security

The Demand loans from Banks are secured by charge on the entire loan receivables and current assets (both present and future). These loans are also backed by personal guarantee of the promoter Directors of the Company, Mr. Thomas John Muthoot, Mr. Thomas George Muthoot and Mr. Thomas Muthoot

20.4 (ii).1. Interest is payable on monthly basis as per the terms of sanction.

20.5 Unsecured Loan from Others- from Directors

i) Terms of Repayment as at 31st March, 2023

(₹ in lakhs)

Tenure (from the Date of the Balance Sheet)	Rate of Interest	Repayment Details	Amortised Cost
Upto 12 months	11.00%	On Maturity	**678.50**
Total			**678.50**

20.5. (i).1. Interest is payable on monthly basis as applicable as per the terms of agreement

ii) Terms of Repayment as at 31st March, 2022

(₹ in lakhs)

Tenure (from the Date of the Balance Sheet)	Rate of Interest	Repayment Details	Amortised Cost
Upto 12 months	11.00%	On Maturity	**508.00**
Total			**508.00**

20.5. (ii). 1. Interest is payable on monthly basis as applicable as per the terms of agreement

21. DEPOSITS

(₹ in lakhs)

	As at 31-Mar-2023				As at 31-Mar-2022			
	At Amortised Cost	At Fair Value Through Profit or Loss	Designated at Fair Value Through Profit or Loss	Total	At Amortised Cost	At Fair Value Through Profit or Loss	Designated at Fair Value Through Profit or Loss	Total
Deposits								
i. Public Deposits (Refer Note 21.(i)&(ii))	**3,775.35**	-	-	**3,775.35**	5,950.00	-	-	5,950.00
ii. From Others	-	-	-	-	-	-	-	-
Total	**3,775.35**	-	-	**3,775.35**	5,950.00	-	-	5,950.00

21.(i) Public Deposit includes ₹ 100.25 lakhs (31st March, 2022 ₹ 645.00 lakhs) taken from related parties (Refer Not no.46)

21.(ii) Refer Note 54 regarding security particulars on public deposit.

21.1 Deposits from Public - Unsecured

i) Terms of Repayment as at 31st March, 2023

(₹ in lakhs)

Redeemable at Par (From the Date of the Balance Sheet)	As at 31st March 2023		As at 31st March 2022	
	Rate of Interest	Total	Rate of Interest	Total
	< = 9%		< = 9%	
48-60 Months	320.86	320.86	604.00	604.00
36-48 Months	623.83	623.83	411.00	411.00
24-36 Months	523.02	523.02	333.00	333.00
12- 24 Months (Refer 21.1.(i).1)	476.89	476.89	753.00	753.00
Upto 12 Months	1,830.76	1,830.76	3,849.00	3,849.00
Total	**3,775.35**	**3,775.35**	**5,950.00**	**5,950.00**

21.1. (i).1. Includes ₹ 100.25 lakhs received from related parties

21.1. (i).2. Interest is payable on monthly/annual/maturity basis as per the term under respective schemes

22. SUBORDINATED LIABILITIES

(₹ in lakhs)

Particulars	As at 31-Mar-2023				As at 31-Mar-2022			
	At Amortised Cost	At Fair Value Through Profit or Loss	Designated at Fair Value Through Profit or Loss	Total	At Amortised Cost	At Fair Value Through Profit or Loss	Designated at Fair Value Through Profit or Loss	Total
Subordinated Debts - Retail	**1,325.25**	-	-	**1,325.25**	1,942.00	-	-	1,942.00
Subordinated Debts - Term Loans	-	-	-	-	1,500.00	-	-	1,500.00
Total	**1,325.25**	-	-	**1,325.25**	3,442.00	-	-	3,442.00
Subordinated Debts in India	**1,325.25**	-	-	**1,325.25**	3,442.00	-	-	3,442.00
Subordinated Debts Outside India	-	-	-	-	-	-	-	-
Total	**1,325.25**	-	-	**1,325.25**	3,442.00	-	-	3,442.00

22.1 Subordinated Liability - Subordinated Debts Retail Privately Placed Subordinated Debts of ₹ 1,000/- each

i) Terms of Repayment as at 31st March, 2023

(₹ in lakhs)

Redeemable at Par (From the Date of the Balance Sheet)	As at 31st March 2023			As at 31st March 2022		
	Rate of Interest		Total	Rate of Interest		Total
	< = 9%	> 9% < = 12%		< = 9%	> 9% < = 12%	
Over 60 Months	60.92	-	60.92	45.00	-	45.00
48-60 Months	26.34	0.35	26.69	20.00	46.00	66.00
36-48 Months	6.98	50.00	56.98	21.00	3.00	24.00
24-36 Months	20.81	3.49	24.31	11.00	758.00	769.00
12-24 Months	11.00	836.79	847.79	34.00	250.00	284.00
Upto 12 Months	33.91	274.65	308.56	-	754.00	754.00
Total	**159.96**	**1,165.29**	**1,325.25**	**131.00**	**1,811.00**	**1,942.00**

22.1. (i).1. Interest is payable on monthly / annual / maturity basis as per the terms under respective schemes.

22.2. Subordinated Liabilities - Subordinated Debts - Term Loan Privately Placed Subordinated Debts

i) Terms of Repayment as at 31st March, 2023

(₹ in lakhs)

Redeemable at Par (From the Date of the Balance Sheet)	As at 31st March 2023		As at 31st March 2022	
	Rate of Interest	Total	Rate of Interest	Total
	> 9% < =12%		> 9% < =12%	
Upto 12 Months (Refer Note 21.1.(i).1)	**Nil**	**Nil**	1,500.00	1,500.00
Total	**-**	**-**	**1,500.00**	**1,500.00**

22.2. (i).1. Interest is payable on monthly / annual basis as per the terms of agreement.

23. OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Unpaid Dividend	**7.74**	15.00
Unpaid (Unclaimed) Matured Deposits	**146.83**	200.00
Unpaid (Unclaimed) Matured Subordinated Debts	**28.53**	23.00
Unpaid (Unclaimed) Matured Debentures	**2.70**	4.00
Direct Assignment Portfolio Collection Payable	**22.47**	65.00
Collection Payable Collection Agency Security Deposit	**363.23**	339.00
Installment Received In Advance from Hypothecation Loan Customers	**679.24**	1,322.00
CSR Expense Payable (Refer Note 23.1)	**35.30**	49.00
Employee Benefits Payable	**294.07**	410.00
Others	**246.55**	302.00
Total	**1,826.66**	2,729.00

23.1 The movement in Unspent expenditure on Corporate Social Responsibility

(₹ in lakhs)

Particulars	Unspent expenditure on Corporate Social Responsibility
	Total
As at April 01, 2021	63.00
Additions	5.00
Reversed	-
Utilised	19.00
As at March 31, 2022	**49.00**
Additions	-
Reversed	-
Utilised	13.70
As at March 31, 2023	**35.30**

24. PROVISIONS

(₹ in lakhs)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
For Employee Benefits		
For Gratuity (Refer Note 42)	**63.84**	46.00
For Accumulated Compensated Absences (Refer Note 42)	**101.39**	130.00
For Disputed dues	**36.00**	36.00
For Others	**171.49**	148.00
Total	**372.72**	**360.00**

25. OTHER NON-FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Statutory Dues Payable	**173.46**	311.00
Others	**3.31**	2.00
Total	**176.77**	**313.00**

26. EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Authorised Share Capital		
2,50,00,000 (2,50,00,000)		
Equity shares of ₹ 10/- each	**2,500.00**	2,500.00
Issued Share Capital		
1,64,47,533 (1,64,47,533)		
Equity shares of ₹ 10/- each	**1,644.75**	1,645.75
Subscribed Share Capital		
1,64,47,533 (1,64,47,533)		
Equity shares of ₹ 10/- each	**1,644.75**	1,645.75
Paid Up (Fully Paid Up)		
1,64,47,533 (1,64,47,533)		
Equity shares of ₹ 10/- each	**1,644.75**	1,645.75
Total Equity	**1,644.75**	1,645.75

26.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year.

Particulars	Number of Shares	₹ in Lakhs
As at 1st April, 2021	**1,64,47,533**	**1,644.75**
Issued During the Year	-	-
As at 31st March, 2022	**1,64,47,533**	**1,644.75**
Issued During the Year	-	-
As at 31st March, 2023	**1,64,47,533**	**1,644.75**

26.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders

26.3 Details of Shareholders holding more than 5% equity shares in the Company

Name of the Shareholder	As at 31-Mar-2023		As at 31-Mar-2022	
	No. of Shares held in 1,000s	% Holding in the Class	No. of Shares held in 1,000s	% Holding in the Class
Equity Shares				
Thomas John Muthoot	**3,152.96**	**19.17**	3,152.96	19.17
Thomas George Muthoot	**3,133.48**	**19.05**	3,133.48	19.05
Thomas Muthoot	**3,076.62**	**18.71**	3,076.62	18.71
DSP Small Cap Fund	**Nil**	**Nil**	1,007.00	6.12
Elevation Capital VI FII Holdings Limited	**Nil**	**Nil**	1,565.00	9.52

26.3.1 As per the records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

26.3.2 Refer Note 47-Capital for the company's objectives, policies and processes for managing capital

26.3.3 For the period of five years immediately preceding the date at which Balance Sheet is prepared

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash - Nil.

(ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares: 12,47,258 equity shares of ₹ 10 each (on 14th June, 2017) and

(iii) Aggregate Number and class of shares bought back - Nil

26.4 Disclosure of shareholding of promoters and percentage of change during the year

Name of the Shareholder	As at 31-Mar-2023			As at 31-Mar-2022		
	No. of Shares held in 1,000s	% Holding in the Class	% Change during the year	No. of Shares held in 1,000s	% Holding in the Class	% Change during the year
Thomas John Muthoot	**3,152.96**	**19.17**	**-**	3,153.00	19.17	-
Thomas George Muthoot	**3,133.48**	**19.05**	**-**	3,133.00	19.05	-
Thomas Muthoot	**3,076.62**	**18.17**	**-**	3,077.00	18.71	-
Remmy Thomas	**392.34**	**2.39**	**-**	392.00	2.39	-
Nina George	**299.58**	**1.82**	**-**	299.00	1.82	-
Preethi John	**243.91**	**1.48**	**-**	244.00	1.48	-

27. OTHER EQUITY

(₹ in lakhs)

Particulars		As at 31-Mar-2023	As at 31-Mar-2022
Statutory Reserve (Pursuant to Section 45-IC of the RBI Act, 1934)			
Opening Balance		**8,426.00**	8,426.00
Add: Transfer from Retained Earnings		**1,560.00**	-
Closing Balance	Subtotal A	**9,986.00**	8,426.00
Securities Premium	Subtotal B	**20,135.00**	20,135.00
General Reserve			
Opening Balance		**1,185.00**	1,185.00
Additions			
Deletions			
Closing Balance	Subtotal C	**1,185.00**	1,185.00
Other Comprehensive Income			
Opening Balance		**119.00**	
Additions			59.00
Deletions		**(38.95)**	60.00
Closing Balance	Subtotal D	**80.05**	119.00
Retained Earnings			
Opening Balance		**9,623.28**	24,506.28
Add: Change in accounting policy (Refer Note 27.1)		**-**	1,360.00
Restated Balance as on 1st April 2022		**9,623.28**	25,866.28
Profit/(Loss) for the Current Year		**7,831.36**	(16,243.00)
Total of Retained Earnings Before Appropriation		**17,454.64**	9,623.28
Less: Transfer to Statutory Reserve As Per, Section 45-IC of The RBI Act, 1934		**(1,560.00)**	-
Retained Earnings	Subtotal E	**15,894.64**	9,623.28
Total of the Other Equity		**47,280.69**	39,488.28

27.1 Refer Note 41 for Change in accounting policy w.r.t 'Accounting of Interest income on credit impaired assets'

27.2 Nature and purpose of Reserves

i) Statutory reserve: Every year the Company transfers a sum of not less than twenty per cent of net profit of that year as disclosed in the Statement of Profit and Loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934

(1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum of not less than twenty per cent of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal, provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty one days by such further period as it thinks fit or condone any delay in making such report

(3) Notwithstanding anything contained in sub-section (1) the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub- section (1) shall not be applicable to the NBFC for such period as may be specified in the order, provided that no such order shall be made unless the amount in the reserve fund under sub-section (i) Together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

ii) **Securities Premium:** The amount received in excess of face value of the equity shares on share issue is recognized in Securities Premium Reserve. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

iii) **General Reserve:** Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013

iv) **Retained Earnings:** Retained earnings or accumulated surplus represent total of all the profits retained since company's inception. Retained earnings are credited with current year profits, reduced by losses if any, dividend pay-outs, transfers to General Reserve or any such other appropriation to specific reserves. The company is entitled to declare dividends only to the extent permitted under RBI guidelines

28. INTEREST INCOME

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023				For the Year Ended 31-Mar-2022			
	On Financial Assets Measured at Fair Value through OCI	On Financial Assets Measured at Amortised Cost	On Financial Assets Classified at Fair Value through Profit or Loss	Total	On Financial Assets Measured at Fair Value through OCI	On Financial Assets Measured at Amortised Cost	On Financial Assets Classified at Fair Value through Profit or Loss	Total
Interest on loans (Refer Note 28.1)	-	**39,802.15**	-	**39,802.15**	-	37,345.00	-	37,345.00
Interest income from Investments	-	**206.48**	-	**206.48**	-	104.00	-	104.00
Interest on Deposits with Banks	-	**741.30**	-	**741.30**	-	1,161.00	-	1,161.00
Other interest Income	-	**1.60**	-	**1.60**	-	6.00	-	6.00
Total	-	**40,751.53**	-	**40,751.53**	-	38,616.00	-	38,616.00

28.1 Refer Note 41 for Change in accounting policy w.r.t 'Accounting of Interest income on credit impaired assets'

29. FEES AND OTHER CHARGES

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Collection and Recovery Charges	**3,129.32**	2,210.00
Foreclosure Charges	**179.83**	143.00
Total	**3,309.15**	2,353.00

30. NET GAIN ON FAIR VALUE CHANGES

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
(A) Net Gain on Financial Instruments at Fair Value through Profit or Loss		
(i) On Trading Portfolio		
- Investments		
- Derivatives	**-**	-
- Others	**-**	-
(ii) On Financial Instruments designated at Fair Value through Profit or Loss	**55.92**	42.00
Total Net Gain on Fair Value Changes	**55.92**	42.00
Fair Value changes:		
- Realised	**-**	-
- Unrealised	**55.92**	42.00
Total	**55.92**	**42.00**

31. OTHER OPERATING INCOME

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Collection against Bad dets written off	**300.95**	70.00
Total	**300.95**	**70.00**

32. OTHER INCOME

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Income from Windmill Operations	**8.31**	8.00
Miscellaneous Income	**33.54**	39.00
Total	**41.85**	47.00

33. FINANCE COSTS

(₹ in lakhs)

Name of the Shareholder	For the Year Ended 31-Mar-2023			For the Year Ended 31-Mar-2022		
	On Financial Liabilities Measured at Fair Value Through OCI	On Financial Liabilities Measured at Amortised Cost	Total	On Financial Assets Measured at Fair Value Through OCI	On Financial Assets Measured at Amortised Cost	Total
Interest on Deposits	-	**393.82**	**393.82**	-	487.00	487.00
Interest on Borrowings (other than Debt Securities):						
- Loans from Banks	-	**8,758.68**	**8,758.68**	-	9,750.00	9,750.00
- Loans from Institutions and Others	-	**135.78**	**135.78**	-	145.00	145.00
- From Securitisation transaction	-	**3,480.04**	**3,480.04**	-	1,224.00	1,224.00
Interest on Debt securities:				-		-
- Debentures	-	**659.59**	**659.59**	-	2,576.00	2,576.00
- Interest on Subordinated Liabilities	-	**262.07**	**262.07**	-	659.00	659.00
- Other Interest Expense	-	**1,124.66**	**1,124.66**	-	151.00	151.00
Total	-	**14,814.64**	**14,814.64**	-	14,992.00	14,992.00

34. IMPAIRMENT OF FINANCIAL INSTRUMENTS

(₹ in lakhs)

Name of the Shareholder	For the Year Ended 31-Mar-2023			For the Year Ended 31-Mar-2022		
	On Financial Instruments Measured at Fair Value Through OCI	On Financial Instruments Measured at Amortised Cost	Total	On Financial Instruments Measured at Fair Value Through OCI	On Financial Instruments Measured at Amortised Cost	Total
Loans (Refer Note 34.1&.2)	-	**1,249.39**	**1,249.39**	-	32,214.00	32,214.00
Others	-	-	-	-	222.00	222.00
Total	-	**1,249.39**	**1,249.39**	-	32,436.00	32,436.00

34.1 Includes loss on repossessed assets ₹ 3354.28 lakhs (31st March 2022 ₹ 934 lakhs) and write off ₹ 4,210.38 lakhs (31st March 2022 ₹ 1,877 lakhs)

34.2 Company had made additional one-time lump sum provision of ₹ 22,610 lakhs over and above the ECL provision required during the year ended 31st March 2022.

35. EMPLOYEE BENEFITS EXPENSES

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Salaries and Wages	**5,273.93**	5,141.00
Contribution to Provident and other Funds	**364.46**	367.00
Staff Welfare Expenses	**61.92**	87.00
Outsourced Manpower	**1,150.89**	903.00
Incentive to Employees	**455.80**	370.00
Leave Encashment	**3.17**	31.00
Bonus	**69.58**	-
Gratuity Expenses	**64.33**	67.00
Total	**7,444.08**	6,966.00

36. DEPRECIATION, AMORTISATION, AND IMPAIRMENT

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Depreciation of Tangible Assets	**59.43**	79.00
Amortisation of Intangible Assets	**5.49**	17.00
Total	**64.92**	96.00

37. OTHER EXPENSES

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Rent, Taxes and Energy Costs	**507.21**	477.00
Repairs and Maintenance	**38.05**	53.00
Communication Expenses	**213.71**	164.00
Printing and Stationery	**57.09**	32.00
Advertisement and Publicity	**57.69**	97.00
Director's Fees, Allowances and Expenses	**12.81**	10.00
Auditor's Fees and Expenses (Refer Note 37.1)	**25.13**	21.00
Legal and Professional Charges	**278.70**	245.00
Insurance	**8.68**	9.00
Hypothecation Loan Collection Charges	**7,844.17**	5,890.00
Provision for KLI	**-**	-
Travelling Expenses	**107.24**	76.00
Expenditure against Corporate Social Responsibility Activities (Refer Note 37.2)	**110.77**	194.00
Miscellaneous Expense	**747.73**	943.00
Total	**10,008.98**	**8,211.00**

37.1 Auditor's Fees and Expenses

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Audit Fees	**16.00**	18.00
Taxation Matters	**-**	-
Reimbursement of Expense	**7.13**	2.00
Other Services	**2.00**	1.00
Total Payment	**25.13**	21.00

37.2 Expenditure Against Corporate Social Responsibility Activities

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
a) Gross Amount required to be spent by the Company during the year (includes CSR Unspent amount of previous year)	**49.00**	257.00
b) Amount approved by the Board to be spent during the year	**100.19**	194.00
c) Amount spent during the year on:		
(i) Construction / Acquisition of any Asset		
- in Cash	**-**	-
- yet to be paid in Cash	**-**	-
(ii) On purposes other than (i) above	**-**	-
- in Cash	**124.47**	208.00
- yet to be paid in Cash	**(75.47)**	49.00

37.2.1 Details of related party transactions in relation to CSR expenditure is given in Note 46.

37.2.2 Details of CSR Unspent Amount

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Opening Balance	**49.00**	63.00
Amount deposited in Specified Fund of Schedule VII	**-**	-
Amount required to be spent during the year (includes CSR Unspent amount of previous year)	**49.00**	257.00
Amount spent during the year	**124.47**	208.00
Closing Balance (CSR Unspent Amount)	**(75.47)**	49.00

37.2.3 Amounts Earmarked for Ongoing Projects

(₹ in lakhs)

Particulars	For the Year Ended 31-March-2023		
	With Company	In Separate CSR Unspent A/c	Total
Opening balance	-	49.00	49.00
Amount required to be spent during the year	-	-	-
Transfer to separate CSR Unspent account	-	-	-
Amount spent during the year	110.77	13.70	124.47
Closing balance	**(110.77)**	**35.30**	**(75.47)**

38. INCOME TAX

The components of income tax expense for the year ended 31st March, 2023 and 31st March, 2022 are

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Current Tax	**2,120.68**	2,867.00
Deferred Tax Relating to Origination and Reversal of Temporary Differences	**762.66**	(8,295.00)
Adjustment in respect of Current Income Tax of Prior Years	**128.50**	52.00
Income Tax Expense Reported in the Statement of Profit and Loss	**3,012.00**	**(5,376.00)**
Income Tax Expense/(Income) Recognized in Other Comprehensive Income	**(25.41)**	(3.00)

38.1 Reconciliation of the Total Tax Charge

The tax charge shown in the Statement of Profit and Loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31st March, 2023 and 31st March, 2022 is, as follows

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Accounting Profit /(Loss) Before Tax	**10,879.95**	(21,570.00)
At India's Statutory Income Tax Rate of 25.168% (2021: 25.168%)	**2,738.27**	(5,428.74)
Non-Deductible Expenses		
Corporate Social Responsibility Expenditure not allowable for tax purpose	**27.88**	49.00
Others	**245.86**	3.74
Income Tax Expense Reported in the Statement of Profit and Loss	**3,012.00**	**(5,376.00)**

38.1.1 The effective income tax rate for financial year 2022-2023 is 25.168% (31st March 2022 25.168%)

*Refer Note 41 for Change in accounting policy w.r.t 'Accounting of Interest income on credit impaired assets'

38.2 Deferred Tax

The following table shows Deferred Tax recorded in the Balance Sheet and changes recorded in the Income Tax expense:

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
On timing differences in respect of:		
a) Depreciation on Property, Plant and Equipment/ Intangible assets	**57.58**	58.00
b) Unamortised processing fees/ transaction costs of Financial Assets	**220.86**	323.00
c) Unamortised processing fees/ transaction costs of Financial Liability	**(376.24)**	(146.00)
d) Expected Credit Loss provisions	**9,650.74**	11,137.00
e) Net Income from Securitisation Transactions	**(530.79)**	(715.00)
f) Net Income from Assignment Transactions	**-**	(66.00)
g) Income on credit impaired assets on account of change in accounting policy (Refer note 38.2.1)	**-**	(794.00)
h) Others	**218.26**	180.00
Total	**9,240.42**	**9,977.00**

38.2.1 Refer Note 41 for Change in accounting policy w.r.t 'Accounting of Interest income on credit impaired assets'

38.3 Reconciliation of Deferred Tax Assets/(Liabilities)

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Opening Balance	**9,977.67**	2,143.67
Less: Deferred tax liability on income on credit impaired assets on account of change in accounting policy as on 1st April 2022 (Refer note 38.3.1)	-	(458.00)
Restated Balance as on 1st April 2022	**-**	1,685.67
Tax Income/(Expense) during the Period Recognised in Profit or Loss (Refer Note 38.3.1)	**(762.66)**	8,295.00
Tax Income/(Expense) during the Period Recognised in OCI	**25.41**	(3.00)
Closing Balance	**9,240.42**	**9,977.67**

38.3.1 Refer Note 41 for Change in accounting policy w.r.t 'Accounting of Interest income on credit impaired assets'

39. EARNINGS PER SHARE (EPS)

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Net Profit After Tax as Per Statement of Profit and Loss (₹ in Lakhs) (A)	7,867.95	(16,194.00)
Weighted Average Number of Equity Shares for Calculating Basic EPS (₹ in Lakhs) (B)	164.48	164.00
Weighted Average Number of Equity Shares for Calculating Diluted EPS (₹ in Lakhs) (C)	164.48	164.00
Basic Earnings per Equity share (₹ in Rupees) (Face Value of ₹ 10/- per Share) (A)/(B)	47.84	(98.47)
Diluted Earnings per Equity Share (in Rupees) (Face Value of ₹ 10/- per Share) (A)/C)	47.84	(98.47)

40. CHANGE IN ESTIMATE W.R.T EXPECTED CREDIT LOSS MODEL ('ECL'):

Company has reviewed its Expected Credit Loss model and the same was adopted from 1st April 2022. Key changes are as follows:

Probability of default ('PD')

For Good accounts - the PD has been arrived at based on % of likely defaults in next 12 months.

For accounts with significant increase in credit risk - the PD is the % of loan becoming credit impaired i.e. 90 days past due.

For credit impaired accounts – the PD considered is 100%.

Exposure at default ('EAD')

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. The Company has modelled EAD based on actual exposure on the day of default. The EAD comprises of principal component, accrued interest for the outstanding exposure.

Loss given default ('LGD')

Loss given default LGD is an estimate of the loss from a transaction given that a default occurs. Various approaches are available to compute the LGD. The Company has considered the workout LGD approach by considering historical losses and recoveries. The following steps are performed to calculate the LGD:

1) Analysis of historical accounts
2) The computation consists of following components, which are:
   a) Outstanding balance on the day of default
   b) Recovery amount (discounted yearly) by initial contractual rate.

The formula for the computation is as below:

Recovery rate % = (Discounted recovery amount / Total exposure on the day of default)

LGD % = 1 – recovery rate

41. CHANGE IN ACCOUNTING POLICY W.R.T 'ACCOUNTING OF INTEREST INCOME ON CREDIT IMPAIRED ASSETS'

In accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, company has changed its accounting policy with respect to accounting of income on credit impaired assets based on the requirement of Ind AS 109 Financial Instruments which reads as "financial assets that are not purchased or originated credit impaired financial assets but subsequently have become credit impaired financial assets, the entity shall apply the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods."

The change as above during this financial year is effected in the books of accounts of the company considering refinements in accounting estimate with regards to computation of Loss given default ('LGD') rates as part of ECL model i.e. consideration of discounted collections vis-à-vis undiscounted collections in the erstwhile computation. The computation of ECL parameters are briefly explained in Note 40.

The adjustment required in view of the accounting policy change in the books for the same is given below:

Amounts in the Balance Sheet increased by:

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022	01.04.2022
Loans	**3,229.00**	3,152.00	1,817.00
Deferred Tax	**794.00**	(794.00)	(458.00)
Other Equity	**2,416.00**	2,359.00	1,360.00

Amounts in the Statement of Profit and Loss for the year FY 2021-22 increased / (decreased) by (₹ in lakhs)

Particulars	As earlier reported	Increased / Decreased by	As restated
Interest Income	37,281.00	1,335.00	38,616.00
Profit before Tax	(22,905.00)	1,335.00	(21,570.00)
Deferred tax	(8,631.00)	(336)	(8,295.00)
Profit After Tax	(17,193.00)	999	(16,194.00)
Earnings per Share – in ₹ (Both Basic and Diluted)	(104.54)	6.07	(98.47)

Amounts in the Statement of Cash flows for the year FY 2021-22

(₹ in lakhs)

Particulars	As earlier reported	Increased / Decreased by	As restated
Profit before tax	(22,905.00)	1,335.00	(21,570.00)
Loans	(1,481.00)	1,335.00	(2,816.00)

42. RETIREMENT BENEFIT PLAN

42.1 Defined Benefit Plan- Gratuity

The Company has a Defined Benefit Gratuity Plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. The Company has entered into an arrangement with the LIC of India to cover the liability payable to the employees towards the gratuity under a Gratuity Trust Scheme based on Group Gratuity Cum Assurance Scheme of the LIC of India which is a defined benefit scheme and the company has to make contributions under such scheme.

The following tables summarises the components of net benefit expense recognized in the Statement of Profit and loss and the funded status and amounts recognized in the Balance Sheet for the gratuity plan.

A. Net Liability/(Assets) recognised in the Balance Sheet

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Present Value of Obligations	**586.18**	543.00
Fair Value of Plan Assets	**(522.34)**	(497.00)
Defined Benefit Obligation / (Asset)	**63.84**	46.00

B. Net Benefit Expense recognised in Statement of Profit and Loss

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Current Service Cost	**61.40**	62.00
Past Service Cost	**-**	-
Net Interest Cost	**3.26**	5.00
Net Benefit Expense	**64.66**	67.00

C. Details of changes in Present Value of Defined Benefit Obligations as follows:

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Opening Defined Benefit Obligations	**543.00**	487.00
Service Cost	**61.40**	62.00
Interest Cost	**38.14**	33.00
Benefit Paid	**(103.28)**	(41.00)
Actuarial (Gain)/Loss on total liabilities:		-
- Due to Change in Financial Assumptions	**13.77**	(2.00)
- Due to Change in Demographic Assumptions	**-**	-
- Due to Experience Variance	**33.15**	4.00
Closing Defined Benefit Obligation	**586.18**	543.00

D. Details of changes In Fair Value of Plan Assets are as follows:

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Opening Fair Value of Plan Assets	**497.00**	419.00
Actual Return on Plan Assets	**30.15**	24.00
Employer Contribution	**98.47**	95.00
Benefit Paid	**(103.28)**	(41.00)
Closing Fair Value of Plan Assets	**522.34**	497.00

E. Gain/(Loss) in Other Comprehensive Income (OCI)

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Actuarial Gain/(Loss) on Liabilities	**(46.92)**	(2.00)
Actuarial Gain/(Loss) on Assets	**(4.56)**	(5.00)
Total	**(51.48)**	(7.00)

F. The principal assumptions used in determining gratuity obligations for the company's defined benefit plan are shown below:

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Discount Rate	**7.36% Per Annum**	7.02% Per Annum
Rate of increase In Compensation Levels	**0.00% - 5.00%**	0.00% - 5.00%
Rate of Return on Plan Assets	**7.02% Per Annum**	6.93% Per Annum
Average future service (in Years)	**24.32 Years**	25.20 Years

G. Investments quoted In active markets:

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Fund Managed by Insurer	**100%**	100%
Total	**100%**	100%

H. Quantitative Sensitivity Analysis for significant assumptions are as shown below:*

(₹ in lakhs)

Items	31-Mar-2023	Impact (Absolute)	Impact %
Base Liability	**586.18**		
Increase Discount Rate by 0.50%	**573.34**	(12.84)	-2.19%
Decrease Discount Rate by 0.50%	**599.68**	13.50	2.30%
Increase Salary Inflation by 1.00%	**613.97**	27.79	4.74%
Decrease Salary Inflation by 1.00%	**560.66**	(25.52)	-4.35%
Increase Withdrawal Rate by 1.00%	**589.56**	3.38	0.58%
Decrease Withdrawal Rate by 1.00%	**582.42**	(3.76)	-0.64%

*Based on actuarial valuation report

42.2 Defined Benefit Plan - Accumulated Compensated Absences

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Maturity Profile		
Present Value of Obligation	**101.39**	116.00
Expense Recognised In the Statement of Profit and Loss	**6.09**	17.00
Discount Rate (p.a.)	**7.36%**	7.02%
Salary Escalation Rate (p.a.)	**0.00% - 5.00% p.a**	0.00% - 5.00% p.a

43. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

(₹ in lakhs)

Particulars	As at 31-Mar-2023			As at 31-Mar-2022		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Assets			-			-
Financial Assets			-			-
Cash and Cash Equivalents	**50,186.88**	**-**	**50,186.88**	29,318.00	-	29,318.00
Bank Balance other than Cash and Cash Equivalents	**2,627.03**	**4,619.81**	**7,246.83**	2,345.00	1,857.00	4,202.00
Derivative Financial Instruments	**-**	**-**	**-**	11.00	-	11.00
Loans (Refer note 43.1)	**97,544.77**	**1,12,253.21**	**2,09,797.98**	89,466.00	1,18,643.00	2,08,109.00
Adjustments on account of EIR/ECL	**-**	**-**	**(41,727.72)**	-	-	(48,408.00)
Investments	**1,359.56**	**3,194.24**	**4,553.80**	600.00	2,140.00	2,740.00
Other Financial Assets	**801.06**	**59.17**	**860.23**	1,100.00	44.00	1,144.00
Non - Financial Assets	**-**		**-**			-
Current Tax Assets (Net)	**-**	**2,823.48**	**2,823.48**	272.00	2,072.00	2,344.00
Deferred Tax Assets (Net) (Refer note 43.1)	**-**	**9,240.42**	**9,240.42**	-	9,978.00	9,978.00
Property Plant and Equipment	**-**	**204.42**	**204.42**	-	182.00	182.00
Other Intangible Assets	**-**	**8.14**	**8.14**	-	14.00	14.00
Other Non-Financial Assets	**339.75**	**-**	**339.75**	168.00	50.00	218.00
Total Assets	**1,52,859.04**	**1,32,402.89**	**2,43,534.21**	1,23,280.00	1,34,980.00	2,09,852.00
Liabilities						
Financial Liabilities						
Derivative Financial Instruments	**-**	**-**	**-**	-	-	-
Trade Payables	**-**	**-**	**-**			-
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises	**-**	**-**	**-**	-	-	-
(ii) Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises	**3,104.82**	**-**	**3,104.82**	2,849.00	-	2,849.00
Debt Securities	**7,097.39**	**19,680.04**	**26,777.43**	10,435.00	5,000.00	15,435.00
Adjustments on account of EIR	**-**	**-**	**(715.78)**	-	-	(9.00)
Borrowings (Other than Debt Securities)	**1,41,412.01**	**17,332.67**	**1,58,744.68**	1,24,697.00	13,522.00	1,38,219.00
Adjustments on account of EIR	**-**	**-**	**(779.13)**	-	-	(579.00)
Deposits	**1,830.76**	**1,944.59**	**3,775.35**	3,849.00	2,101.00	5,950.00
Subordinated Liabilities	**308.56**	**1,016.68**	**1,325.25**	2,254.00	1,188.00	3,442.00
Other Financial Liabilities	**1,773.41**	**53.25**	**1,826.66**	2,670.00	59.00	2,729.00
Non-Financial Liabilities			-			-
Provisions	**372.72**		**372.72**	265.00	95.00	360.00
Other Non-Financial Liabilities	**176.77**		**176.77**	313.00	-	313.00
Total Liabilities	**1,56,076.44**	**40,027.23**	**1,94,608.77**	1,47,332.00	21,965.00	1,68,709.00
Net	**(3,217.40)**	**92,375.66**	**48,925.44**	(24,052.00)	1,13,015.00	41,143.00

43.1 Refer Note 41 for Change in accounting policy w.r.t 'Accounting of Interest income on credit impaired assets'

44. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(₹ in lakhs)

Particulars	As at 1st April 2022	Net Cash Proceeds / (repayments)	On account of EIR	As at 31st March 2023
Debt Securities	15,429.85	11,337.93	-706.13	26,061.65
Borrowings (other than debt securities)	1,37,649.50	20,525.52	-209.46	1,57,965.55
Deposits	6,150.76	-2,375.41	-	3,775.35
Subordinated liabilities	3,465.14	-2,139.89	-	1,325.25
Total Liablilities from Financing Activites	**1,62,695.25**	**27,348.15**	**-915.59**	**1,89,127.80**

(₹ in lakhs)

Particulars	As at 1st April 2021	Net Cash Proceeds / (repayments)	On account of EIR	As at 31st March 2022
Debt Securities	28,525.00	-13,127.02	28.02	15,426.00
Borrowings (other than debt securities)	1,53,977.00	-16,509.66	181.66	1,37,649.00
Deposits	5,331.00	619.00	-	5,950.00
Subordinated liabilities	6,628.79	-3,186.79	-	3,442.00
Total Liablilities from Financing Activites	**1,94,461.79**	**-32,204.47**	**209.68**	**1,62,467.00**

45. CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS

A. Contingent Liabilities

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
a) Matters where the future cash outflows are determinable only on the receipt of pending judgements /conclusions	-	-
- Income Tax issues where the Company is in appeal	-	-
- Service Tax issues where Company is in appeal (Amount is fully paid)	**13.56**	14.00
Total	**13.56**	14.00

B. Commitments not provided for

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
a) Estimated amount of contracts remaining to be executed on capital account, net of advances	**Nil**	29.00
Total	**Nil**	29.00

C. Lease Arrangement

All operating lease arrangements entered into by the company are cancellable in nature. Consequently, company has not recognized any right-of-use on asset and lease liability during the year. The Company has not given any assets on lease and accordingly has not earned any rental income during the year. Lease payments on assets taken on operating lease ₹ 437.54 lakhs (₹ 410.57 lakhs) are recognized as rental expense in the Statement of Profit and Loss

46. RELATED PARTY DISCLOSURES

Related party disclosures as per Ind AS - 24 'Related Party Disclosures' for the year ended 31st March 2023, are given below:

46.1 Particulars of companies / Firms / Limited Liability Partnerships / Trusts where control / significant influence exists: (with whom the Company had transactions)

	Name of the Companies / Firms / LLP / Trusts
Sl. No.	**Companies**
1	Muthoot Fincorp Limited
2	Muthoot Housing Finance Company Limited
3	Muthoot Pappachan Technologies Limited
4	Muthoot Motors Private Limited
5	MPG Security Group Private Limited
6	Muthoot Pappachan Chits India Private Limited
7	Muthoot Automotive (India) Private Limited
	Firms / LLPs / Trusts
1	Muthoot Bankers
2	Muthoot Estate Investments
3	Muthoot Motors (Cochin)
4	Muthoot Motors (Pathanamthitta)
5	Muthoot Pappachan Foundation

46.2 Related Parties Including Key Managerial Personnel (with whom the Company had transactions):

Sl No	Name of the Related Parties	Designation
1	Thomas John Muthoot	Chairman
2	Thomas George Muthoot	Managing Director
3	Thomas Muthoot	Director
4	Madhu Alexiouse	Chief Operating Officer
5	Vinod Panicker	Chief Finance Officer
6	Deepa G	Company Secretary & Compliance Officer
7	Ramandeep Singh	Chief Finance Officer
8	Abhijith Jayan	Company Secretary & Compliance Officer

46.3 Relatives of Related Parties (with whom the Company had transactions):

Sl No.	Related Parties	Name of Relatives	Nature of Relationship
1	Thomas George Muthoot	Tina Suzanne George	Daughter
2	Thomas Muthoot	Remmy Thomas	Wife
		Suzannah Muthoot	Daughter

46.4 Details relating to transactions with parties referred to in Note 46.1:

(₹ in lakhs)

Particulars	Name of Related Party	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Income:			
Income from Wind Mill Operations	Muthoot Bankers	**8.31**	8.00
Interest Income	Muthoot Fincorp Limited	**-**	-
Interest Income on Term Loan	Muthoot Housing Finance Company Ltd.	**-**	30.00
Processing Fees	Muthoot Housing Finance Company Ltd.	**-**	-
Interest Income on Term Loan	Muthoot Pappachan Technologies Ltd.	**58.40**	114.00
Processing Fees	Muthoot Pappachan Technologies Ltd.	**-**	-
Interest Income on DPN Loan	Muthoot Pappachan Chits India Pvt. Ltd.	**-**	-
Interest Income on DPN Loan	MPG Security Group Pvt. Ltd.	**25.66**	81.00
Sourcing Incentive	Muthoot Fincorp Limited	**1.01**	17.00
Delayed Inteerst	Muthoot Motors (Cochin)	**0.28**	
Expenses:			-
Business Sourcing Incentive	i) Muthoot Motors (Cochin)	**110.92**	165.00
	ii) Muthoot Motors Pvt Ltd	**-**	2.00
	iii) Muthoot Fincorp Limited	**310.88**	307.00
Interest Expense- Inter corporate deposit	iii) Muthoot Fincorp Limited	**44.49**	
Collection Charges	Muthoot Fincorp Limited	**352.07**	332.00
Brokerage for canvassing for Public Deposit	Muthoot Fincorp Limited	**10.19**	36.00
			-
Wind Mill Expense	Muthoot Bankers	**1.65**	1.00
CSR Expenses	Muthoot Pappachan Foundation	**106.12**	183.00
Travelling Expense	Muthoot Fincorp Limited	**0.49**	
Advertisement Expenses	Muthoot Motors (Cochin)	**0.28**	1.00
Rent on Space Sharing	Muthoot Fincorp Limited	**22.98**	23.00
Rent	Muthoot Estate Investments	**97.17**	93.00
Reimbursement of Expenses		**-**	-
Repairs and Maintenance	Muthoot Motors (Cochin)	**2.07**	3.00
Software Usage Charges	Muthoot Pappachan Technologies Ltd	**61.09**	119.00
Annual Maintenance Charges	Muthoot Pappachan Technologies Ltd	**8.24**	26.00
Assets:			
Income from Windmill Receivable	Muthoot Bankers	**16.41**	10.00
Debt Due from Related Party	Muthoot Fincorp Limited	**-**	-
Rent Deposit	(i) Muthoot Estate Investments	**30.17**	30.00
	(ii) Muthoot Fincorp Limited	**7.87**	8.00
Unsecured Loan - DPN (including interest accrued)	(i) MPG Security Group Pvt. Ltd.	**33.35**	267.00
Secured Loan - Term Loan	(i) Muthoot Housing Finance Company Ltd	**-**	-
	(ii) Muthoot Pappachan Technologies Ltd	**236.11**	641.00
Prepaid -Software Usage	Muthoot Pappachan Technologies Ltd	**-**	-
Prepaid -Annual Maintenance Charge	Muthoot Pappachan Technologies Ltd	**-**	8.00
Other Receivable	Muthoot Fincorp Limited	**0.03**	-

(₹ in lakhs)

Particulars	Name of Related Party	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Liabilities:		-	
Business Sourcing Incentive	Muthoot Motors (Cochin)	**5.42**	52.00
Payable	Muthoot Motors Pvt Ltd	-	
Trade Advance -Payable	(i) Muthoot Motors (Cochin)	**8.84**	13.00
	(ii) Muthoot Motors (Cochin) Pathanamthitta	**1.96**	12.00
Brokerage Payable on Public	Muthoot Fincorp Limited	**0.30**	1.00
Deposit		-	
Travelling Expense Payable	Muthoot Fincorp Limited	**3.06**	2.00
Collection Charges and		-	
Business Sourcing Incentive Payable	Muthoot Fincorp Limited	**59.35**	92.00
Software Usage & AMC Charges	Muthoot Pappachan Technologies Ltd	-	8.00
Rent Payable	(i) Muthoot Estate Investments	**8.02**	15.00
	(ii) Muthoot Fincorp Limited	**0.16**	3.00

46.5 Details Relating to Transactions with Parties referred to in Note 46.2 & 46.3:

(₹ in lakhs)

Particulars	Name of Related Party	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Expenses			
Salaries, Perquisites and Incentives	(i) Thomas George Muthoot	328.50	348.00
	(ii) Madhu Alexiouse	64.80	66.00
	(iii) Vinodkumar M Panicker	70.37	71.00
	(iv) Abhijith Jayan	3.52	7.00
	(v) Tina Suzanne George	14.49	14.00
	(vi) Ramandeep Singh	31.89	-
	(vii) Deepa G.	0.21	-
PF Contribution	(i) Thomas George Muthoot	20.88	21.00
	(ii) Madhu Alexiouse	4.25	4.00
	(iii) Vinodkumar M Panicker	4.36	6.00
	(iv) Abhijith Jayan	0.11	-
	(v) Tina Suzanne George	0.22	-
	(vi) Ramandeep Singh	0.09	-
	(vii) Deepa G.	0.01	-
Reimbursement of Expenses	(i) Thomas George Muthoot	2.44	3.00
	(ii) Madhu Alexiouse	3.36	3.00
	(iii) Vinodkumar M Panicker	6.54	5.00
	(iv) Ramandeep Singh	-	-
	(v) Deepa G.	-	-
Interest on Loan from Director	Thomas George Muthoot	58.98	83.00
Interest on Subordinated Debt	Thomas George Muthoot	-	23.00
Interest on Public Deposit	(i) Remmy Thomas	-	9.00
	(ii) Suzannah Muthoot	7.75	8.00
	(iii) Thomas Muthoot	11.87	30.00
Rent Paid	Thomas George Muthoot	250.00	231.00

(₹ in lakhs)

Particulars	Name of Related Party	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Assets:		-	
Rent Deposit	Thomas George Muthoot	**25.00**	25.00
Liabilities:			-
Loan from Directors	Thomas George Muthoot	**678.50**	508.00
Provision for Incentive (Refer Note 46.5.1)	(i) Thomas George Muthoot	**57.00**	-
	(ii) Madhu Alexiouse	-	-
	(iii) Vinodkumar M Panicker	-	-
	(iv) Ramandeep Singh	**3.33**	-
Remuneration Payable-Directors	Thomas George Muthoot	-	247.00
Subordinated debts (including interest accrued)	Thomas George Muthoot	-	-
Public Deposit (including interest accrued)	(i) Remmy Thomas	-	-
	(ii) Thomas Muthoot	-	544.00
	(iii) Suzannah Muthoot	**100.25**	100.00

46.5.1 Payment is subject to achievement parameters to be evaluated as at the end of the financial year.

46.6 Transaction with Related Parties referred to in Note 46.1, 46.2 & 46.3

(₹ in lakhs)

Particulars	Name of Related Party	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Unsecured Loan - DPN			
Repaid during the period:	(i) Muthoot Pappachan Chits India Pvt Ltd	-	-
	(ii) MPG Security Group Pvt Ltd	**233.33**	317.00
Deposit Refunded		-	
Rent deposit refunded during the year	Muthoot Fincorp Ltd	-	-
Term Loan			-
Given during the period	(i) Muthoot Housing Finance Company Ltd	-	-
	(ii) Muthoot Pappachan Technologies Ltd	-	-
Repaid during the period	(i) Muthoot Housing Finance Company Ltd	-	1,000.00
	(ii) Muthoot Pappachan Technologies Ltd	**400.00**	400.00
Inter corporate deposit			
Accepted during the period	Muthoot Fincorp Ltd	**7,000.00**	-
Repaid during the period	Muthoot Fincorp Ltd	**7,000.00**	-
Loan from Directors		-	
Repaid during the period	Thomas George Muthoot	-	509.00
Subordinated debt			-
Repaid during the period	Thomas George Muthoot	-	300.00
Public Deposit		-	
Repaid during the period	Remmy Thomas	-	124.00
	Suzannah Muthoot	-	-
	Thomas Muthoot	**535.00**	535.00
Collection at MFL Branch			
Collection during the period	Muthoot Fincorp Ltd	**65,736.23**	62,395.00

46.7 Provisions for doubtful debts due from related parties at the Balance Sheet date - Nil (Nil)

46.8 Amounts written off or written back of debts due from or to related parties - Nil (Nil)

47. CAPITAL

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company. As an NBFC, the RBI requires the company to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier 1 and Tier 2 capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier 2 capital cannot exceed 100% of our Tier 1 capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times.

Capital Management

The primary objectives of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022 (Refer Note. 47.1)
Regulatory Capital		
Tier 1 Capital	**36,075.63**	29,429.00
Tier 2 Capital	**-**	639.00
Total Capital Funds	**36,075.63**	30,068.00
Risk Weighted Asset	**1,29,204.99**	1,39,380.00
Tier 1 Capital Ratio	**27.92%**	21.11%
Tier 2 Capital Ratio	**0.00%**	0.46%
Total Capital Ratio	**27.92%**	21.57%

Regulatory capital consists of Tier 1 capital, which comprises of share capital, statutory reserves, general reserve, share premium and retained earnings including current year profit. The other component of regulatory capital is Tier 2 Capital, which subject to statutory limit includes subordinated debt and general provisions.

The Company is meeting the capital adequacy requirements of Reserve Bank of India (RBI)

47.1 Computation of CRAR ratio for the year ended 31st March 2022 is after considering change in accounting policy as referred in Note 41.

48. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

48.1 Fair Value Hierarchy of assets and liabilities

48.1.1 The carrying amount and fair value measurement hierarchy for assets and liabilities as at 31st March, 2023 is as follows:

i) At Fair Value through profit or loss

(₹ in lakhs)

Particulars	Level 1	Level 2	Level 3
Investments in unquoted debt funds	-	**200.72**	-

i) At Fair Value through Other Comprehensive Income

Particulars	Level 1	Level 2	Level 3
Investments in quoted equity instruments and mutual fund units	**196.84**	-	-
Derivative Financial Instruments Assets / (Liability)	-	-	-

48.1.2 The carrying amount and fair value measurement hierarchy for assets and liabilities as at 31st March, 2022 is as follows

i) At Fair Value through profit or loss / OCI

(₹ in lakhs)

Particulars	Level 1	Level 2	Level 3
Investments in unquoted debt fund	-	**337.00**	-

ii) At Fair Value through Other Comprehensive Income

(₹ in lakhs)

Particulars	Level 1	Level 2	Level 3
Investments in quoted equity instruments and mutual fund units	**249.00**		-
Derivative Financial Instruments Assets / (Liabilities)	-	**11.00**	-

48.2 Fair Value Technique

48.2.1 Investments at Fair Value Through Profit or Loss

Fair value of debt funds/ alternate investment funds are derived based on the latest available valuation report/ NAV/ statement communicated by the fund house and is classified as Level 2.

48.2.2 Derivative Financial Instruments at Fair Value Through Other Comprehensive Income

The financial asset on derivative contracts has been valued at fair value through Other Comprehensive Income using closing rate and is classified as Level 2.

48.2.3 Investments at Fair Value Through Other Comprehensive Income

For Investment at fair value through Other Comprehensive Income, valuation are done using quoted price from active markets at the measurement date. The equity instruments which are actively traded in public stock exchanges with readily available active prices on a regular basis are classified as Level 1.

48.3 Fair value of Financial Instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are initially measured at fair value and subsequently carried at amortised cost in the financial statements

(₹ in lakhs)

Particulars	Carrying Value as at			Fair Value as at	
	Level	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022
Financial Assets					
Cash and Cash Equivalents	1	**50,186.88**	29,318.00	**50,186.88**	29,318.00
Bank Balance other than Cash and Cash Equivalents	1	**7,246.83**	4,202.00	**7,246.83**	4,202.00
Loans (Refer Note 48.3.1)	3	**1,68,070.26**	1,59,701.00	**1,68,070.26**	1,59,701.00
Investments in Govt. Securities	2	**1,148.84**	1,153.00	**1,117.65**	1,144.00
Investments in PTC	3	**3,007.40**	1,001.00	**3,007.40**	1,001.00
Other financial assets	3	**860.23**	1,144.00	**860.23**	1,144.00
Total Financial assets		**2,30,520.44**	1,96,519.00	**2,30,489.25**	1,96,510.00
Financial Liabilities					
Trade Payables	3	**3,104.83**	2,849.00	**3,104.83**	2,849.00
Debt Securities	2	**26,061.65**	15,426.00	**26,061.65**	15,426.00
Borrowings (other than debt securities	2	**1,57,965.55**	1,37,649.00	**1,57,965.55**	1,37,649.00
Deposits	2	**3,775.35**	5,950.00	**3,775.35**	5,950.00
Subordinated liabilities	2	**1,325.25**	3,442.00	**1,325.25**	3,442.00
Other financial liabilities	3	**1,826.66**	2,729.00	**1,826.66**	2,729.00
Total Financial Liabilities		**1,94,059.28**	1,68,045.00	**1,94,059.28**	1,68,045.00

48.3.1 Refer Note 41 for Change in accounting policy w.r.t 'Accounting of Interest income on credit impaired assets'

48.4 Valuation techniques

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the company's financial statements. These fair values were calculated for disclosure purpose only.

48.4.1 Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include cash and cash equivalents, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 1/Level 3 on the basis that no adjustments have been made to the balances in the Balance Sheet.

48.4.2 Loans and advances to customers

The fair value of loans and advances are calculated using a portfolio based approach, grouping loans as far as possible into homogeneous groups based on similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow models that incorporate interest rates estimates considering all significant characteristics of the loan. The fair value is then reduced by impairment allowance which is already calculated in computing probability of default and loss given default to arrive at fair value net of risk.

48.4.3 Financial assets at amortised cost

The fair values of held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties credit risk.

48.4.4 Financial liability at amortised cost

The fair values of financial liability held-to-maturity are estimated using effective interest rate model based on contractual cash flows using actual yields.

49. RISK MANAGEMENT

Risk is inherent to any Company, more so to a NBFC, and MCSL is no exception. At MCSL we have a proper framework on Risk Management, in order to ensure that effective management of risks is an integral part of every employee's job. The process is designed in such a way that the work of one is effectively monitored by another and therefore ensures that any risk that the process can have is clearly verified and nullified by the team member handling the next process.

The main objective is to create and protect shareholder value by minimizing threats or losses and identifying and maximizing opportunities and thereby ensuring sustainable business growth with stability. The Risk Management systems also promote a proactive approach in reporting, evaluating and resolving risks associated with the business.

The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks such as compliance risk, reputational risk and strategy risk.

49.1 Risk management Framework

The Board of Directors and Risk management committee are responsible for the overall risk management and for approving the risk management policies, strategies and principles so that the management controls the risks through properly defined processes.

The Board plays a pivotal role in the effective management of the risk mitigation process within the Company. The Board is responsible for framing, implementing and monitoring the risk management plan and to ensure that appropriate systems for risk management are in place. The Board has constituted the Risk Management Committee, which is responsible for monitoring the overall risk process within the Company. The Risk Management Committee has the responsibility to oversee the development, implementation and maintenance of the Company's overall risk management framework and its appetite, strategy, principles and policies, to ensure they are in line with emerging regulatory, corporate governance and industry best practice. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels. The Board also reviews the reports generated by the Internal Auditors and concurrent auditors on a periodic basis.

The Risk Department of the Company is responsible for monitoring and maintaining risk related procedures to ensure an independent control process is maintained. Schemes that are rolled out in the market and the products that are offered to the customers are tested against the parameters determined as mandatory for the purpose by the Risk Department. The Heads of Department shall be responsible for the implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Risk Management Committee.

The Committee reviews the new risk principles and policy and material amendments to risk principles and policy and oversees adherence to Company's risk principles, policies and standards and any action taken resulting from material policy breaches. It also periodically reviews and updates its own terms of reference to reflect best practices, at appropriate intervals, evaluate its own performance against the terms of reference.

49.2 Identification of Risk and Analysis

Risk identification and mitigation is obligatory on all verticals and functional heads who, with the inputs from their team members, are required to report the material risks to the concerned levels of the Company along with their considered views and recommendations for risk mitigation.

The Company has identified the following potential risks that could have an adverse impact on the Company:

1. Credit Risk
2. Operational Risk

3. Compliance Risk
4. Reputational Risk
5. Strategic Risk
6. Liquidity Risk & Interest rate Risk

While each of the risk has significance, all except the Credit Risk can be managed and controlled through internal processes. It is the Credit Risk management which needs both internal and external factors in equal measure to be effective and controlled.

The scope of the Internal Audit shall cover risk management (including fraud risk) and control monitoring review and advisory services, reviews of operational and financial processes and controls, documentation of various important processes and events, information technology reviews, governance and assurance reviews, operational compliance audits, verification on adherence to regulatory requirements and other ad hoc advisory or consulting services. Internal Auditors discusses the results of all assessments with management and reports its findings and recommendations to Audit Committee

49.2.1 Credit Risk

This is the major risk anticipated in connection with the nature of operations of the company. While a lot would need to be done internally to monitor it and control it, the external factors also plays its role in the final impact of the credit risk. Credit risk is the risk of default or non-repayment of loan by a borrower, which involves monitory loss to the company, both in terms of principal and interest. In the portfolio of an NBFC, the losses stem from outright default due to the inability or unwillingness of a customer or counterparty to meet commitments in relation to repayment, trading, settlement and other financial transactions. Alternatively, losses result from reduction in portfolio value arising from actual or perceived deterioration in due to any event affecting the borrower/ a group of borrowers. The effective management and reporting of credit risk is a critical component of comprehensive risk management and is essential for the long-term success of any banking and financial services organization. It ensures that risks are identified in advance and corrective action taken. Credit risk management encompasses identification, measurement, monitoring, control and reporting of the credit risk exposures.

The major risk that the Company faces is the default and / or delay in payment of EMIs (principal and interest) by the customers within the due time. To mitigate the said risk, the Company measures the credit history, capacity to repay, loan amount and loan conditions and associated collateral, if any, of the customer before sanctioning/ disbursing loan and has an efficient post disbursal monitoring mechanism to take corrective and timely action whenever required to minimise the probability of default/loss.

49.2.2 Methodology for assessment of Expected Credit loss on loan asset - Refer Note 6.1.(ix) ofsignificant accounting policies

49.2.3 Credit quality of financial asset based on Stage 1 (No significant increase in the credit risk), Stage 2 (Significant increase in the credit risk but no impairment), and Stage 3 (Credit impaired asset) - Refer Note 11.1 of Financial Statements.

49.2.4 Reconciliation of expected credit loss balance - Refer Note 11.3 of Financial Statement

49.2.5 Update on Macro Economic Environment - Refer Note 53 of Financial Statement

49.2.6 RBI disclosures requirement for restructured assets Refer Note 76 of Financial Statements

49.2.7 Concentration of Credit Risk - Retail and Residential Loans

The Company's portfolio can be broadly classified as following:

49.2.7.1 Vehicle Loan (predominantly backed up by 2-wheeler and used 4-wheeler assets

49.2.7.2 Vehicle Loan (Securitised)

49.2.7.3 Secured Loans

49.2.7.4 Unsecured Loans

49.2.8 Maximum Exposure to Credit Risk

The maximum exposure to credit risk of loans is their carrying amount without considering effect of mitigation through collateral recovery and credit enhancements

49.2.9 Narrative Description of Collateral

Collateral primarily includes vehicles purchased by retail loan customers and in respect of other secured loans they represent specific/pari-passu charge on the receivables of the borrowers.

49.2.10 Quantitative Information of collateral

Gross Value of total secured loans to value of collateral (Before adjustment on account of ECL and EIR).

(₹ in lakhs)

Loan to Security Value	Gross Value of Secured Vehicle loans		Gross Value of Secured business loans (Secured by Receivables)	
	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022
0-50%	20,527.24	21,570.00	-	-
51-70%	30,359.65	32,547.00	-	-
71-100%	98,005.84	1,02,283.00	16,450.85	8,982.00
Above 100%	43,532.39	35,746.00		2,303.00
Total	**1,92,425.11**	1,92,146.00	**16,450.85**	11,285.00

The above is based on the asset cost of vehicle loans at origination as reduced by 20% p.a. on straight line method. The derived value is for disclosure purpose only and may not be representative of the recoverable value as the same is depended on the condition of the vehicle at the point of repossession. However the company has assessed LGD for ECL purpose based on actual loss incurred as per historical information on repossession/sale of collateral asset.

49.2.11 Liquidity Risk

Liquidity Risk arises largely due to maturity mismatch associated with assets and liabilities of the Company. Liquidity risk stems from the inability of the Company to fund increase in assets, manage unplanned changes in funding sources and meet financial commitments when required. The Asset Liability Committee (ALCO) of the Board of directors meets regularly to review the liquidity portion based on future cash flows. The company also maintain adequate liquid assets and has access to funding the hedge against unexpected requirement.

49.2.11.1 Analysis of Financial Assets and Liabilities by Remaining Contractual Maturities

The below table shows as analysis of assets / liabilities and analysed accordingly to when they are expected to be recovered or settled and considering contract terms. For loans/ advances to customers maturity analysis is based on original contractual terms.

Maturity Pattern of Financial Assets and Liabilities

as on 31st March, 2023

(₹ in lakhs)

Particulars	Less Than 3 Months	3 months - 6 months	6 months - 1 year	1 year - 3 years	3 years - 5 years	Over 5 Years	Not Sensitive to ALM (Refer Note 47.2.11.1.(i))	Total
Financial Assets								
Cash and Cash Equivalents	48,675.54	1,511.34	-	-	-	-	-	**50,186.88**
Derivative Financial Instruments								
Bank Balance other than Cash and Cash Equivalents	-	5.43	2,621.59	4,619.81	-	-	-	**7,246.83**
Loans (Refer Note 49.2.11.1. (iii))	32,721.24	23,567.82	41,255.71	67,757.78	20,835.05	23,660.38	(41,727.72)	**1,68,070.26**
Financial Investments at FVOCI			196.40				-	**196.40**
Financial Investments at Amortised Cost	11.91	490.81	459.27	2,514.99	50.00	629.25	-	**4,156.23**
Financial Investments at FVTPL	-	-	201.17	-	-	-	-	**201.17**
Other Financial Assets	741.38	33.57	26.11	43.95	13.12	2.10	-	**860.23**
Total Financial Assets	**82,150.07**	**25,608.97**	**44,760.25**	**74,936.53**	**20,898.17**	**24,291.73**	**(41,727.72)**	**2,30,918.00**
Financial Liabilities								-
Debt Securities	5,097.39	-	2,000.00	19,680.04	-	-	(715.78)	**26,061.65**
Deposits	536.10	875.90	418.76	999.90	944.69	-	-	**3,775.35**
Borrowings (Other than Debt Securities)	73,618.48	39,280.38	28,513.15	17,332.67		-	(779.13)	**1,57,965.55**
Subordinated Liabilities	175.51	87.22	45.83	872.10	83.67	60.92	-	**1,325.25**
Trade Payables	3,069.05	3.84	31.93	-	-	-	-	**3,104.82**
Other Financial Liabilities	1,376.10	35.29	362.02	53.25	-	-	-	**1,826.66**
Total Financial Liabilities	**83,872.63**	**40,282.63**	**31,371.69**	**38,937.96**	**1,028.36**	**60.92**	**(1,494.91)**	**1,94,059.28**
Net Financial Assets/(Liabilities)	**(1,722.56)**	**(14,673.66)**	**13,388.56**	**35,998.57**	**19,869.81**	**24,230.81**	**(40,232.81)**	**36,858.72**

49.2.11.1 (i) Represents adjustments on account of ECL /EIR

49.2.11.1 (ii) While above table shows short fall in the Assets compared to the Liabilities in certain buckets, in actual practice , the loan accounts which are considered as being paid off in those buckets are normally renewed/ rolled over within a day or two and the shortfall gets covered within the same bucket. This renewal / roll over is not considered in the above table.

49.2.11.1 (iii) Refer Note 41 for Change in accounting policy w.r.t 'Accounting of Interest income on credit impaired assets'

49.2.11.2 Maturity Pattern of Financial Assets and Liabilities as on 31st March, 2022

(₹ in lakhs)

Particulars	Less Than 3 Months	3 months - 6 months	6 months - 1 year	1 year - 3 years	3 years - 5 years	Over 5 Years	Not Sensitive to ALM (Refer Note 47.2.11.1.(i))	Total
Financial Assets								
Cash and Cash Equivalents	29,313.00	5.00	-	-	-	-	-	**29,318.00**
Derivative Financial Instruments	-	11.00	-	-	-	-	-	**11.00**
Bank Balance other than Cash and Cash Equivalents	585.00	894.00	866.00	1,857.00	-	-	-	**4,202.00**
Loans (Refer Note 49,2.11.2. (iii))	28,507.00	21,461.00	36,346.00	63,952.00	34,373.00	20,318.00	(48,408.00)	**1,59,701.00**
Adjustment on account of EIR /ECL	3,152.00							
Financial Investments at FVOCI	-	-	-	249.00	-	-	-	**249.00**
Financial Investments at Amortised Cost	-	15.00	585.00	825.00	100.00	629.00	-	**2,154.00**
Financial Investments at FVTPL	-	-	-	337.00	-	-	-	**337.00**
Other Financial Assets	991.00	3.00	106.00	31.00	12.00	1.00	-	**1,144.00**
Total Financial Assets	**62,548.00**	**22,389.00**	**37,903.00**	**67,251.00**	**34,485.00**	**20,948.00**	**(48,408.00)**	**1,97,116.00**
Financial Liabilities								**-**
Debt Securities	10,096.00	339.00	-	5,000.00	-	-	(9.00)	**15,426.00**
Deposits	997.00	1,923.00	929.00	1,086.00	1,015.00	-	-	**5,950.00**
Borrowings (Other than Debt Securities)	26,223.00	35,450.00	63,024.00	13,522.00	-	-	(570.00)	**1,37,649.00**
Subordinated Liabilities	68.00	1,578.00	608.00	1,053.00	76.00	59.00	-	**3,442.00**
Trade Payables	2,723.00	104.00	22.00	-	-	-	-	**2,849.00**
Other Financial Liabilities	2,299.00	258.00	113.00	59.00	-	-	-	**2,729.00**
Total Financial Liabilities	**42,406.00**	**39,652.00**	**64,696.00**	**20,720.00**	**1,091.00**	**59.00**	**(579.00)**	**1,68,045.00**
Net Financial Assets/(Liabilities)	**20,142.00**	**(17,263.00)**	**(26,793.00)**	**46,531.00**	**33,394.00**	**20,889.00**	**(47,829.00)**	**29,071.00**

49. 2.11.2 (i) Represents adjustments on account of ECL / EIR

49.2.11.2. (ii) While the above table shows shortfall in the Assets compared to the Liabilities in certain buckets, in actual practice, the loan accounts which are considered as being paid off in those buckets are normally renewed / rolled over within a day or two and the shortfall gets covered within the same bucket. This renewal / roll over is not considered in the above table.Refer disclosure on change in accounting policy

49.2.11.2 (iii) Refer Note 41 for Change in accounting policy w.r.t 'Accounting of Interest income on credit impaired assets'

49.2.12 Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The Company is primarily exposed to Interest rate risk as under:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is subject to

interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods different from the funding sources. Further, majority of company's borrowings are in the form of WCDL/ Cash Credit, on which company is exposed to Interest rate risk either during the tenure of the loan or at the time of renewal which is ordinarily within a period of 12 months. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the company seek to optimize borrowing profile between shortterm and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervises an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenures.

The table below discloses the sensitivity impact analysis of changes in floating interest rates to the Company's pre tax profit

(₹ in lakhs)

Impact on Profit before taxes	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
On Short term Borrowings		
Increase of 100 bps in interest rates	**874.00**	899.00
Decrease of 100 bps in interest rates	**(874.00)**	(899.00)

50. SEGMENT REPORTING

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

51. TRANSFERRED FINANCIAL ASSETS THAT ARE NOT DERECOGNISED IN THEIR ENTIRETY

51.1 The Company has transferred certain pools of fixed rate loan receivables backed by underlying assets by entering into securitisation transactions through Special Purpose Vehicle Trusts ("SPV Trust").

The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Payout Account maintained by the SPV Trust for making scheduled payouts to the investors in Pass Though Certificates (PTCs) issued by the SPV Trust. These securitisation transactions also require the Company to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral, subscription to subordinated PTCs as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the derecognition criteria as set out in Ind AS 109. The consideration received under this securitisation arrangements are accounted as Financial Liability and the balance outstanding as at the end of the reporting date is disclosed as "Secured term loan from securitisation transaction" under Note 20.

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Securitisations		
Carrying amount of Transferred Assets measured at amortised cost (including MRR) (Before ECL adjustments)	**52,680.38**	30,521.00
Carrying amount of Associated Liabilities (Borrowings (other than Debt Securities) - measured at amortised cost)	**47,817.99**	26,321.00
Fair Value of Assets	**52,680.38**	30,521.00
Fair Value of Associated Liabilities	**47,817.99**	26,321.00
Net Position at Fair Value	**4,862.39**	4,200.00

51.2 Interest in unconsolidated structured entity

These are entities which are not consolidated because the company does not control them through voting rights, contract, funding arrangements or other means. The following table describes the types of structured entities that the company does not consolidate but in which it holds interest.

Type of Structured Entity	Nature and Purpose	Interest held by the company
Securitization Vehicle for Loan	To generate Funding for the Company's lending activities Spread through sale of assets to investors Fees for servicing loan	Servicing Fee Credit enhancement provided by the company Excess interest spread

51.2.1 Exposure to Unconsolidated Structured Entity

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Credit enhancements offered in the form of collateral deposits	**6,393.47**	3,277.00
Carrying amount of assets transferred to securitisation SPV (including MRR)	**52,680.38**	30,521.00
(Before ECL adjustments)	**-**	
Carrying amount of associated liabilities	**47,817.99**	26,321.00
Note on companies exposure to unconsolidated structured entity	**Refer Note 49.1**	Refer Note 49.1

52. MOVEMENT IN PROVISIONS

(₹ in lakhs)

Particulars	As at 31-Mar-2022	Additional Provision made during the year	Utilisation/ Reversal made during the year	As at 31-Mar-2023
For Employee Benefits (Refer Note 42)	176.00		10.77	165.23
For Unspent expenditure on Corporate Social Responsibility (Refer Note 23)	49.00		13.70	35.30
For Others (Refer Note 24)	184.00	23.49		207.49
Total	**409.00**	**23.49**	**24.47**	**408.02**

53. NOTE ON ADDITIONAL MANAGEMENT OVERLAY

The Company had in the earlier year, considering the macro-economic environment arising from the COVID-19 pandemic and its implications such as poorer collections, the restructuring permitted during the COVID-19 period etc., as well as the RBI's framework on staging of loans and PCA (Prompt Corrective Action), created a additional management overlay amounting to ₹ 22,610 Lakhs.

Considering the volatility in the market in which company operates it has decided to limit the NNPA ratio below 3%. As a result, management has continued additional management overlay amounting to ₹ 21,083 Lakhs as at 31st March 2023.

54. FLOATING CHARGE

In accordance with the Master direction - Non-Banking Financial Companies Acceptance of Public deposits (Reserve Bank) directions, 2016 dated 25th August, 2016, the Company has created a floating charge on the Statutory Liquid Assets comprising of investment in Government Securities (face value) to the extent of ₹ 1127.06 lakhs on 31st March 2023 (31st March 2022: ₹ 1138 lakhs) in favour of trustees representing the public deposit holders of the Company.

55. RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION DURING THE YEAR

Rated Instruments	Name of Credit Rating Agency	Ratings	Migration in Ratings during the year
Bank Facilities Long-term	CRISIL	CRISIL A+ / Stable	1 Notch upgraded
Commercial Paper	CRISIL	CRISIL A1+	1 Notch upgraded
Public Deposits	CRISIL	CRISIL A+ / Stable	1 Notch upgraded
Non-Convertible Debentures	CRISIL	CRISIL A+ / Stable	1 Notch upgraded
Market Linked Debentures	CRISIL	CRISIL PPMLD A+ r /Stable	1 Notch upgraded

56. CAPITAL

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022 (Refer Note 56.1)
CRAR (%)	**27.92%**	21.57%
CRAR - Tier 1 Capital (%)	**27.92%**	21.11%
CRAR - Tier 2 Capital (%)	**0.00%**	0.46%
Amount of Subordinated Debt raised as Tier-2 Capital (Refer Note 55.2)	**847.22**	2,968.00
Amount raised by issue of Perpetual Debt Instruments	**Nil**	Nil

56.1 Computation of CRAR ratio for the year ended 31st March 2022 is after considering change in accounting policy as referred in Note 41.

56.2 Discounted Value of (principal) ₹ 205.82 lakhs (₹ 337 lakhs) considered for Tier 2 capital against the Book Value of (principal) ₹ 847.22 lakhs (₹ 2968 lakhs).

57. INVESTMENTS

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
1. Value of Investments		
i. Gross Value of Investments		
(a) In India	**4,553.80**	2,740.00
(b) Outside India,	**-**	-
ii. Provisions for Depreciation		
(a) In India	**-**	-
(b) Outside India,	**-**	-
iii. Net Value of Investments		
(a) In India	**4,553.80**	2,740.00
(b) Outside India,	**-**	-
2. Movement of Provisions held towards Depreciation on Investments		
i. Opening Balance	**-**	-
ii. Add : Provisions made during the Year	**-**	-
iii. Less : Write-Off/Write-Back of Excess Provisions during the Year	**-**	-
iv. Closing Balance	**-**	-

58. DERIVATIVES

58.1 Forward rate Agreement/Interest Rate Swap

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
i. The Notional Principal of Forward Agreements	-	-
ii. Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements		
iii. Collateral required by the NBFC upon entering into Forwards	-	-
iv. Concentration of credit risk arising from the Forward	-	-
v. The fair value of the Forward book	-	-
vi. Concentration of credit risk arising from the Forward	-	-
vii. The fair value of the Forward book	-	-

58.2 Exchange Traded interest Rate (IR) derivatives : Nil

58.3 Disclosures on Risk Exposure of Derivatives

i) Qualitative Disclosures

The company's hedging practice only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exist between the hedged item and hedging instruments. The company enters into hedge relationships were the critical terms of the hedging instrument match with the terms of the hedged item and so a qualitative and quantitative assessment of effectiveness is performed.

ii) Quantitative Disclosures

(₹ in lakhs)

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
i. Derivatives (Notional Principal Amount)				
For Hedging		-	1,748.00	-
ii. MarkedtoMarketPositions[1]	-	-	-	-
a) Asset (+)	-	-	11.00	-
b) Liability (-)	-	-	-	-
iii. Credit Exposure [2]	-	-	-	-
iv.Unhedged Exposures	-	-	-	-

59. DISCLOSURES RELATING TO SECURITISATION/DIRECT ASSIGNMENT

59.1 The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
No of SPVs sponsored by the NBFC for Securitisation transactions	**9**	4
Total Amount of Securitised Assets as per books of the SPVs sponsored	**48,036.33**	26,556.00
Total Amount of exposures retained by the NBFC to comply with MRR as on the date of Balance Sheet:	**-**	-
(a) Off-Balance Sheet Exposures First Loss -	**-**	-
Others -	**-**	-
(b) On-Balance Sheet Exposures First Loss - (Refer Note 59.1.2) Others - MRR	**9,395.23**	5,658.00
Amount of exposures to Securitisation Transactions other than MRR	**-**	-
(a) Off-Balance Sheet Exposures	**-**	-
i. Exposure To Own Securitisations First Loss -	**-**	-
Loss -	**-**	-
ii. Exposure To Third Party Securitisations First Loss -	**-**	-
Others -	**-**	-
(b) On-Balance Sheet Exposures	**-**	-
i. Exposure To Own Securitisations First Loss - (Refer Note 59.1.3) Others -	**7,049.81**	2,722.00
ii. Exposure To Third Party Securitisations First Loss -	**-**	-
iii. Others -	**-**	-

59.1.1 Only the SPVs relating to outstanding securitization transactions are reported here

59.1.2 Current year amount includes first loss provided in the form of fixed deposits (₹ 6392.57 lakhs), Equity tranche (₹ 3002.66 lakhs) and over collateralisation given for the PTC transaction (₹ 7049.81 lakhs)

59.1.3 Current year amount includes amount provided as over collateralisation other than MRR, as per the revised RBI circular dated 24th September, 2021.

59.2 The information on Direct Assignment transaction of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below:

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
No. of transactions assigned by the Company Total amount outstanding	9.00	9.00
Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet	490.50	758.00
(a) Off-Balance Sheet Exposures:	-	-
First Loss	-	-
Others	-	-
(b) On-Balance Sheet Exposures First Loss	-	-
Others	50.89	90.00
Amount of exposures to Assigned Transactions other than MRR	-	-
(c) Off-Balance Sheet Exposures	-	-
i. Exposure to Own Securitisations First Loss	-	-
Loss	-	-
ii. Exposure to Third Party Securitisations First Loss	-	-
Others	-	-
(b) On-Balance Sheet Exposures	-	-
i. Exposure to Own Securitisations First Loss	-	-
Others	-	-
ii. Exposure to Third Party Securitisations First Loss	-	-
Others	-	-

59.3 Details of financial assets sold to securitisation/reconstruction company for asset reconstruction:

The Company has not sold any financial assets to securitisation/ reconstruction company for asset reconstruction during the year ended 31st March 2023 and 31st March 2022.

59.4 Details of Assignment Transactions undertaken by NBFC

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
i) No. of Accounts (in No.s)	**Nil**	Nil
ii) Aggregate Value of accounts sold, gross exposure	**Nil**	Nil
iii) Amount of Exposures retained by the company towards MRR	**Nil**	Nil
iv) Aggregate consideration (ii-iii)	**Nil**	Nil
v) Additional consideration realized in respect of accounts transferred in earlier Years	**Nil**	Nil
vi) Aggregate Gain/(Loss) over Net Book Value	**Nil**	Nil

59.4.1 The above disclosures are in respect of assignment transactions undertaken during the respective financial years.

59.5 Details of non-performing financial assets purchased / sold by the Company:

The Company has not purchased/sold non-performing assets for the year ended 31st March 2023 and 31st March 2022

59.6 Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/ 2021-22 dated 24th September 2021

a) Details of transfer through securitization in respect of loans not in default during the year ended 31st March, 2023

(₹ in lakhs)

Entity	DCB and MCSL (Nimbus 2022 2W Moon Knight)	KMPL and MCSL (Indigo 005)	DCB and MCSL (Nimbus 2022 2W Arrowtown)	HDFC MF and MCSL (Plutus 09 2022)	DCB and MCSL (Bristol 2022 2W)	HDFC MF and MCSL (Mufasa 11 2022)
Count of Loan accounts acquired (in No.s)	24,523	18,223	16,460	25,974	12,662	14,057
Amount of loan account acquired.	10,646.27	8,982.52	9,969.88	12,156.26	8,347.27	8,286.84
Retention of Beneficial economic interest (OC) (%)	7.50%	9.00%	7.50%	8.49%	7.50%	8.55%
Weighted average maturity (residual maturity)	1.73 Years	1.65 Years	1.94 Years	1.51 Years	2.01 Years	1.84 Years
Weighted average holding period	12.5 Months	11.3 Months	8.9 Months	5.8 Months	8.07 Months	7.4 Months
Coverage of tangible security coverage	100%	100%	100%	100%	100%	100%
Rating wise distribution of acquired loans	Series A1 PTCs-AA (SO)	Series A1 PTCs-AA (SO)	Series A1 PTCs-AA (SO)	Series A1 PTCs-AA (SO) Series A2 PTCs-AA+(SO)	Series A1 PTCs-AA (SO)	Series A1 PTCs-AA+(SO) Series A1 PTCs-AA-(SO)

60. ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES AS AT 31st MARCH, 2023

(₹ in lakhs)

Particulars	Over 1 Day to 7 Days	Over 8 Day to 14 Days	Over 15 Days to 30 Days	Over 1 Month Upto 2 Months	Over 2 Months Upto 3 Months	Over 3 Months Upto 6 Months	Over 6 Months Upto 1 Year	Over 1 Year Upto 3 Years	Over 3 Years Upto 5 Years	Over 5 Years	Not sensitive to ALM (Refer Note 60.1)	Total
Deposits	50.35	27.71	78.79	109.67	269.58	875.90	418.76	999.90	944.69	-		3,775.35
Advances (Refer Note 60.2)	12,327.14	2,884.37	1,049.17	8,379.47	8,081.09	23,567.82	41,255.71	67,757.78	20,835.05	23,660.38	(41,727.72)	1,68,070.26
Investments	-	-	9.39	1.40	1.12	490.81	856.84	2,514.99	50.00	629.25	-	4,553.80
Borrowings	7,603.13	571.72	20,739.27	28,705.25	15,999.11	39,280.38	28,513.15	17,332.67	-	-	(779.13)	1,57,965.55
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-	-

60.1 Represents adjustments on account of EIR / ECL

60.2 Refer Note 41 for Change in accounting policy w.r.t 'Accounting of Interest income on credit impaired assets'.

61. EXPOSURE TO REAL ESTATE SECTOR

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Direct Exposure		
i) Residential Mortgages		
Lending Fully Secured by Mortgages on Residential Property, that is or will be occupied by the borrower or that is rented	**Nil**	Nil
ii) Commercial Real Estate		
Lending Secured by Mortgages on Commercial Real Estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also Include Non-Fund based limits.	**Nil**	Nil
iii) Investments in Mortgage Backed Securities (MBS) and other Securitized Exposures		
(a) Residential	**Nil**	Nil
(b) Commercial Real Estate	**Nil**	Nil
Total Exposure to Real Estate Sector	**Nil**	Nil

62. EXPOSURE TO CAPITAL MARKET

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
1) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	**196.84**	249.00
2) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOS / ESOPS), convertible bonds, convertible debentures, and units of equity- oriented mutual funds;	**-**	-
3) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	**-**	-
4) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	**-**	-
5) Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers and market makers;	**-**	-
6) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	**-**	-
7) Bridge loans to companies against expected equity flows / issues;	**-**	-
8) All exposures to Venture Capital Funds (both registered and unregistered)	**-**	-
Total Exposure to Capital Market	**196.84**	249.00

63. DETAILS OF SINGLE BORROWER LIMIT (SGL) / GROUP BORROWER LIMIT (GBL) EXCEEDED BY THE NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / group Borrower Limit (GBL).

64. UNSECURED ADVANCES

The unsecured loans against Demand Promissory Note (DPN) executed by the borrowers and outstanding as at 31st March 2023 is 35.03 lakhs (₹ 365.75lakhs).

65. ADDITIONAL DISCLOSURES

65.1 Provisions and Contingencies

The details of Provisions and Contingencies recognised in Statement of Profit and Loss is as under:

(₹ in lakhs)

Head in Statement of Profit and Loss	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Provision for depreciation on Investment	**-**	-
Provision towards NPA - Impairment on Financial Instruments	**(5,052.70)**	30,199.00
Provision towards Standard Assets - Impairment on Financial Instruments	**(1,007.08)**	(1,224.00)
General Provision - Impairment on Financial Instruments	**(215.40)**	215.00
Provision made towards Income tax - Tax Expenses (Refer Note 65.1.1)	**3,012.00**	(5,712.00)
Provision for Gratuity - Employee Benefit Expenses	**64.33**	67.00
Provision for Compensated absences - Employee Benefit Expenses	**3.17**	31.00
Provision towards dealer advance - Impairment on Financial Instruments	**-**	222.00
Provision for RTO demand - (ODISHA State) - Other Expenses	**24.27**	24.00
Total	**(3,171.40)**	23,822.00

65.1.1 Provision made towards income tax comprises of current tax, deferred tax and tax adjustment for earlier years.

65.2 Drawdown from Reserves

The drawdown from reserves was Nil.

66. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs

66.1 Concentration of Deposits (for Deposit Taking NBFCs)

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Total Deposits of Twenty Largest Depositors	**554.02**	1,499.00
Percentage of Deposits of Twenty Largest Depositors to Total Deposits of the NBFC	**15.52%**	24.38%

66.2 Concentration of Advances

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Total Advances to Twenty Largest Borrowers	**16,477.98**	11,619.00
Percentage of Advances to Twenty Largest Borrowers to Total Advances of the NBFC	**7.89%**	5.70%

66.3 Concentration of Exposures

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Total Exposure to Twenty Largest Borrowers / Customers	**16,477.98**	11,619.00
Percentage of Advances to Twenty Largest Borrowers / customers to total Exposure of the NBFC on Borrowers / Customers	**7.89%**	5.70%

66.4 Concentration of NPAs

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Total exposure to top four NPA accounts	**18.46**	2,303.00

66.5 Sector-wise NPAs

(₹ in lakhs)

Sector	Percentage of NPAs to Total Advances in that Sector			
	31-Mar-2023		31-Mar-2022	
	NPA Value	%	NPA Value	%
Agriculture & Allied Activities	**-**	**0.00%**	-	0.00%
MSME	**-**	**0.00%**	-	0.00%
Corporate Borrowers	**-**	**0.00%**	2,303.00	26.69%
Services	**-**	**0.00%**	88.00	100.00%
Unsecured Personal Loan	**-**	**0.00%**	10.00	100.00%
Auto Loans	**43,119.63**	**22.41%**	50,736.00	26.40%
Micro Finance Buyout	**-**	**0.00%**	-	0.00%
Others	**-**	**0.00%**	-	0.00%

66.5.1 NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as stated in Note 6.1.(ix)

66.5.2 The above note does not include interest accrued and due on NPA assets recognised pursuant to a change in accounting policy amounting to ₹ 3,229.42 Lakhs. Refer Note 41 for detailed disclosure for the same.

67. MOVEMENT OF NPAs

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
I. Net NPAs to Net Advances (%)	**2.58%**	5.91%
II. Movement of NPAs (gross)		
(a) Opening Balance	**53,137.00**	25,177.00
(b) Additions during the Year	**14,645.63**	32,980.00
(c) Reductions during the Year	**(24,663.00)**	(5,020.00)
(d) Closing Balance	**43,119.63**	53,137.00
III. Movement of Net NPAs		
(a) Opening Balance	**9,249.00**	11,574.00
(b) Additions during the Year	**(61.92)**	(202.00)
(c) Reductions during the Year	**(4,779.48)**	(2,123.00)
(d) Closing Balance	**4,407.60**	9,249.00
IV. Movement of Provisions for NPAs (Excluding provisions on Standard Assets)		
(a) Opening Balance	**43,888.00**	13,603.00
(b) Provisions made during the Year (Refer Note 11(ii))	**14,707.55**	33,182.00
(c) Write-Off/write-back of excess provisions	**(19,883.52)**	(2,897.00)
(d) Closing Balance	**38,712.03**	43,888.00

67.1 NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as stated in Note No. 6.1.(ix)

67.2 The above note does not include interest accrued and due on NPA assets recognised pursuant to a change in accounting policy amounting to ₹ 3,229.42 Lakhs. Refer Note 41 for detailed disclosure for the same.

68. Disclosure pursuant to RBI Notification - RBI / 2019 - 20 / 170 DOR (NBFC). CC. PD. No. 109 /22.10.106 / 2019-20 dated 13th March 2020 - A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'

68.1 As at 31st March, 2023

(₹ in lakhs)

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP Norms	Difference Between Ind AS 109 Provisions and IRACP Norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard:	**Stage 1**	1,52,899.80	1,304.63	1,51,595.17	611.96	692.67
	Stage 2	9,671.58	833.51	8,838.07	38.63	794.88
Subtotal for Performing Assets		**1,62,571.38**	**2,138.14**	**1,60,433.24**	**650.59**	**1,487.55**
Non-Performing Assets (NPA)						
Sub Standard	**Stage 3**	**21,277.26**	**18,320.88**	**2,956.38**	**2,040.73**	**16,280.15**
						-
Doubtful - up to 1 year	**Stage 3**	11,309.07	9,212.29	2,096.78	5,357.85	3,854.44
1 to 3 years	**Stage 3**	11,990.09	9,733.05	2,257.03	8,899.33	833.72
More than 3 years	**Stage 3**	1,772.63	1,445.81	326.83	1,586.07	-140.26
Subtotal for Doubtful		**25,071.79**	**20,391.15**	**4,680.64**	**15,843.25**	**4,547.90**
Loss	**Stage 3**	**-**	**-**	**-**	**-**	**-**
Subtotal for NPA		**46,349.05**	**38,712.03**	**7,637.02**	**17,883.98**	**20,828.05**
Other items such as Guarantees, Loan Commitments, etc. which are in the Scope of Ind AS 109 but not Covered under Current Income Recognition, Asset Classification and Provisioning (IRACP) Norms	-	-	-	-	-	-
Sub-total		46,349.05	38,712.03	7,637.02	17,883.98	20,828.05
Total	**Stage 1**	**1,52,899.80**	**1,304.63**	**1,51,595.17**	**611.96**	**692.67**
	Stage 2	**9,671.58**	**833.51**	**8,838.07**	**38.63**	**794.88**
	Stage 3	**46,349.05**	**38,712.03**	**7,637.02**	**17,883.98**	**20,828.05**
	Total	**2,08,920.43**	**40,850.17**	**1,68,070.26**	**18,534.57**	**22,315.61**

68.1.1 Provision required under IRACP norms for stage 3 Assets comprising of assets belonging to the Sub Standard and Doubtful categories specified under the IRACP norms has been complied on a collective basis and above sub - classification into these categories have been done for disclosure purpose only.

68.1.2 The aggregate impairment loss on application of Expected Credit Loss (ECL) as per Ind AS, as stated above, is more than the provisioning required under IRACP norms(including standard asset provisioning).

68.2 As at 31st March, 2022

(₹ in lakhs)

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP Norms	Difference Between Ind AS 109 Provisions and IRACP Norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard:	**Stage 1**	1,36,103.00	1,680.00	1,34,423.00	544.00	1,136.00
	Stage 2	14,557.00	1,465.00	13,092.00	75.00	1,390.00
Subtotal for Performing Assets		**1,50,660.00**	**3,145.00**	**1,47,515.00**	**619.00**	**2,526.00**
Non-Performing Assets (NPA)						
Sub Standard	**Stage 3**	**33,627.00**	**26,305.00**	**7,322.00**	**3,285.00**	**23,020.00**
						-
Doubtful - up to 1 year	**Stage 3**	12,623.00	9,778.00	2,845.00	4,993.00	4,785.00
1 to 3 years	**Stage 3**	9,928.00	7,694.00	2,234.00	6,894.00	800.00
More than 3 years	**Stage 3**	-	-	-	-	-
Subtotal for Doubtful		**22,551.00**	**17,472.00**	**5,079.00**	**11,887.00**	**5,585.00**
Loss	**Stage 3**	**111.00**	**111.00**	**-**	**111.00**	**-**
Subtotal for NPA		**56,289.00**	**43,888.00**	**12,401.00**	**15,283.00**	**28,605.00**
Other items such as Guarantees, Loan Commitments, etc. which are in the Scope of Ind AS 109 but not Covered under Current Income Recognition, Asset Classification and Provisioning (IRACP) Norms	-	-	-	-	-	-
Sub-total		56,289.00	43,888.00	12,401.00	15283.00	28,605.00
Total	**Stage 1**	**1,36,103.00**	**1,680.00**	**1,34,423.00**	**544.00**	**1,136.00**
	Stage 2	**14,557.00**	**1,465.00**	**13,092.00**	**75.00**	**1,390.00**
	Stage 3	**56,289.00**	**43,888.00**	**12,401.00**	**15,283.00**	**28,605.00**
	Total	**2,06,949.00**	**47,033.00**	**1,59,916.00**	**15,902.00**	**31,131.00**

68.2.1 Provision required under IRACP norms for stage 3 Assets comprising of assets belonging to the Sub Standard and Doubtful categories specified under the IRACP norms has been complied on a collective basis and above sub - classification into these categories have been done for disclosure purpose only.

68.2.2 The aggregate impairment loss on application of Expected Credit Loss (ECL) as per Ind AS, as stated above, is more than the provisioning required under IRACP norms(including standard asset provisioning).

69. DISCLOSURES AS REQUIRED FOR LIQUIDITY RISK

69.1 Funding Concentration based on Significant Counterparty (Both Deposits and Borrowings)

(₹ in lakhs)

Particulars	As at 31-Mar-2023
Number of Significant Counter Parties (Refer Note 69.1.1) (In Numbers)	**23.00**
Amount (In Lakhs)	**1,81,704.11**
Percentage of Funding Concentration to Total Deposits	**4632.74%**
Percentage of Funding Concentration to Total Liabilities	**93.37%**

69.1.1 Significant counterparty is as defined in RBI Circular RBI / 2019-20 / 88 DOR.NBFC (PD) CC.No.102/ 03.10.001 / 2019-20 dated 4th November 2019 on Liquidity Risk Management Framework for Non- Banking Financial Companies and Core Investment Companies.

69.1.2 Including borrowing from securitisation and non-convertable debentures.

69.2 Top 20 Deposits

(₹ in lakhs)

Particulars	As at 31-Mar-2023
Total Amount of Top 20 Deposits (in lakhs)	**554.02**
Percentage of Amount of top 20 Deposits to Total Deposits	**15.52%**

69.3 Top 10 Borrowing

(₹ in lakhs)

Particulars	As at 31-Mar-2023
Total Amount of Top 10 borrowings (₹ in lakhs) (Refer Note 69.3.1)	**84,916.45**
Percentage of amount of top 10 Borrowings to Total Borrowings	**44.86%**

69.3.1 Including borrowing on securitization

69.4 Funding Concentration based on significant instrument/product (Refer Note 68.4.1)

(₹ in lakhs)

Particulars	As at 31-Mar-2023	Percentage of total liabilities
Loan from Bank/ Other Financial Institution (Refer Note 69.4.2)	**157287.05**	80.82%
Subordinated Debts (Refer 69.4.3)	**1,353.78**	0.70%
Deposits (Refer Note No. 69.4.4)	**3,922.18**	2.02%
Non-Convertible Debentures (Refer Note 69.4.5)	**8,543.52**	4.39%
Principle Protected Market Linked Debentures	**17,520.83**	9.00%
Loans from Directors and relatives	**678.50**	0.35%

69.4.1 Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC No.102/03.10.001/2019- 20 dated 4th November 2019 on Liquidity Risk Management Framework for Non - Banking Financial Companies and Core Investment Companies.

69.4.2 Includes securitisation borrowings.

69.4.3 Includes unclaimed matured subordinated liabilities.

69.4.4 Includes unclaimed matured deposits.

69.4.5 Includes unclaimed matured debenture.

69.5 Stock Ratio

(₹ in lakhs)

Particulars	As at 31-Mar-2023
Commercial paper as a percentage of total public funds (Refer Note 69.5.1)	-
Commercial paper as a percentage of total liabilities	-
Commercial paper as a percentage of total assets	-
Other short term liabilities as a percentage of total public funds	**82.18%**
Other short term liabilities as a percentage of total liabilities	**79.65%**
Other short term liabilities as a percentage of total assets	**63.65%**
Non convertible debentures (original maturity less than 1 year) as a percentage of total public funds	-
Non convertible debentures (original maturity less than 1 year) as a percentage of total liabilities	-
Non convertible debentures (original maturity less than 1 year) as a percentage of total assets	-

69.5.1 Public funds is as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non - Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.)

69.6 Institutional Setup for liquidity risk management (Refer Note 49.2.11)

70. CUSTOMER COMPLAINTS

(₹ in lakhs)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
a) Number of complaints pending at the beginning of the year	**2**	1
b) Number of complaints received during the year	**3,309**	4,329
c) Number of complaints redressed during the year	**3,308**	4,328
d) Number of complaints pending at the end of the year	**3**	2

71. INFORMATION ON INSTANCES OF FRAUD

Instances of fraud for the year ended 31st March, 2023:

(₹ in lakhs)

Nature of Fraud	No. of Cases	Amount of Fraud	Recovery	Amount Provided / Written-Off
Cash Mis Appropriation & ID Theft	8	4.69	1.19	Nil

Instances of fraud for the year ended 31st March, 2022:

(₹ in lakhs)

Nature of Fraud	No. of Cases	Amount of Fraud	Recovery	Amount Provided / Written-Off
Nil	Nil	Nil	Nil	Nil

72. PENALTIES:

1. Imposed by BSE during the year ended 31st March 2023 is ₹ 8.30 Lakhs and during the year ended 31st March 2022 is ₹ Nil.

73. As required In Terms of Paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 by Reserve Bank of India.

Liabilities Side:

73.1 Loans and Advances availed by the NBFC, inclusive of interest accrued thereon but not paid

(₹ in lakhs)

Particulars	Percentage of NPAs to Total Advances in that Sector			
	31-Mar-2023		31-Mar-2022	
	Outstanding amount	Amount Overdue	Outstanding amount	Amount Overdue
a) Debenture: Secured (Refer Note 73.1.1) (Other than falling within the meaning of Public Deposits)	**26,064.35**	**2.70**	15,430.00	4.00
b) Deferred Credits Term Loans	**-**	**-**	-	-
c) Term Loan	**69,887.82**	**-**	47,136.00	-
d) Inter- Corporate Loans and Borrowing	**-**	**-**	-	-
e) Commercial Paper	**-**	**-**	-	-
f) Public Deposits (Refer Note 73.1.2)	**3,922.18**	**146.83**	6,150.00	200.00
g) Other Loans	**-**	**-**		
· Subordinated Debt (Refer Note 73.1.3)	**1,353.78**	**28.53**	3,465.00	23.00
· Cash Credit	**8,795.45**	**-**	9,383.00	-
· Working Capital Demand Loan	**78,594.98**	**-**	80,622.00	-
· Deposits from Corporates	**-**	**-**	-	-
· Loans and Advances from Directors (Unsecured)	**678.50**	**-**	508.00	-
· Senior Secured Notes	**-**	**-**	-	-
· Borrowings	**-**	**-**	-	-
Total	**1,89,297.05**	**178.06**	**1,62,694.00**	**227.00**

73.1.1 Overdue for a sum of ₹ 2.70 lakhs (including interest) in respect of debentures represents debentures for which repayment could not be made as claims were not received from debenture holders

73.1.2 Overdue of ₹ 146.83 lakhs (including interest) in respect of public deposit includes deposits for a sum of ₹ 31.94 lakhs pending renewal and deposits for a sum of ₹ 114.89 lakhs for which payment could not be made as claims were not received from deposit holders.

73.1.3 Overdue of ₹ 28.53 lakhs in respect of subordinated liabilities represents liabilities for which repayment could not be made as claims were not received from holders

73.2 Break-up of (1) (f) above (Outstanding Public Deposits inclusive of interest accrued thereon but not paid):

(₹ in lakhs)

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	Outstanding amount	Amount Overdue	Outstanding amount	Amount Overdue
In the form of Unsecured Debentures	**-**	**-**	-	-
In the form of Partly Secured Debentures i.e debentures where there is a shortfall in the Value of Security	**-**	**-**	-	-
Other Public Deposits	**3,922.18**	**146.83**	6,150.00	200.00

Assets Side:

73.3 Break-up of Loans and Advances including bills receivables (other than those included in 73.4 below)

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
a) Secured	**16,460.01**	11,285.00
b) Unsecured DPN	**35.03**	366.00

73.4 Break up of Leased Assets and Stock on Hire and other assets counting towards Asset financing activities.

(₹ in lakhs)

Particulars	Outstanding Amount (Gross Value) in Lakhs for the Year Ended	
	31-Mar-2023	31-Mar-2022
i) Lease Assets Including Lease Rentals Under Sundry Debtors:		
a) Financial Lease		
b) Operating Lease	**Nil**	Nil
ii) Stock on Hire Including Hire Charges under Sundry Debtors:	**Nil**	Nil
a) Assets on Hire		
b) Repossessed Assets	**Nil**	Nil
iii) Others Loans counting towards Asset Financing Activities	**Nil**	Nil
a) Loans where Assets have been Repossessed	**773.76**	753.00
b) Loans Other than (a) Above (Refer Note 73.4.1)	**1,91,651.62**	1,91,393.00

73.4.1 Refer Note 41 for Change in accounting policy w.r.t 'Accounting of Interest income on credit impaired assets'

73.5 Break-Up of Investments:

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Current Investments		
Quoted:		
i. Shares: (a) Equity	**Nil**	Nil
(b) Preference	**Nil**	Nil
ii. Debenture and Bonds	**Nil**	Nil
iii. Units of Mutual Funds	**Nil**	Nil
iv. Government Securities	**21.77**	15.00
v. Others	**Nil**	Nil
Long Term Investments		
Quoted:		
i. Shares: (a) Equity	**196.84**	249.00
(b) Preference	**Nil**	Nil
ii. Debentures and Bonds	**Nil**	Nil
iii. Units of Mutual Funds	**Nil**	Nil
iv. Government Securities	**1,127.06**	1,138.00
v. Others (Please specify)	**Nil**	Nil
Unquoted:		
i. Shares: (a) Equity	**Nil**	Nil
(b) Preference	**Nil**	Nil
ii. Debentures and Bonds	**Nil**	Nil
iii. Units of Mutual Funds	**Nil**	Nil
iv. Government Securities	**Nil**	Nil
v. Investment in PTC Transaction	**3,007.40**	1338
vi. Others	**200.73**	Nil
Total	**4,553.80**	**2,740.00**

73.6 Borrower group - wise classification of all Leased assets, Stock - on Hire and Loans and Advances financed as in Note 73.3 and 73.4 above:

(₹ in lakhs)

Particulars	Amount Net of ECL Provision As at 31-Mar-2023			Amount Net of ECL Provision As at 31-Mar-2022		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Related Parties						
(a) Subsidiaries	**Nil**	**Nil**	**Nil**	Nil	Nil	Nil
(b) Companies in the same Group	**Nil**	**Nil**	**Nil**	Nil	Nil	Nil
(c) Other Related Parties	**232.84**	**31.64**	**264.48**	628.00	260.00	888.00
Other than Related Parties (Refer Note 73.6.1)	**1,67,802.58**	**3.20**	**1,67,805.78**	1,58,808.00	5.00	1,58,813.00
Total	**1,68,035.42**	**34.84**	**1,68,070.26**	1,59,436.00	265.00	1,59,701.00

73.6.1 Refer Note 41 for Change in accounting policy w.r.t 'Accounting of Interest income on credit impaired assets'

73.7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

(₹ in lakhs)

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	Market Value / Break Up or Fair Value or NAV	Book Value (Net of Provisions)	Market Value / Break Up or Fair Value or NAV	Book Value (Net of Provisions)
1. Related Parties				
a) Subsidiaries	**Nil**	**Nil**	Nil	Nil
b) Companies In the Same Group	**Nil**	**Nil**	Nil	Nil
c) Other Related Parties	**Nil**	**Nil**	Nil	Nil
2. Other than Related Parties	**4,553.80**	**4,553.80**	2,740.00	2,740.00
Total	**4,553.80**	**4,553.80**	2,740.00	2,740.00

73.8 Other information

(₹ in lakhs)

Particulars	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Gross Non-Performing Assets (Refer Note 73.8.1 & 73.8.2)		
a) Related Parties	**Nil**	Nil
b) Other Than Related Parties	**43,119.63**	53,137.00
Net Non - Performing Assets		
a) Related Parties	**Nil**	Nil
b) Other Than Related Parties	**4,407.60**	9,249.00
Assets Acquired in Satisfaction of Debt	**Nil**	Nil

73.8.1 NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as stated in Note 6.1. (ix).

73.8.2 The above note does not include interest accrued and due on NPA assets recognised pursuant to a change in accounting policy amounting to ₹ 3,229.42 Lakhs. Refer Note 41 for detailed disclosure for the same.

74. Disclosure as per the format prescribed as per the notification no. RBI/2021-22/31 DOR.STR. REC.11/21.04.048/2021-22 dated 5th May 2021 for the year ended 31st March, 2023

(₹ in lakhs)

Type of borrower	(A) Number of requests received for invoking resolution process under Part A	(B) Number of accounts where resolution plan has been implemented under this window	(C) exposure to accounts mentioned at (B) before implementation of the plan	(D) of (C), aggregate amount of debt that was converted into other securities	(E) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(F) Increase in provisions on account of the implementation of the resolution plan
Personal Loan	**36,793.00**	**36,793.00**	**12779.10**	**-**	**-**	**14.24**
Corporate persons of which*:						
MSMEs	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**36,793.00**	**36,793.00**	**12779.10**	**-**	**-**	**14.24**

*As defined in Section 3 (7) of the Insolvency and Bankruptcy Code, 2016

75. Disclosure as per the circular no. RBI / 2019-20 / 88 DOR.NBFC (PD) CC No.102 / 03.10.001 / 2019- 20 dated November 04, 2019 issued by Reserve Bank of India on "Liquidity Coverage Ratio (LCR)"

75.1 Quantitative Disclosure

(₹ in lakhs)

Liquidity Coverage Ratio (LCR)	As at 31-Mar-2023		As at 31-Dec-2022		As at 30-Sep-2022		As at 30-Jun-2022		As at 31-Mar-2022	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets										
Total High Quality Liquid Assets (HQLA)	26,504.69	26,504.69	10,362.88	10,362.88	12,545.52	12,545.52	10,622.56	10,622.56	36,977.00	36,977.00
Cash Outflows										
Deposits (for deposit taking Companies)	126.53	146.00	108.12	124.00	413.92	476.00	188.74	217.00	432.00	497.00
Unsecured Wholesale Funding	4,949.47	5,692.00	180.72	208.00	2,493.75	2,868.00	1,172.78	1,349.00	300.00	345.00
Secured Wholesale Funding	10,911.76	12,549.00	12,713.53	14,621.00	10,086.06	11,599.00	10,786.29	12,404.00	29,243.00	33,629.00
Additional requirements, of which										
(i) Outflows related to derivative exposures and other collateral requirements										
(ii) Outflows related to loss of funding on debt products										
(iii) Credit and liquidity facilities										
Other contractual funding obligations	2,490.42	2,864.00	2,505.50	2,881.00	2,444.83	2,812.00	2,545.00	2,927.00	4,506.00	5,182.00
Other contingent funding obligations	-	-	-	-	-	-	-	-	-	-
Total Cash Outflows	**18,478.18**	**21,251.00**	**15,507.86**	**17,834.00**	**15,438.57**	**17,755.00**	**14,692.81**	**16,897.00**	**34,481.00**	**39,653.00**

(₹ in lakhs)

Liquidity Coverage Ratio (LCR)	As at 31-Mar-2023		As at 31-Dec-2022		As at 30-Sep-2022		As at 30-Jun-2022		As at 31-Mar-2022	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
Cash Inflows										
Secured lending	14,482.12	10,862.00	13,575.77	10,182.00	13,062.39	9,797.00	13,189.25	9,892.00	-	-
Inflows from fully performing exposures	-	-	-	-	-	-	-	-	16,750.00	12,563.00
Other cash inflows	1,770.16	1,328.00	2,473.12	1,855.00	2,777.78	2,083.00	-	-	1,092.00	819.00
Total Cash Inflows	**16,252.29**	**12,190.00**	**16,048.89**	**12,037.00**	**15,840.17**	**11,880.00**	**13,189.25**	**9,892.00**	**17,842.00**	**13,382.00**
TOTAL HQLA		26,504.69		10,362.88		12,545.52		10,622.56		36,977.00
TOTAL NET CASH OUTFLOWS		**9,061.00**		**5,797.00**		**5,875.00**		**7,005.00**		**26,271.00**
LIQUIDITY COVERAGE RATIO (%)		**293%**		**179%**		**214%**		**152%**		**141%**

75.1.(i) Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for Cash inflows and Cash outflows).

75.1.(ii) Weighted values are calculated after the application of respective haircuts and stress factor (on Cash Inflow / Cash Outflow).

75.1.(iii) The average LCR for all the quarters are computed as simple average of daily observations over the previous quarters.

75.1.(iv) The figures of the respective months are used for the quantitative disclosure are based on the estimates assumptions and contractual terms of the management, which has been relied upon by the auditors

75.2 Qualitative Disclosure

The Reserve Bank of India has prescribed Guidelines on Maintenance of Liquidity Coverage Ratio (LCR). All Non-Deposit taking NBFCs with asset size of ₹ 10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, is required to maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days.

The LCR requirement was applicable from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching a level upto 60%, 70%, 85% and 100% by December 1, 2021, December 1, 2022, December 1, 2023, December 1, 2024 respectively.

Liquidity Coverage Ratio (LCR) comprises of High Quality Liquid Assets (HQLAs) as numerator and net cash outflows in 30 days as denominator. The average LCR is computed at as simple averages of daily observations over the previous quarter except for the quarter ended 31st March 2022 where in monthly observations are used.

The company, during the quarter ended March 31, 2023, had maintained average HQLA of ₹ 26,504.69 lakhs against ₹ 36,977.00 lakhs for the quarter ended March 31, 2022. HQLA primarily includes cash on hand, bank balances in current account and demand deposits with Scheduled commercial Banks, and Government securities (such unencumbered approved securities held as per the provisions of section 45 IB of RBI Act). The company has implemented the LCR framework and has maintained LCR well above the regulatory threshold. The average LCR for the quarter ended March 31, 2023 was 293% which is above the regulatory requirement of 70%. For the quarter ended March 31, 2022 average LCR was stood at 141%.

76. Disclosure as per the format prescribed as per the notification no. RBI / 2020-21 / 17 DOR. No.BP.BC / 4 / 21.04.048 / 2020-21 on "Micro, Small and Medium Enterprises (MSME) Sector - Restructuring of Advances" having exposure less than or equal to ₹ 25 crores for the year ended 31st March, 2023

(₹ in lakhs)

Number of Accounts Restructured	For the Year Ended 31-Mar-2023	For the Year Ended 31-Mar-2022
Nil	**Nil**	Nil

77. DISCLOSURE OF RESTRUCTURED ACCOUNTS

(₹ in lakhs)

Sl No	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-		2.00	-	**2.00**	-	-	2.00	-	**2.00**
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-		762.03	-	**762.03**	-	-	762.03	-	**762.03**
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-		762.03	-	**762.03**	-	-	762.03	-	**762.03**
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradation of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Repayment Received through restructured accounts	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-		1.00	-	**1.00**	-	-	1.00	-	**1.00**
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-		6.71	-	**6.71**	-	-	6.71	-	**6.71**
7	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-		2.00	-	**2.00**	-	-	2.00	-	**2.00**
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-		755.32	-	**755.32**	-	-	755.32	-	**755.32**
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-		755.32	-	**755.32**	-	-	755.32	-	**755.32**
8	Restructured Accounts as on March 31 of the FY (closing figures*)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

78. ANALYTICAL RATIOS

(₹ in lakhs)

Ratio	Numerator	Denominator	Current Period %	Previous Period %	Variance %	Reason for Variance (>25% only)
Capital to Risk -Weighted Assets Ratio (CRAR) (Refer Note 78.1)	36,075.62	1,29,204.99	27.92%	21.57%	29.44%	The profitability of the company has increased Q-o-Q, primarily on account of improvement in asset quality and business numbers, due to this the retained earnings of the company has seen a sharpen which automatically impacted the Tier-1 Capital in a positive manner. Improvement in LCR due to the renewal of certain bank facilities which got impacted after FY 22 results and change in the borrowing mix form short term to long term which helped company to prepare for adversities.
Tier I CRAR (Refer Note 78.1)	36,075.62	1,29,204.99	27.92%	21.11%	32.27%	
Tier II CRAR (Refer Note 78.1)	-	1,29,204.99	0.00%	0.46%	-100.00%	
Liquidity Coverage Ratio	26,504.69	9,168.00	289%	141%	105.04%	

78.1 Computation of CRAR ratio for the year ended 31st March 2022 is after considering change in accounting policy as referred in Note 41.

79. OTHER STATUTORY INFORMATION

79.1 No Benami Property are held by the Company and or no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

79.2 The company has searched transactions with Struck-off companies by comparing company's counter parties with publicly available database of struck of companies through a manual name search. Based on such a manual search, no party identified to be reported in the financial statements.

79.3 There is no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.

79.4 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

79.5 Other than the transactions that are carried out as part of Company' normal lending business: A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries; B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide

any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

79.6 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

79.7 There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

79.8 The Company has in respect of the investments made, complied with no of layers as defined under section 2(87) of the Companies Act, 2013.

79.9 The Company has nothing to report on compliance with approved Scheme(s) of Arrangements.

79.10 There are no differences between the quarterly returns of assets given as security submitted to the banks and the books of account.

80. EVENTS AFTER THE REPORTING DATE / OTHER DEVELOPMENTS

80.1 Material events occurring after the balance sheet date are taken into cognizance and there are no other events after the reporting date that require disclosure in the financial statements.

80.2 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The impact of changes if any arising on enactment of the Code will be assessed by the company after the effective date of the same and the rules thereunder are notified

81. Previous year figures, unless otherwise stated, are given within brackets and have been reworked, regrouped, re-arranged and re-classified to conform to the current year presentation." Company has presented current year figures in ₹ lakhs rounded upto two decimals vis-a-vis previous year figures rounded upto zero decimals

Note: The accompanying notes form an integral part of the financial statements (Note No:1-81)

As per our separate report of even date attached

For PKF Sridhar & Santhanam LLP
Chartered Accountants
FRN No:003990S/S200018

For and on behalf of the Board of Directors of
MUTHOOT CAPITAL SERVICES LIMITED

Sd/-
VISWANADH VNSS KUCHI
Partner
Membership No: 210789
UDIN: 23210789BGYTBR2002

Sd/-
THOMAS JOHN MUTHOOT
Chairman
DIN: 00011618

Sd/-
THOMAS GEORGE MUTHOOT
Managing Director
DIN: 00011552

Sd/-
THOMAS MUTHOOT
Director
DIN: 00082099

Sd/-
RAMANDEEP SINGH
Chief Finance Officer

Sd/-
DEEPA G0PALA KRISHNAN
Company Secretary &
Compliance Officer
Membership No: 68790

Place: Kochi
Date: 19th May 2023

#MuthootBlue

Designed by: doit advertising-+91 8369462351







- TWO WHEELER LOANS
- USED CAR LOANS
- SECURED BUSINESS LOANS
- FIXED DEPOSITS
- SUBORDINATE DEBTS
- LOYALTY LOANS



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PAPPACHAN muthoot CAPITAL